

# SEASIDE COUNTY SANITATION DISTRICT

## AGENDA

REGULAR MEETING

Seaside Council Chamber

440 Harcourt Avenue

Tuesday, March 10, 2026

9:30 AM

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Virtual Participation Guide: <https://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas>  
<https://ci-seaside-ca-us.zoom.us/j/88922218260> | Webinar ID 889 2221 8260 | 1-669-900-9128

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**1. CALL TO ORDER**

**2. ROLL CALL - SANITATION DISTRICT  
BOARD OF DIRECTORS**

Ian N. Oglesby

Chair

Jerry Blackwelder

First Vice Chair

John Uy

Second Vice Chair

**3. REVIEW OF AGENDA**

*If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).*

**4. PUBLIC COMMENT**

*Members of the public wishing to address the Seaside County Sanitation District on matters within the jurisdiction of the Board, but not on this agenda, may do so during Public Comment period for up to two minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.*

**5. CONSENT AGENDA**

**A. APPROVE MINUTES FROM FEBRUARY 10, 2026, REGULAR MEETING**

**B. ACCEPT AND FILE THE FISCAL YEAR ENDING JUNE 30, 2025 ANNUAL FINANCIAL REPORT FOR THE SEASIDE COUNTY SANITATION DISTRICT**

**RECOMMENDATION:** Receive and accept the June 30, 2025 Annual Financial Report for the Seaside County Sanitation District.

**C. RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR FEBRUARY 2026**

**PURPOSE:** Receive Seaside County Sanitation District operations report for February 2026.

**RECOMMENDATION:** Accept reports. This item is presented for information only.

**D. ADOPT A RESOLUTION APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICE WITH THE COUNTY COUNSEL'S OFFICE OF THE COUNTY OF MONTEREY FOR LEGAL SERVICES FOR THE DISTRICT FOR AN AMOUNT NOT TO EXCEED \$10,000.00 PER FISCAL YEAR**

**PURPOSE:** Approve the Professional Services Agreement

**RECOMMENDATION:** Approve the Professional Services Agreement

**6. NEW BUSINESS**

**7. UPDATES FROM STAFF**

*This is a time specifically set aside for Staff to provide updates on non-agendized requests from the Board, and to provide brief information on topics under the purview of the Board. The Board may wish to ask questions or discuss a staff update, but no action is appropriate other than referral to staff, or request that a matter be set as a future Agenda item.*

**8. COMMENTS FROM BOARD MEMBERS**

**9. ADJOURNMENT**

Next Regularly Scheduled Meeting:  
April 14, 2026  
9:30 AM

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The Laguna Grande Regional Joint Powers Authority is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the Seaside City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings. Agenda-related writings or documents provided during public meetings are available for

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public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.



**DRAFT MINUTES**  
SEASIDE COUNTY SANITATION DISTRICT  
Tuesday, February 10, 2026 9:30 AM  
**REGULAR MEETING**  
Seaside Council Chamber

**1. CALL TO ORDER**

Chair Oglesby called the meeting to order at 9:30 a.m.

**2. ROLL CALL - SANITATION DISTRICT**

Present: Blackwelder, Burger (Del Rey Oak's Alternate), Oglesby

**3. REVIEW OF AGENDA**

None

**4. PUBLIC COMMENT**

None

**5. CONSENT AGENDA**

On motion by Alternate Second Vice Chair Burger, and seconded by First Vice Chair Blackwelder, and passed by the following vote, the Seaside County Sanitation District Board moved to approve the Consent Agenda as presented.

RESULT: 3-0-0-0

AYES: Jerry Blackwelder, Mike Burger, Ian Oglesby

NOES: None

ABSTAIN: None

ABSENT: None

**A. APPROVE MINUTES FROM JANUARY 13, 2026, REGULAR MEETING**

Action: **Approved**

**B. RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR JANUARY 2026**

Action: **Received**

**6. UPDATES FROM STAFF**

District Engineer Thomas Korman provided a brief update:

- The professional services contract with Wallace Group for the update to the Sanitary Sewer Master Plan has been executed and work is underway.
- In coordination with the City of Seaside's Broadway Complete Streets Project, staff is analyzing the sanitary sewer system beneath Broadway to evaluate potential upgrades and capacity improvements to avoid future rework.

Associate Engineer Patrick Grogan also provided a brief update:

Maintenance Updates:

Sand City:

- Proposals were solicited for flow monitoring of larger sewer mains where brick manholes are scheduled for lining.
- Flow monitoring will determine whether lining can occur while live or if diversion is required.
- Brick manholes are generally in good condition but require minor grouting prior to epoxy lining to extend service life.

City of Seaside:

- In-house staff began structure inspections ahead of planned paving projects.
- Evaluation includes sewer lines longer than 400 feet for potential additional manholes.
- Staff is identifying manhole repairs and rod hole upsizing needs.

Del Rey Oaks:

- Staff coordinated with the Public Works Director regarding upcoming paving projects.
- One anticipated project next year will undergo structure evaluation prior to paving.

**7. COMMENTS FROM BOARD MEMBERS**

There were no comments from Board members. There were no comments from legal counsel.

**8. ADJOURNMENT**

On motion, the meeting was adjourned at 9:36 a.m.

**Respectfully Submitted,**

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**Rosa Salcedo, District Clerk**

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**Ian N. Oglesby, Chair**



**SEASIDE COUNTY SANITATION DISTRICT  
STAFF REPORT**

**Item No.: 5.B.**

**TO:** Seaside County Sanitation District

**FROM:** Greg McDanel, District Manager

**BY:** Jessica Riley, Finance Director

**DATE:** March 10, 2026

**SUBJECT: ACCEPT AND FILE THE FISCAL YEAR ENDING JUNE 30, 2025  
ANNUAL FINANCIAL REPORT FOR THE SEASIDE COUNTY  
SANITATION DISTRICT**

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**RECOMMENDATION**

Receive and accept the June 30, 2025 Annual Financial Report for the Seaside County Sanitation District.

**BACKGROUND**

The Seaside County Sanitation District's Annual Financial Report for the year ending June 30, 2025 is complete and audited. The auditors have given the City a clean opinion on the financial statements.

A copy of the District's report is attached to this agenda item.

The firm of Maze and Associates, from Pleasant Hill, California performed the District's audit for the year ending June 20, 2025.

**FISCAL IMPACT**

The cost of the annual audit is included in the annual budget.

**ATTACHMENTS**

1. SCSD FY25-RC Signed
  2. SCSD FY.25-BFS Signed
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Reviewed for Submission to the  
Board by:



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Greg McDanel, District Manager

**SEASIDE COUNTY SANITATION DISTRICT**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2025**

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SEASIDE COUNTY SANITATION DISTRICT

REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2025

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## REQUIRED COMMUNICATIONS

Board of Directors  
Seaside County Sanitation District  
Seaside, California

We have audited the basic financial statements of the Seaside County Sanitation District (SCSD) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 15, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

*Accounting Policies* - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SCSD are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as follows:

**GASB 101 – *Compensated Absences***  
**GASB 102 – *Certain Risk Disclosures***

The pronouncements above did not have a material effect on the financial statements.

*Unusual Transactions, Controversial or Emerging Areas* - We noted no transactions entered into by SCSD during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates* - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting SCSD's financial statements were:

- *Estimated Fair Value of Investments*: As of June 30, 2025, SCSD held approximately \$7.1 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2025. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2025.

- *Estimate of Depreciation:* Management’s estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1E to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Disclosures* - The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on SCSD’s financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Commission.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated January 15, 2026.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves the application of an accounting principle to SCSD’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SCSD’s auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

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This information is intended solely for the use of the Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
January 15, 2026

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**SEASIDE COUNTY SANITATION DISTRICT**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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**SEASIDE COUNTY SANITATION DISTRICT  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Seaside County Sanitation District  
Seaside, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Seaside County Sanitation District (District), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
January 15, 2026

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Seaside County Sanitation District (District), we offer readers of the District's financial statements this discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. Please read this overview in conjunction with the basic financial statements and accompanying notes to those financial statements.

**SEASIDE COUNTY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded liabilities as of June 30, 2025 by \$20.7 million, an increase of \$906 thousand.
- Total District revenues were \$3.0 million in fiscal year 2024-2025.
- Total District expenses were \$2.1 million in fiscal year 2024-2025.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's Basic Financial Statements. The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows provide information about the activities of the District. The financial statements also include various footnote disclosures, which further describe the District activities.

During the fiscal year ended June 30, 2025, net position increased by \$906 thousand, mainly due to the District's ongoing charges for services revenue, which continues to support its long-term financial health. The District also increased its expenditures to fund major capital renovations needed to update the sewer system. Additionally, the District saw a decrease in property tax revenue of \$120 thousand, or 17.5%, compared to the prior year. This decrease is due to an accounting change that now reflects the redevelopment passthrough portion of property tax revenue when it is earned, rather than when it is actually received.

A portion of the District's net position, \$13.4 million, reflects its investment in capital assets such as infrastructure, machinery, vehicles, and equipment, minus any related outstanding debt. Capital Assets represent a significant portion of net position, \$13.4 million or 65%. The District's cash and investments are \$7.1 million, representing 34% of total net position.

**Table 1  
Statement of Net Position**

	2025	2024
Current and Other Assets	\$ 7,539,831	\$ 6,236,844
Capital Assets	13,425,829	13,694,460
Total Assets	20,965,660	19,931,304
Current Liabilities	228,792	100,335
Long-Term Liabilities	-	-
Total Liabilities	228,792	100,335
Net Investment in Capital Assets	13,425,829	13,694,460
Restricted - Capital Projects		
Unrestricted	7,311,039	6,136,509
Total Net Position	\$ 20,736,868	\$ 19,830,969

**SEASIDE COUNTY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

For the fiscal year ended June 30, 2025, revenue decreased by \$1.3 million while expenses increased by \$41 thousand. The decline in revenue primarily reflects a normalization in sewer connection fees collected after a one-time increase from a large hotel development project in fiscal year 2023-24.

**Table 2  
Statement of Revenues, Expenses, and Changes in Net Position**

	2025	2024
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,258,952	\$ 3,583,489
General Revenues:		
Property Tax	567,718	688,075
Investment Earnings	148,517	51,862
Other Revenues		
Total Revenues	2,975,187	4,323,426
Expenses:		
Sanitation	2,069,288	2,028,183
CHANGE IN NET POSITION	905,899	2,295,243
Net Position - July 1	19,830,969	17,535,726
NET POSITION - JUNE 30	20,736,868	19,830,969

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The capital assets of the District are those assets, which are used in the performance of the District's functions, including infrastructure assets.

As of June 30, 2025 the District's investment in capital assets amounted to \$13.4 million (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, equipment, and construction in progress.

**SEASIDE COUNTY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

The table below provides a comparison of the District's capital assets for the current and prior years. Net Capital Assets have decreased due to the amount of depreciation of existing Capital Assets outpacing the increase in the amount of New Capital Assets put into service.

**Table 3  
Capital Assets, Net of Accumulated Depreciation**

	2025	2024
Intangible	\$ 164,066	\$ 164,066
Construction in Progress	-	-
Equipment	(26,822)	21,595
Infrastructure	13,288,585	13,508,799
Total	\$ 13,425,829	\$ 13,694,460

For additional information on capital assets, see Note 3.

**Long-Term Obligations**

At June 30, 2025, the District's total long-term obligations were \$0. The long-term obligations of the district matured at June 30, 2022. The prior year long-term obligations were for the lease of vehicles.

**REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of the District's finances for all those with interest in them. Questions concerning any of the information provided in this report or requests for additional information, contact the Finance Director at 440 Harcourt Avenue, Seaside, California 93955, phone (813) 899-6716, or email at jriley@ci.seaside.ca.us.

**SEASIDE COUNTY SANITATION DISTRICT**

**STATEMENT OF NET POSITION**

**June 30, 2025**

**ASSETS**

Current Assets:

Cash and Investments	\$ 7,126,987
User Fees Receivable	412,844
Total Current Assets	<u>7,539,831</u>

Non-Current Assets:

Capital Assets:

Nondepreciable	164,066
Depreciable, Net of Accumulated Depreciation	<u>13,261,763</u>
Total Net Capital Assets	<u>13,425,829</u>
Total Assets	<u>20,965,660</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	62,251
Interest Payable	1,371
Deposits from Others	12,538
Unearned Revenue	<u>152,632</u>
Total Liabilities	<u>228,792</u>

**NET POSITION**

Net Investment in Capital Assets	13,425,829
Unrestricted	<u>7,311,039</u>
Total Net Position	<u>\$ 20,736,868</u>

See accompanying Notes to Basic Financial Statements.

**SEASIDE COUNTY SANITATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2025**

**OPERATING REVENUES**

Charges for Service	\$ 2,258,952
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**OPERATING EXPENSES**

Contracted Salaries and Wages	532,935
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Services and Supplies	1,172,695
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Depreciation	363,658
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Total Operating Expenses	<u>2,069,288</u>
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<b>OPERATING INCOME</b>	189,664
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**NONOPERATING REVENUES (EXPENSES)**

Interest Income	148,517
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Secured and Unsecured Property Taxes	<u>567,718</u>
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Total nonoperating expenses	<u>716,235</u>
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<b>CHANGE IN NET POSITION</b>	905,899
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Net Position - Beginning of year	<u>19,830,969</u>
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<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 20,736,868</u></u>
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See accompanying Notes to Basic Financial Statements.

**SEASIDE COUNTY SANITATION DISTRICT  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers	\$ 3,430,673
Payments for Contracted Salaries and Wages	(557,110)
Payments to Suppliers	<u>(1,172,695)</u>
Net Cash Provided by Operating Activities	<u>1,700,868</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Property Taxes	567,718
Short-term Loan paid to City of Seaside	<u>-</u>
Net Cash Flows Provided by Noncapital Financing Activities	<u>567,718</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Purchase of Capital Assets	<u>(95,027)</u>
Net Cash Flows Used for Capital and Related Financing Activities	<u>(95,027)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Income	<u>148,517</u>
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**NET DECREASE IN CASH AND CASH EQUIVALENTS**

	<u>2,322,076</u>
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**CASH AND CASH EQUIVALENTS - END OF YEAR**

	<u><u>\$ 7,126,987</u></u>
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**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 189,664
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	363,658
(Increase) Decrease in Assets:	
Receivables	1,019,089
(Increase) Decrease in Liabilities:	
Accounts Payable	(24,175)
Unearned Revenue	152,632
Net Cash Provided by Operating Activities	<u><u>\$ 1,700,868</u></u>

See accompanying Notes to Basic Financial Statements.

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**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Seaside County Sanitation District (District) are prepared in accordance with accounting principles generally accepted in the United States of America. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Reporting Entity**

The District is responsible for the transportation of sewage waste from residential and commercial buildings to a sewage treatment plant operated by the Monterey Regional Waste Pollution Control Agency. In addition, the District installs and maintains sewer lines and lift stations. The governing board consists of one appointed member each from the Cities of Del Rey Oaks, Sand City, and Seaside.

The District's basic financial statements include the operations of all organizations for which the Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability of fiscal matters. No operations of other entities met the aforementioned oversight criteria for inclusion from the accompanying basic financial statements.

The District is reported as a custodial fund on the City of Seaside's (City) financial statements.

**B. Basis of Presentation and Accounting**

The accompanying financial statements of the District are prepared on the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units.

All activities of the District are accounted for within an enterprise fund. Enterprise funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation and Accounting (Continued)**

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. In accordance with GASB No. 33, *Accounting and Reporting for Nonexchange Transactions*, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and resources are available. Revenues from sales tax are recognized when the underlying transactions take place and the resources are available. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied and the resources are available.

**C. Cash and Cash Equivalents**

The District's cash and investments are cash held by the County of Monterey (County) and the City of Seaside.

**D. Receivables**

Receivables consist of user fees and connections fee which are billed and collected by the County. The District believes its receivables are to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

**E. Capital Assets**

Capital assets, which include intangible assets, construction in progress, infrastructure, vehicles, and equipment, are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date contributed. The District defines capital assets as assets with an initial individual cost of more than \$25,000 for infrastructure and \$5,000 for all other assets, and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method of depreciation over the estimated useful lives as follows:

Vehicles and Equipment	5-15 Years
Infrastructure	50-75 Years

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Net Position**

Net position comprises the various net earnings from operating and nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following three components: Net investment in capital assets; restricted; and unrestricted net position. Net investment in capital assets, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. The District's restricted net position consists of monies set aside for future capital project outlays. Unrestricted net position consists of all other net position not included in the above categories.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

**G. Property Taxes**

The District receives property taxes from the County, which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1 on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

**H. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments at June 30, 2025 consisted of the following:

Cash and Investments with the County of Monterey	\$ 5,624,167
Cash and Investments with the City of Seaside	1,502,820
Total Cash and Investments	\$ 7,126,987

**Investments Authorized by California Government Code and the District’s Investment Policy**

The District’s investment policy authorizes investment in all investments authorized under provisions of California Government Code Section 53601.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates.

<u>Authorized Investment Type</u>	Maturity (in Years) (12 Months or Less)
Monterey County Investment Pool	\$ 5,624,167
City of Seaside Investment Pool	1,502,820
Total	\$ 7,126,987

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The credit rating and other information regarding the investments for the Monterey County pool are disclosed in the annual financial reports for the County.

<u>Authorized Investment Type</u>	Rating as of Year End Not Rated
Monterey County Investment Pool	\$ 5,624,167
City of Seaside Investment Pool	1,502,820
Total	\$ 7,126,987

**SEASIDE COUNTY SANITATION DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2025**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Districts deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

*Level 1* Investments reflect prices quoted in active markets,

*Level 2* Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,

*Level 3* Investments reflect prices based upon unobservable sources.

The District has no investments measured at fair value hierarchy as of June 30, 2025:

Investments measured at amortized cost:

Monterey County Investment Pool	\$	5,624,167
City of Seaside Investment Pool		1,502,820
Total Pooled Investments	\$	7,126,987

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investment in the Monterey County Investment Pool**

The District is a voluntary participant in the County Investment Pool which is regulated by the California Government Code under the oversight of the County Treasurer. The fair value of the District's investment in this pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire investment portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the County Treasurer. The investment portfolio maintains a weighted average maturity of less than one year.

**NOTE 3 CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Deletions /Adjustments	Transfers	Balance June 30, 2025
Nondepreciable Capital Assets					
Intangible Assets	\$ 164,066	\$ -	\$ -	\$ -	\$ 164,066
Construction in Progress	-	75,873	-	(75,873)	-
Total Nondepreciable Capital Assets	164,066	75,873	-	(75,873)	164,066
Depreciable Capital Assets					
Intangible - Master Plan	340,028	-	-	-	340,028
Equipment and Vehicles	957,469	19,154	(26,526)	-	950,097
Infrastructure	19,675,655	-	-	75,873	19,751,528
Total Depreciable Capital Assets	20,973,152	19,154	(26,526)	75,873	21,041,653
Less Accumulated Depreciation:					
Intangible - Master Plan	(340,028)	-	-	-	(340,028)
Equipment and Vehicles	(935,874)	(67,571)	26,526	-	(976,919)
Infrastructure	(6,166,856)	(296,087)	-	-	(6,462,943)
Total Accumulated Depreciation	(7,442,758)	(363,658)	26,526	-	(7,779,890)
Net Depreciable Capital Assets	13,530,394	(344,504)	-	75,873	13,261,763
Net Capital Assets	\$ 13,694,460	\$ (268,631)	\$ -	\$ -	\$ 13,425,829

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 RISK MANAGEMENT**

**A. Liability, Workers' Compensation, and Purchased Insurance**

**1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The Seaside County Sanitation District is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**B. Primary Self-Insurance Programs of the Authority**

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 RISK MANAGEMENT (CONTINUED)**

**B. Primary Self-Insurance Programs of the Authority (Continued)**

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2024-25 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**C. Purchased Insurance**

Pollution Legal Liability Insurance

The Seaside County Sanitation District participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the Seaside County Sanitation District. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The Seaside County Sanitation District participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. Seaside County Sanitation District property is currently insured according to a schedule of covered property submitted by the Seaside County Sanitation District to the Authority. Seaside County Sanitation District property currently has all-risk property insurance protection in the amount of Non Participant. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**SEASIDE COUNTY SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 RISK MANAGEMENT (CONTINUED)**

**C. Purchased Insurance (Continued)**

Earthquake and Flood Insurance

The Seaside County Sanitation District purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. Seaside County Sanitation District property currently has earthquake protection in the amount of Non Participant. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The Seaside County Sanitation District purchases crime insurance coverage in the amount of Non Participant with a Non Participant deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

The Seaside County Sanitation District further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the Seaside County Sanitation District according to a schedule. The Seaside County Sanitation District then pays for the insurance. The insurance is facilitated by the Authority.

**D. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2024-25.

**NOTE 5 RELATED PARTY TRANSACTIONS**

The City performs maintenance and administrative services for the District. In this regard, the City charged the district \$534,134 for the fiscal year ended June 30, 2025.

## **OTHER REPORTS**

**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***

Board of Directors  
Seaside County Sanitation District  
Seaside, 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 basic financial statements of the Seaside County Sanitation District (District), as of and for the year ended June 30, 2025, and have issued our report thereon dated January 15, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing 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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 District’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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’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 financial statements. 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 that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated January 15, 2025 which is an integral part of our audit and should be read in conjunction with this report.

### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze & Associates*

Pleasant Hill, California  
January 15, 2026



**SEASIDE COUNTY SANITATION DISTRICT  
STAFF REPORT**

**Item No.: 5.C.**

**TO:** Seaside County Sanitation District

**FROM:** Greg McDanel, District Manager

**BY:** Patrick Grogan, Associate Engineer  
Aaron Hahn, Junior Engineer  
Thomas Korman, Public Works Director/City Engineer

**DATE:** March 10, 2026

**SUBJECT: RECEIVE SEASIDE COUNTY SANITATION DISTRICT  
OPERATIONS REPORT FOR FEBRUARY 2026**

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**PURPOSE**

Receive Seaside County Sanitation District operations report for February 2026.

**RECOMMENDATION**

Accept reports. This item is presented for information only.

**BACKGROUND**

Attached is the Seaside County Sanitation District Operations Report and flush map for February 2026.

**FISCAL IMPACT**

There is no fiscal impact associated with this item.

**ATTACHMENTS**

1. Flush Map February 2025-2026
-

2. Monthly Sanitation Report February 25-26

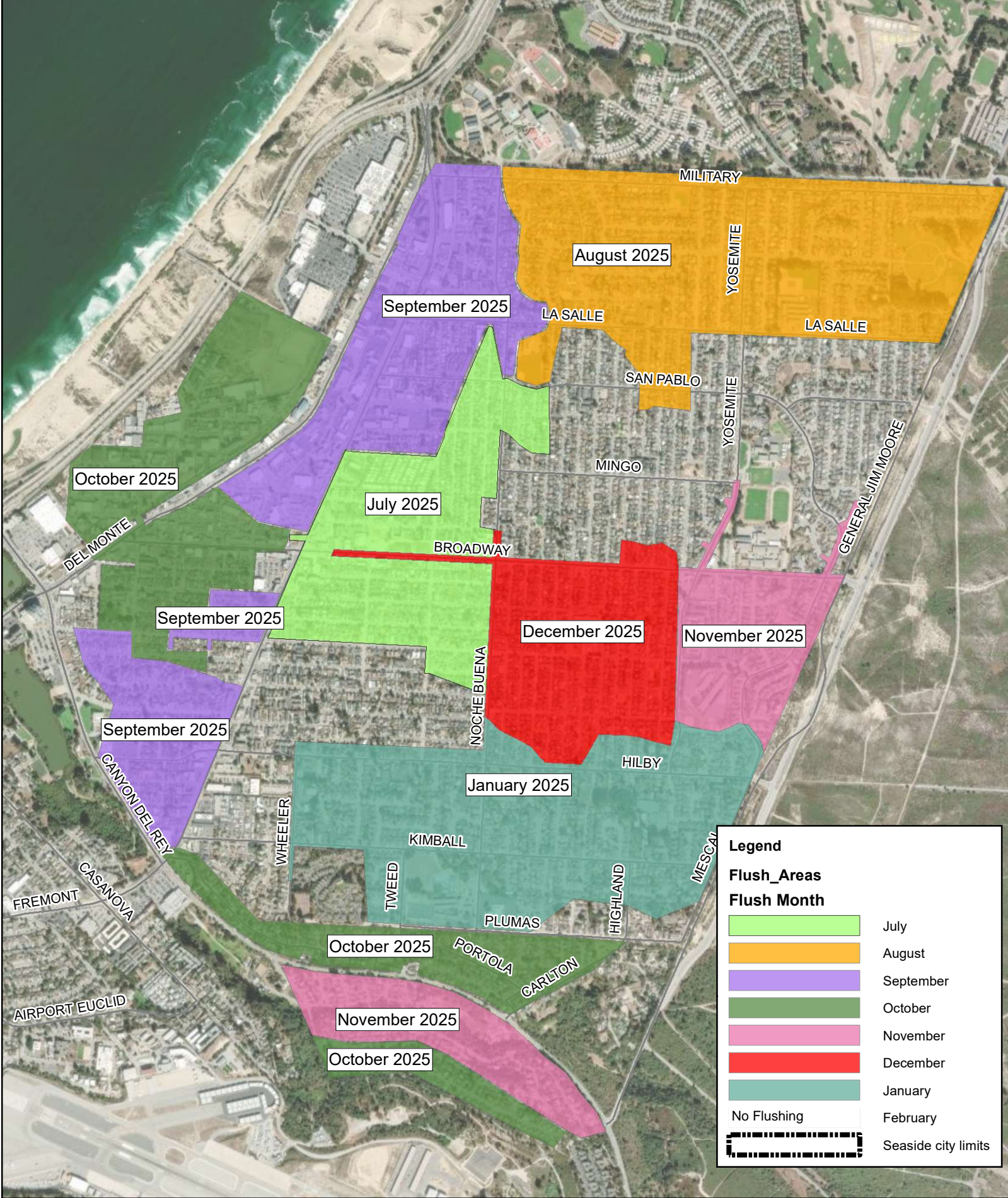
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Reviewed for Submission to the  
Board by:



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Greg McDanel, District Manager

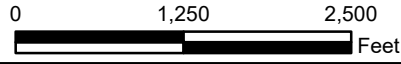


**Legend**

**Flush\_Areas**

**Flush Month**

	July
	August
	September
	October
	November
	December
	January
	February
	Seaside city limits



Source: SCSD, AMBAG

SEASIDE COUNTY SANITATION DISTRICT

# Flush Map: 2025-2026

## Seaside County Sanitation District Operations Report

Fiscal Year 2025/2026 Month of February

	Del Rey Oaks (42,240)		Sand City (26,400)		Seaside (316,800)		District Totals (385,440 ft.)	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
<b>Maintenance</b>								
Mainline Rodded	0	0	0	0	0	0	0	0
Main Line Jetted	762	36,763	277	16,430	6,218	282,540	7,257	335,733
Main Line Video		726		0		12,123	0	14,608
Main Lines Treated for Grease Control (Jet Power II)	762	3,400	277	2,216	6,218	51,742	7,257	57,358
Mainline Root Treatment		232		0		5,324	0	4,524
<b>Stoppages &amp; Overflows</b>								
Main Line	0	0	0	0	0	1	0	2
Laterals	0	0	0	0	0	4	0	4
SSO's	0	1	0	0	0	2	0	3

### Sewer Repairs

#### Sewer Video (Outside of regular maintenance work)

None

#### Stoppage Locations

##### Del Rey Oaks

None

##### Sand City

None

##### Seaside

None

#### Overflow/SSO Locations

##### Del Rey Oaks

None

##### Sand City

None

##### Seaside

None



**SEASIDE COUNTY SANITATION DISTRICT  
STAFF REPORT**

**Item No.: 5.D.**

**TO:** Seaside County Sanitation District

**FROM:** Greg McDanel, District Manager

**BY:** Patrick Grogan, Associate Engineer

**DATE:** March 10, 2026

**SUBJECT: ADOPT A RESOLUTION APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICE WITH THE COUNTY COUNSEL'S OFFICE OF THE COUNTY OF MONTEREY FOR LEGAL SERVICES FOR THE DISTRICT FOR AN AMOUNT NOT TO EXCEED \$10,000.00 PER FISCAL YEAR**

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**PURPOSE**

Approve the Professional Services Agreement

**RECOMMENDATION**

Approve the Professional Services Agreement

**BACKGROUND**

The District entered into a contract with the County Counsel's office for the provision of legal services to the District on August 1, 1997. In general, this contract has worked well; in instances where the assigned attorney from the County Counsel's office has to sit out due to an actual or perceived conflict of interest, another designated attorney will be selected to provide temporary legal services to the District. The contract between the two parties contains the usual provisions that either party may terminate the contract with specified advance notice.

On April 3, 2014, the District re-evaluated the agreement, considering the type of legal services desired over the next several years, and approved continuation of the 1997

Legal Services Agreement with the County Counsel's office.

In February of this year, the County Counsel's office submitted an Agreement for Professional Service for consideration and approval in lieu of the 1997 Legal Services Agreement. The new agreement updates standard language, the rates, and includes an annual Not to Exceed Amount of \$10,000.00.

Staff presents the new Agreement to the Board for consideration and approval in order for the County Counsel's office to continue to provide legal services to the District.

Alternatively, the Board could recommend changes to the agreement or request staff pursue solicitation of local firms to submit a response to a Request for Qualification/Proposal.

### **FISCAL IMPACT**

There are sufficient funds in the Legal Services account (951-8810-1022) to support the \$10,000 Not-to-Exceed amount for Fiscal Year 2025-2026 and will be included in the budget development for future years.

### **ATTACHMENTS**

1. Resolution
2. Agreement for Professional Services
3. Legal Services Agreement-1997

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Reviewed for Submission to the  
Board by:



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Greg McDanel, District Manager

**RESOLUTION NO. 26-XX**

**A RESOLUTION OF THE DISTRICT BOARD OF THE SEASIDE COUNTY  
SANITATION DISTRICT**

**APPROVE AN AGREEMENT FOR PROFESSIONAL SERVICE WITH THE COUNTY  
COUNSEL'S OFFICE OF THE COUNTY OF MONTEREY FOR LEGAL SERVICES  
FOR THE DISTRICT FOR AN AMOUNT NOT TO EXCEED \$10,000.00 PER  
FISCAL YEAR**

**WHEREAS**, the District entered into a contract with the County Counsel's office for the provision of legal services to the District on August 1, 1997; and

**WHEREAS**, the contract between the two parties contains the usual provisions that either party may terminate the contract with specified advance notice; and

**WHEREAS**, the District re-evaluated the agreement on April 2, 2014 and approved continuation of the agreement; and

**WHEREAS**, in February of this year, the County Counsel's office submitted an Agreement for Professional Services for consideration and approval; and

**WHEREAS**, the agreement updates standard language, the rates, and includes an annual Not to Exceed Amount of \$10,000.00.; and

**WHEREAS**, the Legal Services Account No. 951-8810-1022 has adequate funds to cover the additional costs needed for the extra work.

**NOW THEREFORE, BE IT RESOLVED**, that the District Board of the Seaside County Sanitation District authorizes the District Manager to execute the Agreement for Professional Services with County Counsel's Office of The County of Monterey in a Not to Exceed amount of \$10,000.00 per year for legal services for the District.

**PASSED AND ADOPTED** at a regular meeting of the District Board of the Seaside County Sanitation District duly held on the 10th day of March 2026, by the following vote:

AYES: BOARD MEMBERS  
NOES: BOARD MEMBERS  
ABSENT: BOARD MEMBERS  
ABSTAIN: BOARD MEMBERS

APPROVED:

---

Ian Oglesby, Chair

ATTEST:

---

Dominique L. Davis, District Clerk

APPROVED TO FORM:

---

Reed W. Gallogly, District Counsel

AGREEMENT FOR PROFESSIONAL SERVICES

between the

**SEASIDE COUNTY SANITATION DISTRICT**

and the

COUNTY COUNSEL'S OFFICE OF THE COUNTY OF MONTEREY

This Professional Services Agreement ("Agreement") is made and entered into by and between **SEASIDE COUNTY SANITATION DISTRICT**, is a Special District and is governed by the applicable general laws of the State of California ("District") and the Office of the County Counsel, County of Monterey ("Attorney").

In consideration of the mutual covenants and conditions set forth in this Agreement the Parties agree as follows:

1. **SERVICES TO BE PROVIDED.** DISTRICT hereby engages Attorney, and Attorney hereby agrees to perform the services described in Exhibit B in conformity with the terms of this Agreement. These services are generally described as the provision of Brown Act, conflict of interest, Public Records Act requests, and related legal services for DISTRICT. The primary attorney assigned shall be **Deputy County Counsel Reed Gallogly**, although other attorneys may be assigned or utilized from time-to-time as may be necessary or appropriate.

2. **PAYMENTS BY DISTRICT.** DISTRICT shall pay Attorney in accordance with the payment provisions set forth in Exhibit A (Standard Provisions). Compensation shall be payable at an hourly rate as specified in Exhibit C. The hourly rate may be adjusted annually by Attorney by providing written notice to DISTRICT as detailed in Exhibit C.

2.01 Not to Exceed Amount. Notwithstanding the foregoing, the total amount payable by DISTRICT to Attorney pursuant to this Agreement shall not exceed **\$10,000.00** per DISTRICT fiscal year (July 1 through June 30).

3. **TERM OF AGREEMENT.** The term of this Agreement is from February 1, 2026, until terminated as set forth herein.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement.

Exhibit A	Standard Provisions
Exhibit B	Scope of Services
Exhibit C	Hourly rates

5. **CONTRACT ADMINISTRATORS.**

FOR DISTRICT:  
**SEASIDE COUNTY SANITATION DISTRICT;**  
Thomas Korman, District Engineer  
440 Harcourt Avenue  
Seaside, CA 93955  
(831) 899-6838

FOR ATTORNEY:  
Susan K. Blich, County Counsel  
Office of the County Counsel  
County of Monterey  
168 W. Alisal Street, 3<sup>rd</sup> Floor  
Salinas, CA 93901  
(831) 755-5045

IN WITNESS WHEREOF, DISTRICT and Attorney have executed this Agreement as of the last date opposite the respective signatures below.

**SEASIDE COUNTY SANITATION DISTRICT**

**OFFICE OF THE MONTEREY COUNTY COUNSEL**

By: \_\_\_\_\_  
Greg McDaniel, District Manager

By: \_\_\_\_\_  
Susan K. Blich, County Counsel

Approved as to Form:

By: \_\_\_\_\_  
Reed W. Gallogly, Deputy County Counsel  
Office of County Counsel

EXHIBIT A  
STANDARD PROVISIONS

1. PERFORMANCE STANDARDS

Attorney warrants that Attorney and Attorney's employees performing services hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement.

Attorney and its employees shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

Attorney shall furnish, at its own expense, all materials equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. Attorney shall not use DISTRICT premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

2. PAYMENT CONDITIONS

Attorney shall submit to DISTRICT's Contract Administrator an invoice on a form acceptable to DISTRICT. Such invoice shall be submitted monthly. The invoice shall set forth the amounts claimed by Attorney for the previous month, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as DISTRICT may require. The Contract Administrator or designee shall certify the invoice, either in the requested amount or in such other amount as DISTRICT approved in conformity with this Agreement. A check shall be issued in the certified amount, within 30 days of receiving the invoice, to Attorney.

Attorney shall not receive reimbursement for travel expenses unless set forth in Exhibit C.

3. TERMINATION

3.01. During the term of this Agreement, either party may terminate the Agreement by giving written notice of termination to the other party at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, DISTRICT shall pay to Attorney all sums due for services rendered prior to the date of termination.

3.02. DISTRICT may cancel and terminate this Agreement for good cause effective immediately upon written notice to Attorney. "Good cause" includes but is not limited to the failure of Attorney to perform the required services at the time and in the manner provided herein. If DISTRICT terminates this Agreement for good

cause, DISTRICT shall pay to Attorney all sums due for services rendered prior to the date of termination.

#### 4. INDEMNIFICATION

4.01 Attorney shall indemnify, defend, and hold harmless DISTRICT and its officers, agents, and employees from and against the following: any and all claims, liabilities, and losses whatsoever (together with any expenses related thereto, including but not limited to damages, court costs, and attorneys' fees) occurring or resulting to any person, firm or corporation for damage, injury or death, to the extent that such claims, liabilities, or losses arise out of, are alleged to arise of, or connected with the wrongful, willful, or negligent act or omission of Attorney, its officers, employees or agents in the performance of this Agreement.

#### 5. INSURANCE

5.01. DISTRICT recognizes that Attorney is a constituent part of a public entity, the County of Monterey. The County maintains general liability coverage that will also provide coverage for professional negligence, with a self-insured retention of \$2.5 million per occurrence.

#### 6. RECORDS AND CONFIDENTIALITY

6.01. DISTRICT Confidentiality. Attorney and its officers, employees and agents shall comply with any and all federal, state, and local laws which provide for the confidentiality of records and other information. Attorney shall not disclose any confidential records or other confidential information received from DISTRICT or prepared in connection with the performance of this Agreement, unless DISTRICT specifically permits Attorney to disclose such records or information. Attorney shall promptly transmit to DISTRICT any and all requests for disclosure of any such confidential records or information. Attorney shall not use any confidential information gained by Attorney in the performance of this Agreement except for the sole purpose of carrying out Attorney's obligations under this Agreement.

6.02. DISTRICT Records. When this Agreement expires or terminates, Attorney shall return to DISTRICT any records which Attorney utilized or received from DISTRICT to perform services under this Agreement.

6.03. Maintenance of Records. Attorney shall prepare, maintain, and preserve all reports and records that may be required by federal, state, county and DISTRICT rules and regulations related to services performed under this Agreement. Attorney shall maintain such records for a period of at least three-years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending

at the end of the three-year period, then Attorney shall retain said records until such action is resolved.

6.04. Access to and Audit of Records. DISTRICT shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the Attorney related to services provided under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involved the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of DISTRICT or as part of any audit of DISTRICT, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

## 7. INDEPENDENT CONTRACTOR

In the performance of work, duties, and obligations under this Agreement, Attorney is at all times acting and performing as an independent contractor and not as an employee of DISTRICT. No offer or obligation on permanent employment with DISTRICT is intended in any manner, and Attorney shall not become entitled by virtue of this Agreement to receive from DISTRICT any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. Attorney shall be solely liable for and obligated to pay directly all applicable taxes, including but not limited to federal and state income taxes and social security, arising out of Attorney's performance of this Agreement. In connection therewith, Attorney shall defend, indemnify, and hold DISTRICT harmless from any and all liability which DISTRICT may incur because of Attorney's failure to pay such taxes.

## 8. NOTICES

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to DISTRICT's and Attorney's Contract Administrators at the addresses listed at page 2 of this Agreement.

## 9. GENERAL PROVISIONS

9.01. Conflict of Interest. Attorney covenants that he or she presently has no financial interest and shall not acquire any financial interest during the term of this Agreement which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

DISTRICT acknowledges that Attorney represents other clients, including, but not limited to: the County of Monterey, LAFCO of Monterey County, the Transportation DISTRICT for Monterey County, the Monterey County Water Resources DISTRICT, Salinas Valley Groundwater Basin Sustainability

DISTRICT, and the Monterey Bay Air Resources District, which representation may, from time-to-time, present a conflict of interest with the representation of DISTRICT. Attorney shall promptly inform DISTRICT of any situation giving rise to a conflict of interest in the representation of DISTRICT, and the parties shall confer in good faith regarding a potential waiver of any conflict. Should any conflict not be waived, DISTRICT shall seek legal services from a different attorney of its choice regarding that matter.

- 9.02. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by all the parties hereto.
- 9.03. Waiver. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 9.04. The term “Attorney” as used in this Agreement includes Attorney’s officers, agents, and employees acting on Attorney’s behalf in the performance of this Agreement.
- 9.05. Assignment and Subcontracting. Attorney shall not assign, sell, mortgage, hypothecate or otherwise transfer its interest or obligations in this Agreement without the prior written consent of DISTRICT. None of the services covered by this Agreement shall be subcontracted without the prior written approval of DISTRICT. Notwithstanding any such subcontract, Attorney shall continue to be liable for the performance of all requirements of this Agreement.
- 9.06. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the parties hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 9.07. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 9.08. Headings. The section and paragraph headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 9.09. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 9.10. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

- 9.9. Non-exclusive Agreement. This Agreement is non-Exclusive and both parties expressly reserve the right to contract with other entities for the same or similar services.
- 9.12 Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment hereto.
- 9.13 Counterparts and Electronic Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may be executed using an electronic signature service such as DocuSign or Adobe.
- 9.14. Authority. Any individual executing this Agreement on behalf of an entity represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such entity and bind the entity to the terms and conditions of the same.
- 9.15. Integration. This Agreement, including the exhibits hereto, shall represent the entire Agreement between the parties with respect to the subject matter hereof and shall supersede all prior negotiations, representations, or agreements either written or oral, between the parties as of the effective date hereof.

END OF EXHIBIT A

## EXHIBIT B

### SCOPE OF SERVICES

- Serve as DISTRICT's legal counsel related to the California Open Meeting law, California Government Code section 54950 ("Brown Act"), except where special counsel is required.
- Provide conflict of interest advice to the extent legally permissible; individuals may be directed to consult with their own counsel or seek advice from the Fair Political Practices Commission.
- Provide advice regarding California Public Records Act requests.
- Attend regular and special meetings when requested.
- Attend in-person meetings with DISTRICT's officers and employees when requested, and maintain frequent telephone and e-mail contact.
- Provide general advice to DISTRICT's Board Members, officers and employees related to the Brown Act, the conduct of meetings, and the authority of the Boards to act or refrain from acting, as requested.
- Review monthly agenda items and assist in preparation of agenda documents as requested (staff reports, resolutions, administrative items, etc.).
- Prepare legal opinions as necessary.
- Prepare occasional reports, trainings, and present information at public hearings as requested and agreed upon.
- This Agreement does not cover litigation, and, as such, a separate agreement shall be required for each instance the Office of County Counsel would represent the DISTRICT in litigation.

END OF EXHIBIT B

EXHIBIT C

HOURLY RATES

The hourly rates for all services provided pursuant to this Agreement are as follows:

<b>Legal Advisor</b>	<b>Rate</b>
Deputy County Counsel	\$340.00
Chief Deputy County Counsel	\$390.00
Assistant County Counsel	\$464.00
Chief Assistant County Counsel	\$467.00
County Counsel	\$530.00

It is anticipated that most services pursuant to this Agreement shall be provided by a Deputy County Counsel. Rates may increase by a maximum of five percent (5%) per year for a maximum of five (5) years. Attorney shall provide DISTRICT with at least fourteen (14) days-notice of any rate changes.

TRAVEL

If travel is required pursuant to any request for services by DISTRICT travel costs will be billed pursuant to the travel policy of DISTRICT.

END OF EXHIBIT C

**LEGAL SERVICES AGREEMENT  
(General Counsel Services)**

RECEIVED  
SEP 12 1997  
CITY OF SEASIDE  
P.W. / ENGR.

**THIS AGREEMENT** for legal services is made and entered into as of August 1, 1997, by and between the SEASIDE COUNTY SANITATION DISTRICT ("District") and the COUNTY OF MONTEREY through the OFFICE OF THE COUNTY COUNSEL ("County Counsel").

**Recitals**

A. The District is authorized by law to employ attorneys and to fix their compensation and desires to retain the services of the County Counsel for its General Counsel services.

B. The County Counsel has determined to provide to the District with legal services as requested by the District and as permitted and provided under law.

**Agreement**

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

**SECTION 1. RETAINER**

The District hereby retains the County Counsel to render legal advice and assistance to the District as its General Counsel. The County Counsel hereby accepts the District's retainer as General Counsel and agrees to provide such advice and assistance as requested by the District.

**SECTION 2. GENERAL SCOPE OF SERVICES**

A. The District shall have the right in its sole discretion to determine the particular services to be provided by the County Counsel from time to time under this Agreement. These services may include the following:

1. Research and examination of applicable law, and preparing memoranda and rendering opinions in connection therewith;
2. Preparation, drafting, and review of memoranda, contracts, resolutions, municipal service agreements, construction and operation contracts, grant agreements, trust indentures, rate setting

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**LEGAL SERVICES AGREEMENT  
(General Counsel Services)**

policies and procedures, and other documents necessary in aid of the District's jurisdiction;

3. Review and drafting of ordinances; research and examination of applicable law, and preparing memoranda and rendering opinions in connection therewith; and
4. Participation in meetings, personal conferences, telephone conferences, discussions, and other communications and proceedings held in furtherance of District business.

Services under this Agreement shall be performed under the direction of the District. In light of the variability of the time and complexity of the issues involved in effectuating the business of the District, the County Counsel and the District agree to consult regularly as to the level of effort which is appropriate in performing services hereunder.

B. This Agreement has been expressly authorized by the District and provides a framework under which the District may select and employ a General Counsel and other legal services from the County Counsel as the District may determine to be necessary from time to time.

**SECTION 3. COMPENSATION**

A. The District agrees to pay the County of Monterey for services rendered by the County Counsel at the rate of \$80.00 per attorney hour. The County Counsel will use the minimum number of attorneys for this engagement consistent with good professional practice after consulting with the District. Rates may be changed only by a written amendment to this Agreement signed by both parties.

B. The County Counsel will keep the District currently advised as to the level of attorney hours and client services performed, and will bill the District for services rendered on a monthly basis as set forth below.

C. The District further agrees to reimburse the County Counsel, in accordance with the procedures set forth in Section 3(A) above, for messengers, overnight deliveries, travel, lodging and meals, client-requested clerical overtime, and similar out-of-pocket expenses charged by the County Counsel as a standard practice to its clients generally. In any billing for disbursements, the County Counsel shall provide the District with a statement breaking down the amounts by category of expense. The County Counsel shall not charge a "mark-up" for any expense.

**LEGAL SERVICES AGREEMENT  
(General Counsel Services)**

D. The individual time and disbursement records customarily maintained by the County Counsel for billing evaluation and review purposes shall be made available to the District in support of bills rendered by the County Counsel.

E. The County Counsel agrees to forward to the District a statement of account for each one month period of services under this Agreement, and the District agrees to compensate the County Counsel on this basis. The County Counsel will consult regularly with the District as to the number of attorney hours and client disbursements which have been incurred to date under this Agreement, and as to future expected levels of hours and disbursements.

**SECTION 4. TERMINATION**

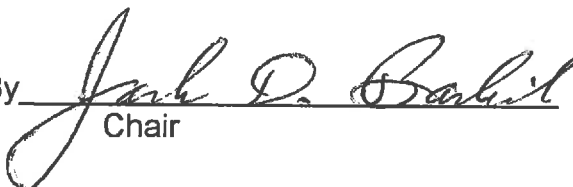
This Agreement may be terminated

1. At any time by mutual consent of both parties; or
2. By either party in its discretion effective on ten days' written notice to the other.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first set forth above.


DATED: Sept. 10, 1997.

SEASIDE COUNTY SANITATION DISTRICT

By   
Chair

DATED: 9/11, 1997.

COUNTY OF MONTEREY

By   
Douglas C. Holland  
County Counsel