



AMENDED A G E N D A

CITY OF SEASIDE
CITY COUNCIL/SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

REGULAR MEETING
440 HARCOURT AVE (COUNCIL CHAMBER)
Thursday, July 16, 2026
5:00 PM

Virtual Participation Guide: <https://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas>
<https://www.youtube.com/c/CityofSeasideCalifornia> | <https://ci-seaside-ca-us.zoom.us/j/81936832059> |

WEBINAR ID: 819 3683 2059 | (669) 900-9128

1. CALL TO ORDER

2. ROLL CALL – ESTABLISHMENT OF QUORUM

Ian N. Oglesby	Mayor/Chair
David R. Pacheco	Mayor Pro Tem/Vice Chair
Alexis Garcia-Arrazola	Council/Agency Member
Rita Burks	Council/Agency Member
Alex Miller	Council/Agency Member

3. INVOCATION AND PLEDGE OF ALLEGIANCE

4. 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).

5. PUBLIC COMMENT

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three (3) minutes. Public Comments for "Presentations" on this agenda are also taken at this time; comments on specific agenda items are heard under that item. For the public record, please state your name.

6. PUBLIC AGENCY COMMUNICATIONS

This is a time specifically set aside for representatives of public agencies to make brief comments of general interest to the City Council and the community.

A. SEASIDE CITY NEWS BROADCAST AND COMMENTS FROM THE CITY MANAGER

7. CONSENT AGENDA

A. APPROVE ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT (ESCA) REPORT COVERING ACTIVITIES FROM APRIL THROUGH JUNE 2026

RECOMMENDATION: Approve Environmental Services Cooperative Agreement (ESCA) report covering activities from April through June 2026.

B. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CARMEL FIRE PROTECTION ASSOCIATES FOR FIRE PREVENTION, PLAN REVIEW AND ALARM SYSTEM INSPECTION SERVICES FOR AN AMOUNT NOT TO EXCEED \$50,000.00

RECOMMENDATION: Approve agreement.

C. ADOPT RESOLUTION FOR DESIGNATION OF VOTING DELEGATES AND ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE AND EXPO BEING HELD SEPTEMBER 23-25, 2026, IN ANAHEIM, CALIFORNIA

RECOMMENDATION: Appoint Mayor Oglesby as the voting delegate and Council Member Garcia-Arrazola as the alternate voting delegate representing the City of Seaside at the League of California Cities Annual Conference.

D. ADOPT A RESOLUTION RENEWING THE PROFESSIONAL SERVICES AGREEMENT WITH HDL COMPANIES FOR UTILITY USERS TAX ADMINISTRATION SERVICE

RECOMMENDATION: Approve agreement and extend the term for an additional three (3) years.

E. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR DEVELOPER PROJECT MANAGEMENT AND PLAN REVIEW SERVICES FOR THE CAMPUS TOWN PROJECT IN AN AMOUNT NOT TO EXCEED \$230,000.00 BY ADDING A NOT TO EXCEED \$65,000.00 TO THE AGREEMENT BRINGING THE NEW TOTAL AMOUNT TO \$295,000.00 TO BE REIMBURSED BY THE DEVELOPER

RECOMMENDATION: Approve amendment.

F. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CANNABIS DISPENSARY DEVELOPMENT AND OPERATING AGREEMENT TRANSFER WITH STIIIZY SEASIDE, LLC, ORIGINALLY ISSUED TO HIGHER LEVEL OF CARE, LLC, FOR THE DISPENSARY LOCATED AT 1440 CANYON DEL REY BOULEVARD

RECOMMENDATION: Approve the Transfer Agreement.

G. APPROVE TRAFFIC ADVISORY COMMITTEE (TAC) RECOMMENDATION FOR THE INSTALLATION OF TRAFFIC CALMING MEASURES ALONG TRINITY AVENUE

RECOMMENDATION: Approve Traffic Advisory Committee (TAC) recommendation.

8. PUBLIC HEARING

A. ADOPTION OF URGENCY ORDINANCE REPEALING IN PART OF ORDINANCE NO. 2034: CLARIFYING, AMENDING, AND REVISING TITLE 2, PERSONNEL AND ADMINISTRATION, OF THE SEASIDE MUNICIPAL CODE. THE PROPOSED ACTION IS NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15061(B)(3) (REQUIRES A 4/5TH ROLL-CALL VOTE)

RECOMMENDATION: Adopt Urgency Ordinance repealing in part of Ordinance No. 2034: Clarifying, Amending, and Revising Title 2, Personnel and Administration, of the Seaside Municipal Code and making findings in accordance with California Environmental Quality Act (CEQA) guidelines that the proposed Urgency Ordinance is exempt per guideline 15378.

B. INTRODUCTION OF ORDINANCE AMENDING MUNICIPAL CODE SECTION 2.02.490 INCREASING THE COMPENSATION OF THE MAYOR AND CITY COUNCIL MEMBERS. THE PROPOSED ACTION IS NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15061(B)(3) AND PROVIDE DIRECTION TO CITY MANAGER (FIRST READING – ROLL-CALL VOTE)

RECOMMENDATION: 1.) Conduct the first reading of an Ordinance Amending Municipal Code Section 2.02.490 Increasing the Compensation of the Mayor and City Councilmembers and hold public hearing.

2.) Motion making findings in accordance with California Environmental Quality Act (CEQA) guidelines that the proposed Urgency Ordinance is exempt per guideline 15378.

3.) Motion directing City Manager to retain an independent Certified Public Accountant or other qualified professional to recommend to the City a repayment method for the overpayment of compensation to the Mayor and City Councilmembers for the 13 month period of June 2025 through June 2026 and authorize the City Manager to contact the Fair Political Practices Commission with any questions regard the repayment method.

4.) Take other action related to this Agenda item as directed.

C. INTRODUCTION OF AN ORDINANCE AMENDING SEASIDE MUNICIPAL CODE CHAPTER 13.12 CROSS-CONNECTION CONTROL PROGRAM. THE PROPOSED ACTION IS NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15061(B)(3) (FIRST READING - ROLL CALL VOTE)

RECOMMENDATION: Conduct the first reading and open public hearing.

9. BUSINESS ITEMS

A. APPROVE THE SEASIDE LIBRARY MURAL

RECOMMENDATION: Approve art selection.

B. ADOPT A RESOLUTION AUTHORIZING THE SUBMISSION OF LOCAL AUTHORITY RECOMMENDATIONS TO THE CALIFORNIA GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT FOR OPPORTUNITY ZONES 2.0 DESIGNATION OF CENSUS TRACTS 06053014108 AND 06053014000

RECOMMENDATION: Adopt the proposed resolution and authorize submission of local authority recommendation forms.

C. ADOPT A RESOLUTION IN SUPPORT OF MODIFICATION OF STATE WATER BOARD ORDERS WR 2009-0060 AND 2016-0016 TO LIFT THE MORATORIUM ON NEW WATER SERVICE CONNECTIONS

RECOMMENDATION: Adopt the proposed resolution.

10. COUNCIL MEMBER REQUESTS

A. NEW COUNCIL MEMBER REQUESTS

B. FOLLOW UP ON PREVIOUS REQUESTS

11. CITY ATTORNEY, CITY MANAGER, CITY COUNCIL AND MAYOR COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

This is a time specifically set aside for members of the City Council, the City Manager and City Attorney to make brief comments of general interest to the community and report on committee assignments.

12. CLOSED SESSION

Pursuant to Government Code Section 54956 et seq., the City Council and Successor Agency to Redevelopment Agency may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, property

negotiations or to confer with the City Attorney. Public comments on these items are taken after being read by the City Attorney. For the public record, please state your name.

A. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE 54957.6

Agency Negotiators: Greg McDanel, City Manager; Samantha Sahkrani, Human Resources Director/Risk Manager

Employee Organizations: Seaside Police Officers' Association, Seaside Firefighters' Association, Seaside Public Safety Managers' Association, Seaside City Employees Association, Seaside Managers Employee Association, Non-Represented Non-Exempt Confidential Employees, Non-Represented Exempt Confidential Employees, Executive Employees, Unclassified Exempt Employees, and Unclassified Non-Exempt Employees

B. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (D)(2)

Two potential matters

13. ADJOURNMENT

Next Regularly Scheduled Meeting:
August 6, 2026
5:00 PM

The City of Seaside 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 City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. Agendas are posted at:

<http://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas>

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Governor Newsom's Executive Orders N-29-20 and N-33-20.



CITY OF SEASIDE STAFF REPORT

Item No.: 7.A.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Melissa Broadston, ESCA Program Manager

DATE: July 16, 2026

**SUBJECT: APPROVE ENVIRONMENTAL SERVICES COOPERATIVE
AGREEMENT (ESCA) REPORT COVERING ACTIVITIES FROM
APRIL THROUGH JUNE 2026**

RECOMMENDATION

Approve Environmental Services Cooperative Agreement (ESCA) report covering activities from April through June 2026.

BACKGROUND

The Fort Ord Reuse Authority (FORA) officially closed all operations on June 30, 2020. Prior to sunset, the City of Seaside and FORA entered into a Memorandum of Agreement nominating Seaside as FORA's Environmental Services Cooperative Agreement (ESCA) Successor-In-Interest (Successor). Seaside is now responsible for the remaining Long-Term Obligations (LTO) management responsibilities related to U.S. Army (Army) Munitions and Explosives of Concern (MEC) on ESCA property until June 30, 2028. A summary of the ESCA remediation program to date is provided below. A quarterly report is required for the Army after review and acceptance by the City Council.

FORA ESCA Remediation Program Background:

In 2007, the Army and FORA entered into an agreement for Army-funded ESCA for the removal of the remnant MEC on 3,340 acres of the former Fort Ord. Under the ESCA terms, the Army awarded FORA approximately \$98 million to perform Comprehensive Environmental Response Compensation and Liability Act (CERCLA) MEC cleanup on those parcels. FORA also entered into the Administrative Order on Consent (AOC) with the United States Environmental Protection Agency (EPA) and California Department of Toxic Substance Control (DTSC) (collectively referred to as regulatory agencies)

defining FORA's contractual conditions to complete the Army remediation obligations for the "ESCA parcels." FORA received ESCA property ownership after EPA approval and gubernatorial concurrence under a Finding of Suitability for Early Transfer in 2009.

The ESCA properties received Records of Decision (ROD) documenting controls required to protect public health and safety and Land Use Control Implementation Plan (LUCIP) / Operation and Maintenance Plan (OMP) implementation, operation and maintenance ROD controls tailored to individual site conditions and historic MEC use. The final ESCA LUCIP/OMP documents were accepted by the Army and Regulators in February 2019. These ESCA properties received the last EPA Remedial Action Completion letter in February 2019. The EPA issued a site-wide ESCA remedial completion certificate in April 2020.

Remedial Action Completion initiated the Army's long-term obligations on ESCA properties. To complete the ESCA and AOC obligations, the Successor, Seaside, is required to complete a truncated series of tasks until the expiration on June 30, 2028, to include site investigation and monitoring, ensuring compliance with the land use controls for ESCA parcels by land holding jurisdictions, mitigation, monitoring, reporting for any potential or found munitions and explosives of concern, and public information and outreach regarding land use. Should any instances of MEC occur, the contractors of Arcadis, Inc., AHTNA, Weston Solutions, Inc. and Westcliffe Engineers, Inc. will assist with providing LTO support services.

ESCA QUARTERLY UPDATE

Jurisdiction Coordination

ESCA property could not be transferred to the jurisdictions until Army deed modifications and issuance of the Army CERCLA Warranties/Deed Amendments were completed. The ESCA property Army CERCLA Warranty and Deed modification documents were recorded in Monterey County on June 26, 2020. The receiving jurisdictions signed and recorded these deeds and have final ownership of their ESCA properties.

There are a few remaining property transfer tasks. Work continues to transfer the last two Economic Development Conveyance parcels from Army ownership to their designated recipients: Monterey-Salinas Transit Parcels L2.3 and L2.4.1. Seaside, as successor to the Fort Ord Reuse Authority, will receive these two parcels, then transfer these to Monterey Salinas Transit. This transfer will also include a Covenant to Restrict the Use of Property for both of these parcels. Transfer is currently projected for late 2026.

ESCA staff continues to host LTO Management, and Property, Planning, Police, and Property Manager quarterly meetings with all land-holding jurisdictions and the Army. These meetings discuss and review projects or other activities as outlined by the LUCIPs that are included with their properties. A quarterly meeting was held on May 6,

2026. ESCA provided the After-Action Reports for the Monterey One Water Pipeline Phase 4. The After Action Report for the Seaside stormwater infiltration repair project is in progress. ESCA assisted with the review and submittal of a Construction Support Plan for the excavation work in ESCA land related to the California American Water/Monterey Peninsula Engineering Bayonet Wells 1 and 2 connection. ESCA also assisted with documentation for small (less than 10 cubic yards in locations with a low probability to encounter munitions) projects: the City of Seaside Flood camera repair, several Pacific Gas and Electric utility pole replacements, Seaside installation of benches on Eucalyptus Road, Seaside investigation of storm water piping in the southern end of General Jim Moore Boulevard, and California State University Monterey Bay Intergarrison gas pipeline installation project.

Given the history of the former Fort Ord as an Army base, munitions may be encountered during reuse of the property. ESCA outreach specific to the munitions safety awareness class at FortOrdSafety.com serves as an important resource to remind community members who might discover suspicious objects to follow the **3Rs of explosives safety – Recognize, Retreat, and Report**. ESCA is responsible for the maintenance and participant tracking for the English and Spanish version of the free online training class at Fort Ord Safety.com. The training at FortOrdSafety.com supplements and complements the Army's onsite munitions safety training program as an important community asset for the use of the lands of the former Fort Ord. Over 500 individuals completed the training class during this quarter.

The ESCA team continues to conduct weekly patrols of Seaside's ESCA properties and biweekly patrols of other ESCA properties. ESCA patrols also included debris removal and identification of erosion in the borderlands fuel break roads. ESCA provided program updates at the Army's BRAC Cleanup Team meetings dedicated to munitions on May 8 and July 9, 2026. ESCA also participated in the Army's Community Involvement Workshop/Nature Walk (May 9) and Earth Day at Seaside City Hall (April 19). ESCA provided a Read Your Deed refresher training to California State University Monterey Bay (June 10) and an ESCA orientation and field tour to the new California Department of Toxic Substances Control ESCA project manager.

NEXT QUARTER GOALS

During the next quarter, the ESCA Program will be focusing on the following tasks.

- ESCA will continue coordination supporting completion of property transfers.
- ESCA will also continue coordination with jurisdictions and extensive public outreach on the Munitions Recognition and Safety Training which is available at FortOrdSafety.com. ESCA is working on a manual that details how this site works. The manual will be a part of the turn-over documentation when ESCA sunsets June 30, 2028.
- ESCA will continue weekly inspection and monitoring of activities on ESCA lands.
- ESCA will continue follow-up of incidents of concern.
- ESCA will offer "refresher" Read Your Deed training to all jurisdictions and

property owners.

- ESCA will continue assistance and coordination with munitions documentation such as After Action Reports, Construction Support Plans, and notifications for projects located in ESCA properties with soil disturbances of less than 10 cubic yards with low probability of encountering munitions.
- ESCA will assist other jurisdictions with questions related to ESCA land use controls and assist with the development and completion of the next Annual Land Use Control report.
- ESCA will participate in the following 2026 outreach events: Army Technical Review Committee (July 28), and Army Community Involvement Workshop (July 25).
- ESCA will participate in the Army's munitions response 2026 BRAC Cleanup team meetings (July 9, September 17, and October 23).

FISCAL IMPACT

None. The actual cost to Seaside of these Army obligations will be fully reimbursed.

STRATEGIC PRIORITY

Not Applicable

ATTACHMENTS

None

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 7.B.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Paul Blaha, Deputy Fire Chief

DATE: July 16, 2026

SUBJECT: ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CARMEL FIRE PROTECTION ASSOCIATES FOR FIRE PREVENTION, PLAN REVIEW AND ALARM SYSTEM INSPECTION SERVICES FOR AN AMOUNT NOT TO EXCEED \$50,000.00

RECOMMENDATION

Approve agreement.

BACKGROUND

The City of Seaside is seeking to enter into an agreement with consultants, Carmel Fire Protection Associates, to provide fire prevention services, including plan review and sprinkler/alarm system inspections. The City has contracted with Carmel Fire Protection Associates since 2012.

The City shall pay the consultant an hourly rate of \$230.00 or a set fee based on the adopted fee schedule, and the services shall not exceed \$50,000.00 for the term of the contract, which is July 1, 2026, to June 30, 2028.

At the request of the Seaside Fire Department, Carmel Fire Protection Associates shall provide professional consultation and engage in fire prevention services, including plan review and inspections for the following:

- Fire Sprinkler Systems – Commercial (above ground)

- Fire Sprinkler Systems – Commercial (underground connection)
- Fire Sprinkler Systems – Residential
- Fixed Fire Protection System – Kitchen Hood & Duct
- Fire Pump Inspection
- Fire Alarm System – Commercial

FISCAL IMPACT

The cost of the consultants' services of up to \$50,000.00 will be paid from the City's general fund.

STRATEGIC PRIORITY

Community Safety & Quality of Life

ATTACHMENTS

1. Carmel Fire Protection Associates
2. 2026 Resolution

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager



**CITY OF SEASIDE
PROFESSIONAL SERVICES AGREEMENT
City of Seaside Fire Prevention / Plan Review / Alarm
System Inspection Services**

This agreement is made by and between the City of Seaside (City) and **Carmel Fire Protection Associates (Consultant)**.

- A. Engagement: The City agrees to engage the Consultant to perform fire prevention services, including plan review and sprinkler/alarm system inspections as outlined in Exhibit A.
- B. Relationship: The Consultant is an independent contractor and is not to be considered an agent or employee of the City.
- C. Compensation: **The City shall pay the Consultant \$230.00 per hour** or a set fee based on the fee schedule. Services are not to exceed **fifty thousand dollars (\$50,000)** for the term of this contract.
- D. Method of Payment: The City shall pay within 30 days in accordance with Consultant's Fee Schedule, upon receipt of a written invoice from Consultant detailing services rendered.
- E. Term: The term of this agreement shall commence on **July 1, 2026, and terminate on June 30, 2028.**
- F. Termination: This agreement may be terminated; (a) by either party at any time for failure of the other party to comply with the terms and conditions of this Agreement; (b) by either party upon 10 days' prior written notice to the other party; or (c) upon mutual written agreement of both parties. In the event of termination, the Consultant shall stop work immediately and shall be entitled to compensation for professional fees and expense reimbursement to the date of termination and for any work necessitated by that termination.
- G. Indemnity: To the fullest extent permitted by law, Consultant shall indemnify and hold harmless Agency and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by the negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or sub consultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of services under this agreement. Consultant's duty to indemnify and hold harmless the Agency shall not extend to the Agency's sole or active negligence.

- H. **Duty to Defend:** In the event the Agency, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this agreement, and upon demand by Agency, Consultant shall defend the Agency at Consultant's cost or at Agency's option, to reimburse Agency for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by Consultant's negligent acts, errors or omissions. Payment by Agency is not a condition precedent to the enforcement of this provision. In the event of any dispute between Consultant and Agency as to whether liability arises from the sole or active negligence of the Agency or its officers, employees, or agents, Consultant will be obligated to pay for the Agency's defense until a final judgment has been entered adjudicating the Agency as solely or actively negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs, including but not limited to attorney's fees, expert fees, and costs of litigation.
- I. **Insurance:** Consultant shall maintain before the beginning of and for the duration of this Agreement insurance coverage as follows;

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than 1,000,000 combined single limit for each accident.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Consultant shall submit to the Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the Agency, its officers, agents, employees, and volunteers.

J. Project Management. The Fire Chief will represent the City for all purposes under this Agreement. The Fire Chief is designated as the Project Manager for the City. The Project Manager will be the Consultant's point of contact with respect to performance, progress, and execution of the Services. The City may designate an alternate Project Manager from time to time. The person designated is Deputy Fire Chief / Fire Marshal Jason Sullens.

K. Ownership of Work Product:

- a. Ownership of all imagery, reports, data, studies, surveys, charts, memoranda, and any other documents that are developed, compiled, or produced as a result of this agreement, whether or not completed, shall vest with the City.
- b. Materials developed under this agreement are the property of the City and may be used by the City as it sees fit, including the right to distribute, review, or publish the same without limitation.
- c. The City agrees to hold Consultant harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans, specifications, drawings, maps, models, computer files, and other documents for purposes other than those described in this Agreement, unless written authorization of Consultant is first obtained.

L. Assignment

- a. The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.
- b. The Consultant may use assistants under his/her supervision to perform services under this Agreement.

M. Conflict of Interest

- a. Consultant shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Contract.
- b. If City determines Consultant comes within the definition of Consultant under the Political Reform Act (Government Code §87100 et seq.) Consultant shall complete and file, and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with the City disclosing Consultant's and/or such other person's financial interests.

N. Miscellaneous:

- a. The entire agreement between the parties with respect to the subject matter hereunder is contained in this agreement.
- b. Neither this agreement nor any rights or obligations hereunder shall be assigned or delegated by the Consultant without the prior written consent of the City.
- c. This agreement shall be modified only by a written agreement duly executed by the City and the Consultant.
- d. Should any of the provisions hereunder be found to be invalid, void, or voidable by a court, the remaining provisions shall remain in full force and effect.
- e. This agreement shall be governed by and construed in accordance with the laws of the State of California.
- f. All notices required or permitted under this agreement shall be deemed to have been given if and when deposited in the United States mail, properly stamped and addressed to the party for whom intended at such party's address listed below, or when delivered personally to such party. A party may change its address for notice hereunder by giving written notice to the other party.

Wherefore, the parties have entered into this agreement as of the later of the dates stated below.

Approved:

Dated: 7/1, 2026

Consultant: Carmel Fire Protection Associates

By: [Signature]

Art Black

Title: Owner

Address: Box 7168, Carmel, CA 93921

Dated: _____, 2026

City of Seaside:

By: Greg McDanel

Title: City Manager

Attachments: Exhibit A Scope of Work

EXHIBIT A

SCOPE OF WORK

At the request of the Seaside Fire Department, Carmel Fire Protection Associates (Consultant) shall provide professional consultation and engage in fire prevention services, including plan review and inspections for the following:

- Fire Sprinkler Systems – Commercial (above ground)
- Fire Sprinkler Systems – Commercial (underground connection)
- Fire Sprinkler Systems – Residential
- Fixed Fire Protection System – Kitchen Hood & Duct
- Fire Pump Inspection
- Fire Alarm System – Commercial

RESOLUTION NO. XX-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CARMEL FIRE PROTECTION ASSOCIATES FOR FIRE PREVENTION, PLAN REVIEW AND ALARM SYSTEM INSPECTION SERVICES FOR AN AMOUNT NOT TO EXCEED \$50,000.00

WHEREAS, the City of Seaside is seeking to enter into an agreement with consultants, Carmel Fire Protection Associates, to provide fire prevention services, including plan review and sprinkler/alarm system inspections; and

WHEREAS, the City has contracted with Carmel Fire Protection Associates since 2012; and

WHEREAS, for additional support in relation to the Campus Town project, the contract amount has been increased to accommodate the workload; and

WHEREAS, the City Manager is authorized to execute a contract with Carmel Fire Protection Associates for fire prevention services, including plan review and sprinkler/alarm system inspections; and

WHEREAS, the contract shall be for a term of two years, from July 1, 2026 to June 30, 2028; and

WHEREAS, The City shall pay Carmel Fire Protection Associates an hourly rate of \$230.00 or a set fee based on the adopted fee schedule, and the services shall not exceed \$50,000.00 for the term of the contract.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Seaside hereby approves that Carmel Fire Protection Associates shall provide professional consultation and engage in fire prevention services, including plan review and inspections for the following:

- Fire Sprinkler Systems – Commercial (above ground)
- Fire Sprinkler Systems – Commercial (underground connection)
- Fire Sprinkler Systems – Residential
- Fixed Fire Protection System – Kitchen Hood & Duct
- Fire Pump Inspection

- Fire Alarm System – Commercial

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 16th day of July 2026, by the following vote:

AYES: 0 COUNCIL MEMBERS
NOES: 0 COUNCIL MEMBERS
ABSENT: 0 COUNCIL MEMBERS
ABSTAIN: 0 COUNCIL MEMBERS

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED AS TO FORM:

Sheri L. Damon, City Attorney



CITY OF SEASIDE STAFF REPORT

Item No.: 7.C.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Dominique Davis, City Clerk

DATE: July 16, 2026

**SUBJECT: ADOPT RESOLUTION FOR DESIGNATION OF VOTING
DELEGATES AND ALTERNATES FOR THE LEAGUE OF
CALIFORNIA CITIES ANNUAL CONFERENCE AND EXPO BEING
HELD SEPTEMBER 23-25, 2026, IN ANAHEIM, CALIFORNIA**

RECOMMENDATION

Appoint Mayor Oglesby as the voting delegate and Council Member Garcia-Arrazola as the alternate voting delegate representing the City of Seaside at the League of California Cities Annual Conference.

BACKGROUND

The League of California Cities, of which the City of Seaside is a member, is hosting their annual Conference from September 23 to September 25 in Anaheim, CA. At the annual business meeting, the League adopts policy resolutions on issues of statewide importance that have direct bearing on municipal affairs and that are of broad municipal interest.

In order to vote on the League of California Cities' Annual Policy Resolutions, the City Council must designate one (1) voting delegate and up to two (2) alternates to vote at the Annual League of California Cities' business and the General Resolutions Committee. Voting delegates must be registered for the conference.

FISCAL IMPACT

None associated with this action.

STRATEGIC PRIORITY

Effective Accessible Governance

ATTACHMENTS

1. Resolution

Reviewed for Submission to the City Council by:

A handwritten signature in black ink, appearing to read 'G. McDanel', is positioned above a horizontal line.

Greg McDanel, City Manager

RESOLUTION NO. 26-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

DESIGNATING VOTING DELEGATES AND ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE SEPTEMBER 23-26

WHEREAS, The League of California Cities (the League) is an association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence policy decisions that affect cities; and

WHEREAS, the City of Seaside is a voting member of the League; and

WHEREAS, at the annual business meeting, the League adopts policy resolutions on issues of statewide importance that have direct bearing on municipal affairs and that are of broad municipal interest; and

WHEREAS, voting delegates must be registered for the League Annual Conference held September 23-26; and

WHEREAS, in order to vote on the League of California Cities' Annual Policy Resolutions, the City Council must designate one (1) voting delegate and up to two (2) alternates to vote at the Annual League of California Cities' business meeting during the conference.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Seaside designates Mayor Ian Oglesby as the voting delegate, and Council Member Alexis Garcia-Arrazola as the alternate voting delegate for the Annual Conference held on September 23-26, 2026.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 16th day of July 2026, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED TO FORM:

Sheri L. Damon, City Attorney



CITY OF SEASIDE STAFF REPORT

Item No.: 7.D.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Jessica Riley, Finance Director

DATE: July 16, 2026

**SUBJECT: ADOPT A RESOLUTION RENEWING THE PROFESSIONAL
SERVICES AGREEMENT WITH HDL COMPANIES FOR UTILITY
USERS TAX ADMINISTRATION SERVICE**

RECOMMENDATION

Approve agreement and extend the term for an additional three (3) years.

BACKGROUND

The City contracts with HdL Companies to administer its Utility Users Tax (UUT) program. Since 2023, HdL has provided administration services including utility provider account management, tax return and payment processing, reporting, revenue monitoring, online filing and payment services, legislative and industry monitoring, and customer support for utility providers.

Staff has been satisfied with the services provided by HdL and recommends renewal of the agreement. The proposed agreement maintains the existing scope of services, with minor administrative updates to modernize the agreement, including provisions for online payment processing, updated contract language, and inflation-adjusted compensation. The agreement continues to provide utility users tax administration, compliance monitoring, reporting, and audit support services with no material changes to the consultant's core responsibilities.

Funding for these services is included in the Finance Department operating budget and will be funded through Utility Users Tax revenues. The agreement provides for a monthly administration fee of \$1,431.09 plus \$9.91 per processed return, reflecting inflationary adjustments since the original agreement, with future annual CPI adjustments as provided in the agreement.

The renewal term will be effective April 1, 2026, through April 1, 2027, and will automatically renew for up to two additional one-year terms unless either party provides notice of termination.

Renewal of the agreement with HdL Companies will ensure continuity of Utility Users Tax administration services and continued efficient management of the City's Utility Users Tax program.

FISCAL IMPACT

Funding for these services is included within the Finance Department operating budget and will be funded through utility user tax revenues.

STRATEGIC PRIORITY

Effective Accessible Governance

ATTACHMENTS

1. Resolution HdL UUT 2026
2. 20260624 Exhibit A - UUT Professional Services Agreement HDL Scope 7.7.26

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH HDL COMPANIES FOR UTILITY USER TAX ADMINISTRATION SERVICES

WHEREAS, the City of Seaside contracts for professional Utility Users Tax administration services to support the collection, reporting, and administration of Utility Users Tax revenues; and

WHEREAS, HdL Companies has satisfactorily provided these services to the City; and

WHEREAS, the City Council finds that continuing these services is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Seaside authorizes the City Manager to execute a Professional Services Agreement with HdL Companies for Utility Users Tax Administration Services effective April 1, 2026 through April 1, 2027, with automatic renewal for up to two additional one-year terms unless terminated in accordance with the agreement.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 2nd day of July 2026, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED TO FORM:

Sheri L. Damon, City Attorney



CITY OF SEASIDE
PROFESSIONAL SERVICES AGREEMENT
Utility User Tax Administration and Audit Services

This agreement is made by and between the City of Seaside (City), and Hinderliter de Llamas & Associates (Consultant).

- A. Engagement: The City agrees to engage the Consultant to provide as described in Exhibit A, attached hereto and, hereinafter referred to as “the Project.”
- B. Relationship: The Consultant is an independent contractor and is not to be considered an agent or employee of the City.
- C. Compensation: The City shall pay consultant as outlined in exhibit B.
- D. Expense Reimbursement: City will reimburse for professional services and expenses at cost upon submission of receipts.
- E. Method of Payment: The City shall pay within 30 days in accordance with Consultant’s Fee Schedule, attached hereto, upon receipt of a written invoice from Consultant detailing services rendered.
- F. Term: The initial term of this agreement shall commence on April 1, 2026 and terminate April 1, 2027. The term will automatically renew for two (2) additional periods of the same length as the initial term unless either party gives the other party written notice of termination at least thirty (30) days prior to expiration of the then-current term.
- G. Termination: This agreement may be terminated; (a) by either party at any time for failure of the other party to comply with the terms and conditions of this Agreement; (b) by either party upon 45 days prior written notice to the other party; or (c) upon mutual written agreement of both parties. In the event of termination, the Consultant shall stop work immediately and shall be entitled to compensation for professional fees and expense reimbursement to the date of termination and for any work necessitated by that termination.
- H. Indemnity: To the fullest extent permitted by law, Consultant shall indemnify and hold harmless Agency and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel’s fees and costs, caused in whole or in part by the negligent or wrongful act, error or omission of Consultant, its

officers, agents, employees or subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of services under this agreement. Consultant's duty to indemnify and hold harmless Agency shall not extend to the Agency's sole or active negligence.

Notwithstanding anything to the contrary, in no event will Consultant be (a) liable for claims, liabilities or damages (i) that could not reasonably have been foreseen upon entry into this Agreement for any consequential, incidental, special or punitive damages, including lost profits or loss of revenues, except to the extent caused by Consultant's gross negligence, or willfull misconduct; (ii) arising from any action or inaction by Consultant in response to specific direction from the City. (iii) in connection with any City monies not collected by Consultant, for City's failure to realize any particular amount of monies, except to the extent such failure arises from Consultant's gross negligence or willful misconduct on the performance of the services required under this Agreement; nor (iv) in connection with the issuance, non-issuance or revocation of any registration, license, permit, or exemption nor (b) required to provide a defense in connection with any indemnification or hold harmless provisions under this Agreement, provided, however, that in no event shall Consultant be liable for consequential, incidental, special or punitive damages, including lost profits or loss of revenues, even in connection with such indemnification obligations, to the fullest extent permitted by applicable law, provided, however, that nothing in this section shall limit Consultant's obligations under the indemnity and defense provisions of this Agreement to the extent such obligations are enforceable under applicable law. Consultant's duty to defend shall be limited to Consultant's proportionate share of fault as determined in the matter.

- I. Insurance: Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as follows;

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than 1,000,000 combined single limit for each accident.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Consultant shall submit to Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

J. Project Management. The (Contract Manager) will represent the City for all purposes under this Agreement. Jessica Riley, Finance Director, is designated as the Project Manager for the City. The Project Manager will be Consultant's point of contact with respect to performance, progress and execution of the Services. The City may designate an alternate Project Manager from time to time.

K. Ownership of Work Product:

- a. Upon completion of, or in the event of termination or suspension of this Agreement, all finished documents, data, studies, surveys, drawings, maps, models, photographs, computer discs, and reports prepared by the Consultant under this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files. This does not include any software, programs, methodologies or systems used in the creation of such work product, nor does it include any drafts, notes or internal communications prepared by Consultant in the course of performing the Services that were not otherwise provided to City in either hardcopy or electronic form, all of which may be protected by Consultant or others' copyrights or other intellectual property.
- b. The City agrees to hold Consultant harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans, specifications, drawings, maps, models, computer files and other documents for purposes other than those described in this Agreement, unless written authorization of Consultant is first obtained.

L. Assignment

- a. The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Because of the personal nature of the services to be rendered pursuant to this Agreement, Joshua Davis shall perform the services described in this Agreement.
- b. Joshua Davis may use assistants under his/her supervision to perform services under this Agreement. Consultant shall provide City fourteen (14) days' notice prior to the departure of Joshua Davis from Consultant's employ. Should he/she leave Consultant's employ, the City shall have the option to immediately terminate this Agreement, within three (3) days of the close of said notice period. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Engineer and the Consultant.

M. Conflict of Interest

- a. Consultant shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Contract.
- b. If City determines Consultant comes within the definition of Consultant under the Political Reform Act (Government Code §87100 et seq.) Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with City disclosing Consultant's and/or such other person's financial interests.

N. Miscellaneous:

- a. The entire agreement between the parties with respect to the subject matter hereunder is contained in this agreement.
- b. Neither this agreement nor any rights or obligations hereunder shall be assigned or delegated by the Consultant without the prior written consent of the City.
- c. This agreement shall be modified only by written agreement duly executed by the City and the Consultant.
- d. Should any of the provisions hereunder be found to be invalid, void or voidable by a court, the remaining provisions shall remain in full force and effect.
- e. This agreement shall be governed by and construed in accordance with the laws of the State of California.
- f. All notices required or permitted under this agreement shall be deemed to have been given if and when deposited in the United States mail, properly stamped and addressed to the party for whom intended at such party's address listed below, or when delivered personally to such party. A party

may change its address for notice hereunder by giving written notice to the other party.

Wherefore, the parties have entered into this agreement as of the later of the dates stated below.

Approved:

Dated: _____ CONSULTANT

_____Hinderliter de Llamas & Associates_____

By: Robert Gray

Title: Vice President

Address: 120 S State College Blvd. #200,

Brea, CA 92821

Dated: _____, 2026

City of Seaside:

By: Greg McDanel

Title: City Manager

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Consultant's Proposal

EXHIBIT A

SCOPE OF SERVICES

Utility Users Tax Administration

Consultant will provide the following Services relative to City's utility users tax administration.

1. Support & Industry Monitoring

- 1.1. Provide analysis reports on the utility provider community and reporting details for each provider, including utility trends, provider trends, revenue trends, and a revenue forecast.
- 1.2. Actively monitor federal and state industry and legislative events which may impact UUT revenues, keep City informed, and make recommendations regarding advocacy or other response as appropriate.
- 1.3. Compliance Monitoring to ensure accurate and timely filings.
 - 1.3.1. Review and respond to e-mails from utilities, third party administrators, and City, and act as a liaison between the utilities and City.
 - 1.3.2. Within 15 days after the due date review accounts for timeliness of payment. Invoice penalties and interest when applicable and monitor accounts for receipt of payment.
 - 1.3.3. Balances due resulting from any deficiency determinations made from incorrect application of the tax will be pursued in a timely manner.
 - 1.3.4. Monitor payment data and trends and keep City informed.
- 1.4. Ordinance and Filing Procedure Review – analysis of UUT and franchise fee ordinances and City procedures to identify possible deficiencies, areas subject to legal challenge, or missing best practice provisions.

2. Operations Management Services

- 2.1. Establish and maintain database of City utility providers.
- 2.2. Receive and process tax returns and payments within 5 days of receipt.
- 2.3. Receive and process registrations for new utility providers, providing support as necessary to ensure compliance with City requirements.
- 2.4. Provide utility providers multiple options for submitting registrations, tax returns, payments, or support requests including via website, email, mail, phone, and fax. Consultant tax specialists will be available for live interactions Monday through Friday, 8:00am to 5:00pm Pacific.
- 2.5. Remit revenue to City no less than monthly.
- 2.6. Provide City staff access to website portal offering utility provider registry inquiry and reporting capabilities.

3. Online Payment Processing – Consultant's services include PCI compliant payment processing services which supports both credit card and eCheck transactions.

3.1. City Responsibilities

- 3.1.1. As a condition to its receipt of the Service, City shall execute and deliver any and all applications, agreements, certifications or other documents required by Consultant's payment processor, Networks or other third parties whose consent or approval is necessary for the processing of Transactions by Consultant's payment processor. "Network" is an entity or association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example,

networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.

- 3.1.2. City hereby grants Consultant the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. City represents and warrants that it has the full right and authority to grant these rights.

Utility Users Tax Audit

Consultant will provide the following Services relative to Client's utility users tax administration.

- 4. Utility Users Tax Audit** - Consultant's work as set forth below is defined as "Agreed Upon Procedures" and is not a traditional review of financial statements as defined by Generally Accepted Reviewing Standards ("GAAS"). A traditional review includes the issuance of an opinion stating whether the financial statements are presented fairly in conformity with Generally Accepted Accounting Principles ("GAAP"). Because the procedures listed do not constitute a traditional review, Consultant will not express an opinion on the Companies' or the Client's financial statements or any elements, accounts, or items thereof. Consultant's analysis and reports will relate only to an analysis of Companies' gross revenues and related elements of expenses. Consultant's work identifies the steps performed to ensure that the Companies accurately paid utility users' tax to Client. Consultant's work includes:

4.1. Overall Tasks

- 4.1.1. Contact Client's staff and obtain documentation required to kick off the project.
- 4.1.2. Review Client's municipal code related to utility users' tax to understand the definition of gross revenues and the determination of utility users' taxes.
- 4.1.3. Prepare initial data requests to the Companies and the Client requesting information related to the review period. During the project, if needed, prepare additional data requests and submit them to the Companies.
- 4.1.4. Execute non-disclosure agreements (NDAs) with the Companies, if required.
- 4.1.5. Correspond with the Companies and the Client, as required via phone and email, to obtain documentation, resolve issues, and obtain any appropriate assistance.

4.2. Review of Utility Users' Taxes

- 4.2.1. Verify that the accounting methodologies and procedures used by the Companies accurately identify billed revenues generated within the Client during the review period subject to the utility users' taxes. Investigate any inconsistencies and provide recommendations, if applicable.
- 4.2.2. Review payments to the Client and recalculate the utility users' taxes for the review period.
- 4.2.3. On a test basis, reconcile billed revenues submitted as supporting documentation with the tax payments to revenues recorded on the audited financial statements or equivalent reporting information.
- 4.2.4. Identify each revenue type or source that the Companies did not include in the determination of the utility users' taxes remitted to the Client for the review period and verify correctly excluded.
- 4.2.5. Reconcile revenues reported to the Client to the revenues on third party billing data on a test basis, depending on the findings noted and accuracy of the sample quarters tested.
- 4.2.6. Obtain a sample of customer bills and verify the calculation of the tax on the bill.
- 4.2.7. For each year, summarize every category of revenues reported to the Client and reconcile these revenues to the utility users' taxes.

- 4.3. Procedures specific to Telecommunication Utility Users' Taxes
 - 4.3.1. Review the following, as applicable: enhanced service revenues, private line revenues, equipment lease and sales revenues, installation and maintenance agreement charges, late fees, non-sufficient funds fees, E911 charges, sales taxes, and state and federal USF charges. Determine that these items are appropriately treated in the determination of the gross revenues reported to the Client.
 - 4.3.2. Review the allocations of any bundled products consistent with accounting requirements (Accounting Standards Codifications 605 and 606) to ascertain the correct amount subject to the UUT is being determined.
 - 4.3.3. Identify any exempt telecommunications revenues and determine if the customer meets the requirements for exempt status.
 - 4.3.4. Determine whether gross revenues generated from Indefeasible Right of Use ("IRU") agreements were correctly included in the revenue base to determine UUT payments to the Client.
 - 4.3.5. Obtain a list of the reseller lease agreements. Determine whether revenues from reseller lease agreements were correctly included in the telecommunications revenue base to determine the UUT payments to the Client or whether the reseller self reports.
 - 4.3.6. Review the allocation percentage and method utilized to calculate allocated revenues, such as the long-distance revenues between intrastate and interstate.
- 4.4. Summarize Results and Issue Reports
 - 4.4.1. Analyze utility users' taxes reported to Client by category of revenues.
 - 4.4.2. Calculate under/overpayment of the amount due to Client, interest charges and applicable fees on under/overpayments of the utility users' taxes.
 - 4.4.3. Submit final reports to Client. The reports will include Consultant findings, including a recalculation of the utility users' taxes and determination of any deficiencies plus applicable interest due to Client.
- 4.5. Additional Services – Consultant is available to assist in resolving with the Companies any disputed issues as to amounts owed to the Client. Additional services would include assisting the Client in its negotiations with the Companies. Typically, we participate in conference calls, discuss our findings with the Companies, and assist the Client in negotiating a settlement with the Companies. We are also available to perform other additional services, such as: meet with the Client to discuss our findings; make presentations of our report to the Client; and provide support and testimony if this matter is litigated.

EXHIBIT B

FEES

Utility Users Tax Administration

5. Utility User Tax Administration Services

5.1. Fees for performing services shall be \$1,431.09 per month and \$9.91 per processed return.

5.1.1. Fees will be increased as of January 1st of each calendar year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

5.2. Travel and lodging expenses are billed at cost and apply to all meetings (including implementation, training, operations and support). Travel expenses only apply to out of scope travel and must therefore be pre-approved by City.

5.3. City will be invoiced monthly for Services performed during the prior month. Fees will be netted out of City's monthly revenue disbursement. City will submit payment for any balance due to Consultant within 30 days of receiving the invoice.

6. Payment Processing – Consultant will configure payment processing services to utilize either a taxpayer funded model (convenience fee) or City funded model, as directed by City. City may switch between these models upon written request to Consultant. Fees for each of these payment processing models are detailed here.

6.1. Taxpayer funded model – City authorizes Consultant to collect each convenience fee from the taxpayer at time of payment.

6.1.1. Credit and debit card processing – 2.9% of transaction amount, minimum of \$2.00

6.1.2. ACH/eCheck processing - \$2.50 per transaction

6.2. City funded

6.2.1. Credit and debit card processing – 2.9% of transaction amount

6.2.2. ACH/eCheck processing - \$0.75 per transaction

6.3. Returned payments/NSF fee – Each occurrence of a card chargeback, returned payment or insufficient funds will incur a fee of \$25.00, to be applied to the taxpayers account.

6.4. Consultant reserves the right to review and adjust pricing related to payment processing services on an annual basis. Consultant will communicate any such adjustment to City in writing, with 60 days advance notice. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, card type utilization, and costs of service.

Utility Users Tax Audit

- 7. Utility User Tax Audit Services** – Consultant will perform reviews of the reports of utility users' taxes (cable, electric, gas, telecommunications as appropriate – collectively Companies) concerning the utility users' taxes (UUT) payments to Client for an hourly rate of \$220.22 per hour, with a \$15,415.55 minimum per review or 35% of captured revenue, whichever is higher. It is possible for a single company to require multiple reviews (with separate budgets), i.e. Verizon/Frontier for wireline services and cellular service.
- 7.1. If Client takes legal action to collect underpayments identified by Consultant, any additional services, e.g. expert testimony, by Consultant will be provided at an agreed hourly rate of \$250.00 per hour.
 - 7.2. Fees for any travel and lodging expenses will be billed at cost and applied to all meetings (including implementation, training, operations and support).the
 - 7.3. Client will be invoiced monthly for Services performed during the prior month.
 - 7.4. Review not to exceed amount will be increased as of January 1st of each calendar year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.
 - 7.5. Consultant may change the rates for its hourly Fees from time to time in its sole discretion upon at least 30 days' prior written notice to Client.



CITY OF SEASIDE STAFF REPORT

Item No.: 7.E.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Andreas Baer, Assistant Public Works Director
Kirstin van Gend, Administrative Analyst II
Thomas Korman, Public Works Director/City Engineer

DATE: July 16, 2026

SUBJECT: ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR DEVELOPER PROJECT MANAGEMENT AND PLAN REVIEW SERVICES FOR THE CAMPUS TOWN PROJECT IN AN AMOUNT NOT TO EXCEED \$230,000.00 BY ADDING A NOT TO EXCEED \$65,000.00 TO THE AGREEMENT BRINGING THE NEW TOTAL AMOUNT TO \$295,000.00 TO BE REIMBURSED BY THE DEVELOPER

RECOMMENDATION

Approve amendment.

BACKGROUND

The Campus Town Project will construct and operate residential and commercial property as well as recreational space and roadway improvements near the freeway interchange at Lightfighter Avenue and Highway 1, bounded by Lightfighter to the north, Gigling Road to the South, 1st Avenue to the West and 8th Avenue to the East. Due to a shortage of personnel resources, the City has had a Consultant supporting the Project Management and Plan Review aspects of the project since 2022 and continues to require these consultant services.

A Professional Services Agreement was approved by City Council on June 20, 2024 with Kimley-Horn and Associates (Kimley-Horn) to provide project management and plan review services to support the Campus Town Project for developer project management services. The developer project management and plan review services are reimbursed

by the developer, KB Homes and the Bakewell Development Company (KB-B). The original contract amount of \$230,000 has almost been fully expended over the last two years and an increase to the contract amount of \$65,000 is being requested for Kimley-Horn to continue their project management services to support the Campust Town project. Services are to be paid on a time and materials basis according to the Kimley-Horn rate schedule and reimbursed by the developer.

The services in the proposal include Project Management, Planning Support for the implementation of Campus Town development, Final Map(s) for subsequent phases, Improvement Plans, and Travel and Reimbursable Expenses. The staff reviewed the proposal and found the scope and fee acceptable.

Staff recommends authorizing an amendment to the professional services agreement (PSA) for Kimley-Horn to provide Developer Project Management and Plan Review services for the Campus Town Project for an additional amount of \$65,000.00 and a new not to exceed contract amount of \$295,000.00.

FISCAL IMPACT

The professional services agreement with Kimley-Horn will have no fiscal impact on the General Fund. The City's adopted fee schedule requires the Developer to pay actual costs for plan review for commercial and multifamily developments greater than 1 acre in size. Expenses associated with the professional services agreement with Kimley-Horn will be charged to deposit account no. 601-2214 funded by the Developer.

STRATEGIC PRIORITY

Diverse and Inclusive Community, Enhanced Physical Infrastructure & Abundant Water Supply

ATTACHMENTS

1. Resolution
2. Amendment

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

RESOLUTION NO. 26-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR DEVELOPER PROJECT MANAGEMENT AND PLAN REVIEW SERVICES FOR THE CAMPUS TOWN PROJECT IN AN AMOUNT NOT TO EXCEED \$230,000.00 BY ADDING A NOT TO EXCEED \$65,000.00 TO THE AGREEMENT BRINGING THE NEW TOTAL AMOUNT TO \$295,000.00 TO BE REIMBURSED BY THE DEVELOPER

WHEREAS, the Campus Town Project will construct and operate residential and commercial property as well as recreational space and roadway improvements near the freeway interchange at Lightfighter Avenue and Highway 1, bounded by Lightfighter to the north, Gigling road to the South, 1st Avenue to the West and 8th Avenue to the East; and

WHEREAS, due to shortage of personnel resources and technical expertise, the City has had a Consultant supporting the Project Management and Plan Review aspects of the project since 2022 and continues to require these consultant services; and

WHEREAS, the City Council approved a Professional Services Agreement with Kimley-Horn and Associates (Kimley-Horn) on June 20, 2024 for developer project management services for a not-to-exceed amount of \$230,000.00; and

WHEREAS, the contract amount is nearly fully expended and an increase to the contract of \$65,000.00 is requested for continued project management services; and

WHEREAS, at the request of the City, Kimley-Horn submitted a new proposal to continue to provide developer project management and plan review services; and

WHEREAS, the staff have reviewed the proposal and finds the scope and fee acceptable.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Seaside does hereby authorize the City Manager to execute an amendment to the professional services agreement with Kimley-Horn and Associates, Inc. for Developer Project Management and Plan Review Services for the Campus Town Project for an amount not to exceed \$65,000.00 and a new contract total of \$295,000.00 to be reimbursed from the Developer deposit account (No. 601-2214).

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside duly held on the 16th day of July 2026, by the following vote:

AYES: COUNCIL MEMBERS
NOES: COUNCIL MEMBERS
ABSENT: COUNCIL MEMBERS
ABSTAIN: COUNCIL MEMBERS

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED TO FORM:

Sheri L. Damon, City Attorney

CONTRACT AMENDMENT #3
PROFESSIONAL SERVICES
City of Seaside

Date: June 29, 2026

Change Requested by: X City Consultant

Contract Date

Project Name

July 1, 2024

Developer Project Management & Plan Review for Campus Town Project

To (Consultant): Kimley-Horn & Associates, 1100 W. Town & Country Road, Suite 700, Orange, California. 92868

You are directed to make the following changes to the Contract Documents or amend the following described work not included in the contract documents for this project.

The purpose of this addendum is to provide additional professional services related to the project named above. The contract terms and conditions shall not be modified except for as stated herein.

MODIFY the following text in **Section 2, “SERVICES.”**

Consultant shall perform the tasks described and set forth in **Exhibit A**, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in **Exhibit A**.

MODIFY the following text in **Section 5, “PAYMENT.”**

The Agency agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed **TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$295,000.00)** for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

Original Contract Amount	Previous CCO Total (Not including this Amendment)	This Amendment Total	Revised Contract Amount
\$230,000.00	\$0	\$65,000.00	\$295,000.00
Original Contract Time	Original Completion Date	Months To Add (Including This Amendment)	Revised Completion Date
12 Months	June 30, 2025	24	June, 30, 2027

CONTRACT AMENDMENT #3
PROFESSIONAL SERVICES
City of Seaside

SUBMITTED BY:		
	Thomas Korman Public Works Director/City Engineer	
Signature	Name and Title	Date
CITY APPROVAL BY:		
	Greg McDanel City Manager	
Signature	Name and Title	Date

CONSULTANT ACCEPTANCE BY:		
	Nicole Kerry, PE (CA 58449) Principal	
Signature	Name and Title	Date

June 26, 2026

Submitted Electronically

Mr. Thomas Korman
City Engineer
CITY OF SEASIDE
440 Harcourt Avenue
Seaside, CA 93955

RE: *Contract Amendment No. 2*
Campus Town Developer Reimbursable – Contract Services

Dear Mr. Korman:

Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") is pleased to submit to the City of Seaside ("Client") for providing project management and general civil, planning and landscape oversight for the processing of subdivision, improvement plans, building plans and associated agreements specific to the Campus Town Redevelopment Project ("Project") and related project efforts, located on the former Fort Ord Reuse Authority (FORA) property. This redevelopment project is understood to be undertaken by KB-Bakewell ("Applicant") through separate agreement(s) previously negotiated and executed with the Client.

In coordination with you and staff, the scope of services fee is attached for Campus Town – "Developer Reimbursable" (Exhibit A). As directed, we have included expenses as a cost under the Developer Reimbursable since the Applicant will be reimbursing these costs. Also attached is Kimley-Horn standard billing rate schedule (Exhibit B). These scopes and fees will be set up as new contracts for all efforts and compensation going forward starting on July 1, 2026, for a 12-month period.

We appreciate the opportunity to continue efforts on Campus Town implementation and look forward to working with staff.

Sincerely,



Elizabeth A. Cobb
Associate, Project Manager

C: Sheri L. Damon, City Attorney, City of Seaside
 Andreas Baer, P.E., Assistant Public Works Director

ATTACHMENTS:

1. Exhibit A – Scope of Services
2. Exhibit B – Standard Billing Rates

EXHIBIT A

SCOPE OF SERVICES

Campus Town Developer Reimbursable – Contract Services

1. Project Management
 - a. Meeting Coordination
 - i. Assumes the following standing meetings:
 1. General City Meeting
 2. Other Agencies Meetings (as required)
 - ii. Prepare Meeting Agendas and Notes
 - iii. Prepare Action Item List
 - b. Project Schedule
 - i. In coordination with City staff and Developer prepare Master schedules
 1. Prepare schedule for Phase 2A/B and update monthly
 - c. Project correspondence and documentation
 - i. Document city directives/decisions
 - ii. Document interpretations of Specific Plan and Vesting Tentative Tract Map.
 - d. Campus Town CFD Coordination
 - i. Provide support and required documentation needed for the city to process Campus Town CFD Annexation.
 - ii. Project Management and coordination
 - e. Additional planning and engineering services as needed per the direction of the City Public Works Director or designee .
2. Planning Support for the implementation of Campus Town development
 - a. Specific Plan Substantial Conformance Findings for Planning Director Review and Approval.
 - b. MMRP and Conditions of Approval Compliance and Reporting
 - c. Additional planning services as needed per the direction of the Economic Development and Community Planning Director or designee .
3. Final Map (s) for Subsequent phases for the development of Campus Town
 - a. Map review for conformance with underlying entitlements, including MMRP and COA compliance.
 - b. Subdivision Improvement Agreement Review and Approval on behalf of the city.
 - c. Developer Cost Estimate Review
4. Improvement Plans

Improvement Plans assumes: On-Site, Off-site grading and site improvements, Landscape Improvements, and Park Plans.

 - a. Civil, Landscape and Planning review of Interim Improvements for Phase 2A/B
5. Travel and Reimbursable Expenses
 - a. Transportation expenses
 - b. Lodging expenses
 - c. Meal expenses

EXHIBIT B
STANDARD BILLING RATES
Campus Town Developer Reimbursable – Contract Services

COMPENSATION

The City shall pay Consultant on a time and materials basis starting July 1, 2026, through June 30, 2027, for “Scope of Services” described Exhibit A, an additional subconsultant fee estimated at sixty-thousand dollars (\$60,000). Travel and reimbursable expenses are treated as costs reimbursed by the Applicant and has been assumed in the amended total fee compensation. The estimated reimbursable expenses from July 1, 2026, through June 30, 2027, are assumed to be 5 thousand dollars (\$5,000). The amended contract total fee compensation of two-hundred and ninety-five thousand dollars (\$295,000) in accordance with the “Standard Billing Rates” shown in Exhibit B.

Hourly Labor Rate Schedule

Classification	<i>Rate</i>
Analyst	\$175 - \$245
Professional	\$250 - \$315
Senior Professional I	\$295 - \$400
Senior Professional II	\$400 - \$420
Senior Technical Support	\$210 - \$290
Support Staff	\$140 - \$175
Technical Support	\$145 - \$245

Effective through December 31, 2026

Subject to adjustment thereafter

Internal Reimbursable Expenses will be charged at 5% of Labor Billings

External Reimbursable Expenses will be charged at 15% mark-up, or per the Contract

Sub-Consultants will be billed per the Contract



CITY OF SEASIDE STAFF REPORT

Item No.: 7.F.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Andrew Myrick, Housing & Planning Manager

DATE: July 16, 2026

SUBJECT: ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CANNABIS DISPENSARY DEVELOPMENT AND OPERATING AGREEMENT TRANSFER WITH STIIIZY SEASIDE, LLC, ORIGINALLY ISSUED TO HIGHER LEVEL OF CARE, LLC, FOR THE DISPENSARY LOCATED AT 1440 CANYON DEL REY BOULEVARD

RECOMMENDATION

Approve the Transfer Agreement.

BACKGROUND

The City of Seaside last updated Title 19, which regulates cannabis businesses in the City of Seaside, on November 21, 2024. At that time, the Council voted to reduce the number of allowable dispensaries from nine to three, with the caveat that dispensaries that were already in operation could continue to do so. At the time, there were six dispensaries in operation in the City of Seaside - at this time, one dispensary (Plantacea, located on Fremont Street) has closed permanently and another (Higher Level of Care, located at 1440 Canyon del Rey Boulevard) has ceased operations.

Higher Level of Care ceased operations while significantly in arrears on the payment of its cannabis tax. Due to a large number of outstanding financial obligations to various parties, the company entered into receivership, where it was acquired by another company, STIIIZY Seaside, LLC. STIIIZY is seeking to reopen the dispensary at the same location.

Under the most recently adopted Ordinance, new cannabis dispensaries cannot be considered until the number of dispensaries falls below three. However, pursuant to

Section 19.08.010.D, STIIIZY has submitted a request that the current Development and Operating Agreement be transferred into their name. The City Council is the approval authority for such a request.

The Applicant

STIIIZY is an experienced dispensary operator that has an extensive business presence throughout the State of California. It is a vertically integrated company, meaning that they cultivate, manufacture, and sell their own brand of cannabis products. Their website identifies 59 dispensaries that they operate within the State of California (in addition to three in Michigan). The company's nearest existing location is at 3170 Del Monte Boulevard in Marina, where it has been operating since August of 2021. Since it opened, the City of Marina has conducted annual audits as part of an annual license renewal process. City of Marina staff indicated that there have been no significant issues related to the operation of the business in Marina.

The Agreement

Under the Agreement, STIIIZY would assume the Development and Operating Agreement previously agreed to with Higher Level of Care, with the following modifications:

- Under the previous Agreement, Higher Level of Care identified six non-profits to which a total of \$15,000 per year would be donated. STIIIZY would continue to donate \$15,000 per year, but would have greater flexibility regarding the choice of non-profits.
- The previous Agreement references wage standards, but those standards do not appear to be in the original Agreement. The revised Agreement would establish wages at \$20.50 to \$26.00 per hour with benefits including health insurance.
- The previous Agreement allowed the City to conduct annual reviews of the operations to verify compliance with the Use Permit and Development and Operating Agreement. The revised Agreement would instead require STIIIZY to submit annual reports verifying compliance with the regulations.

Additionally, STIIIZY has agreed to reimburse the City for a substantial portion of the cannabis taxes owed by Higher Level. Under this Agreement, STIIIZY would pay the City \$372,556.52 over the next 12 months. 10% of the total amount (\$37,255.65) has already been received. An additional 45% (\$167,650.42) would be paid within 14 days of this approval. The remaining 45% would be made in four equal quarterly payments of \$41,912.61 payable on October 1, 2026, January 1, 2027, April 1, 2027, and July 1, 2027.

FISCAL IMPACT

This Item would generate approximately \$372,556.52 (of which \$37,255.65 has already been received) in one-time revenue over the next 12 months. In addition, the business is expected to generate ongoing cannabis tax and sales tax revenues, with exact amounts based on the performance of the business.

STRATEGIC PRIORITY

Vibrant Local Economy

ATTACHMENTS

1. CC Resolution STIIIZY Transfer Agreement
 2. Proposed STIIIZY Transfer Agreement (Resolution Exhibit A)
-

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

RESOLUTION NO. 26-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE
AUTHORIZING THE CITY MANAGER TO EXECUTE A CANNABIS DISPENSARY
DEVELOPMENT AND OPERATING AGREEMENT TRANSFER WITH STIIIZY
SEASIDE, LLC, ORIGINALLY ISSUED TO HIGHER LEVEL OF CARE, LLC, FOR
THE DISPENSARY LOCATED AT 1440 CANYON DEL REY BOULEVARD**

WHEREAS, in September 2017, the City Council adopted Ordinance 1043, adding Title 19 to its Municipal Code to establish an application process for cannabis dispensaries and limiting the total allowable number of dispensaries to no more than three; and

WHEREAS, on March 15, 2018, the Seaside City Council approved a Development and Operating Agreement to allow Higher Level of Care, LLC, to operate a dispensary in the property located at 1440 Canyon del Rey Boulevard (also known as 310 Amador Avenue); and

WHEREAS, Higher Level of Care, LLC was placed into receivership and its assets have been acquired by STIIIZY Seaside, LLC; and

WHEREAS, the City of Seaside has received an application from STIIIZY Seaside, LLC to assume the Development and Operating Agreement formerly approved for Higher Level of Care, LLC; and

WHEREAS, Section 19.08.010.D of the Seaside Municipal Code provides that changes in ownership of a cannabis dispensary may be permitted subject to City Council approval.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Seaside does hereby authorize the City Manager to execute the Cannabis Dispensary Development and Operating Agreement Transfer, attached to this Resolution as Exhibit A.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager (with concurrence of the City Attorney) to make non-substantive changes to the Agreement prior to its execution as deemed appropriate or necessary.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside duly held on the 16th day of July, 2026, by the following vote:

AYES: COUNCIL MEMBERS
NOES: COUNCIL MEMBERS
ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED TO FORM:

Sheri L. Damon, City Attorney

Attachments:

Exhibit A – Cannabis Dispensary Development and Operating Agreement
Transfer

Cannabis Dispensary Development and Operating Agreement Transfer

1. The Dispensary located at 1440 Canyon del Rey Boulevard (also known as 310 Amador Avenue) on Assessor's Parcel Number (APN) 011-315-017 (the "Property") has been acquired by STIIIZY Seaside, LLC which is principally owned and operated by James Kim and Tak Sato. The Development and Operating Agreement for the Cannabis Dispensary, originally issued to Higher Level of Care, LLC and attached hereto as Attachment 1 is hereby transferred to STIIIZY Seaside, LLC, with the following amendments:
 - A. Exhibit A and Exhibit B to the Development and Operating Agreement shall in accordance with the attached Exhibit A and Exhibit B; and
 - B. Exhibit C to the original Development and Operating Agreement shall be replaced with the attached Exhibit C. STIIIZY Seaside, LLC shall provide these benefits, including Charitable Contribution benefits, on a calendar year basis. References to Exhibit D in the original Agreement shall be deemed to refer to Exhibit C.
 - C. On or before February 1 of each calendar year, STIIIZY Seaside, LLC shall provide a report to the City of Seaside, on a form acceptable to the City, detailing all activities taken during the prior calendar year which demonstrate compliance with these requirements.
2. All rights, responsibilities and conditions of approval are now the responsibility of the undersigned. The undersigned agrees that failure to comply with all conditions and responsibilities, including public benefits outlined in the Development and Operating Agreement, will result in enforcement actions and could result in revocation of the Use Permit, Development and Operating Agreement, and/or all State licenses.
3. STIIIZY Seaside, LLC and the owner(s) of the Property shall execute the Indemnification Agreements included as Attachment 2 to this Agreement.
4. In addition to the assumption of all responsibilities required under the terms of the Development and Operating Agreement and the Use Permit, STIIIZY Seaside, LLC also agrees to pay outstanding taxes previously owed by Higher Level of Care, LLC in the amount of \$372,556.52. The City recognizes this payment to fully meet all prior obligations incurred by Higher Level of Care, LLC, and shall not request any further payment related to obligations incurred by Higher Level of Care, LLC. STIIIZY Seaside, LLC shall make the payments on the following timeline:
 - A. 10% of the total (\$37,255.65) prior to the approval and execution of this Agreement;
 - B. 45% of the total (\$167,650.42) within 14 calendar days of the approval of this Agreement by the City of Seaside City Council; and

- C. 45% of the total (\$167,650.44) shall be paid in four equal quarterly installments of \$41,912.61. These payments shall be received by the City of Seaside no later than October 1, 2026, January 1, 2027, April 1, 2027, and July 1, 2027.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of July 16, 2026.

CITY OF SEASIDE:

STIIIZY SEASIDE LLC

Greg McDanel
City Manager

James Kim
CEO

Tak Sato
President

APPROVED AS TO FORM:

Sheri Damon
City Attorney

Attachments

- Attachment 1 - Development and Operating Agreement (Resolution 18-16) with the following Exhibits:
Exhibit A – Map showing Property and its location.
Exhibit B – Resolution of City Granting a Dispensary Permit with Conditions at 310 Amador Avenue.
Exhibit C – Owner Commitment to Community Benefit Program
- Attachment 2 - Business and Property Owner Indemnification Agreement

**DEVELOPMENT/OPERATING AGREEMENT
BY AND BETWEEN
THE CITY OF SEASIDE
AND
HIGHER LEVEL OF CARE LLC.**

ARTICLE 1. PARTIES AND DATE.

This Development/Operating Agreement ("Agreement") is dated March 15, 2018, for execution purposes only and is entered into between (i) the City of Seaside ("City"), a California municipal corporation, and Higher Level of Care LLC. ("Owner"), a California Limited Liability Company. This Agreement shall become effective on the Effective date defined in section 3.1.6.

ARTICLE 2. RECITALS.

2.1 WHEREAS, City is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property; and

2.2 WHEREAS, this Agreement and the Project are consistent with the City's General Plan and Zoning Code and applicable provisions of the City's Zoning Map as of the Effective Date; and

2.3 WHEREAS, all actions taken and approvals given by the City have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and

2.4 WHEREAS, Owner intends to develop a Cannabis Dispensary or Facility, with Commercial Cannabis Activities at the Dispensary or Facility, to the extent contemplated by the Seaside Municipal Code Chapter 19 and all applicable state laws, rules, and regulations.

2.5 WHEREAS, this Agreement, in the future, shall be read consistent with any statewide regulation passed by voter initiative or the state legislature, which decriminalizes or legalizes marijuana for medical or recreational use, also known as Adult Cannabis. This Agreement shall govern the conduct of this business to cultivate and distribute marijuana under such statewide regulation, consistent with any City regulations not preempted by any such statewide regulations.

2.6 WHEREAS, The Owner and City agree for mutual consideration

Attachment 1

this agreement.

ARTICLE 3. GENERAL TERMS.

3.1 Definitions and Exhibits. The following terms when used in this Agreement shall be defined as follows:

3.1.1 "Agreement" means this Development/Operating Agreement. [This is not a development agreement as defined in Government Code Section 65864 et seq.]

3.1.2 "City" means the City of Seaside, a California municipal corporation.

3.1.3 "Days" mean calendar days unless otherwise specified.

3.1.4 "Development" includes the right to maintain, repair or reconstruct any private building, structure, improvement or facility after the construction and completion thereof; provided, however, that such maintenance, repair, or reconstruction take place within the term of this Agreement on parcels subject to it.

3.1.5 "SMC" means the City of Seaside Municipal Code.

3.1.6 "Effective Date" means the date on which all of the following are true: (i) the City Council adopted a resolution adopting and approving the Development/Operating Agreement and (ii) all Exhibits to this Agreement are finalized, executed by all affected parties (if applicable) and attached hereto; provided, however, that if these conditions have not been fully satisfied by the Owner the Effective Date may not thereafter occur and this Agreement may not thereafter become effective.

3.1.7 "Existing Land Use Regulations" means all Land Use Regulations in effect on the date of execution. Existing Land Use Regulations include all provisions in the SMC Chapter 17, Zoning, and other regulations that are a matter of public record on the date of execution as they may be modified from time to time. Notwithstanding by the Existing Development Approvals. Notwithstanding the foregoing, Existing Land Use Regulations include the regulations set forth in AB 266 and AB 243.

3.1.8 "Owner" means the Business or Dispensary Owner (s).

3.1.9 "Processing Fees" means the normal and customary application, filing, plan check, permit fees for Cannabis activity approvals, design review, building permits, demolition permits, grading permits, and other

similar permits and entitlements, and inspection fees, which fees are charged to reimburse the City's expenses attributable to such applications, processing, permitting, review and inspection and which are in force and effect on a general basis at such time as said approvals, permits, review, inspection or entitlements are granted or conducted by the City.

3.1.10 "Project" means the Commercial Cannabis Activity as set forth in SMC Chapter 19, located on Assessor Parcel Number (APN) _____ that will be state licensed and issued a Dispensary Permit in full accordance with SMC Chapter 19.02.010 as may be amended, as well as in full compliance with all state laws, including but not limited to the Medical Marijuana Regulation and Safety Act adopted by the State of California (also known as AB 266 and AB 243). This Project shall include the cultivation, manufacturing, testing, and distribution, of Cannabis as approved by state and local law. The Project will include construction and development of a [type of facility] Dispensary that will be issued a Dispensary Permit in full accordance with SMC Chapter 19.02.010 as amended as well as in full compliance with all state laws, including but not limited to the Medical Marijuana Regulation and Safety Act and the Adult Use of Marijuana Act.

3.1.11 "Property" means the real property where the Cannabis Dispensary or Facility is to be located as described on Exhibit A and shown on Exhibit B, as set forth in 3.2 below, both attached hereto and incorporated herein by this reference.

3.2 Exhibits. The following documents are attached to and, by this reference, made part of this Agreement:

Exhibit A – Map showing Property and its location.

Exhibit B—Resolution of City Granting a Dispensary Permit With Conditions at [location].

Exhibit C--Owner Commitment to Community Benefit Program.

3.3 Binding Effect of Agreement. The Property and Project are hereby made subject to this Agreement. Subject to the Owner's receipt of all Development/Operating Approvals relative thereto, the Development of the Property is hereby authorized and shall, except as otherwise provided in this Agreement, be carried out only in accordance with the terms of this Agreement, the Development/Operating Plan, and the Dispensary Permit. In the event of conflict or uncertainty between this Agreement, the Dispensary Permit, and the Development Plan, the provisions of the Development/Operating Plan shall control.

3.4 Notices.

3.4.1 Notice Defined. As used in this Agreement, notice includes,

without limitation, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

3.4.2 Written Notice and Delivery. All notices shall be in writing and shall be considered given:

- (i) when delivered in person to the recipient named below; or
- (ii) three days after deposit in the United States mail, postage prepaid, addressed to the recipient named below; or
- (iii) on the date of delivery shown in the records of the delivery company after delivery to the recipient named below; or
- (iv) on the date of delivery by facsimile transmission to the recipient named below if a hard copy of the notice is deposited in the United States mail, postage prepaid, addressed to the recipient named below. All notices shall be addressed as follows:

If to the City:

City Manager
440 Harcourt Avenue
Seaside, CA 93955

If to the Owner:

Higher Level of Care
310 Amador Avenue
Seaside, CA 93955

With Copies to:

City Attorney
440 Harcourt Avenue
Seaside, CA 93955

3.4.3 Address Changes. Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3.5 Validity of this Agreement. The Owner and the City each acknowledge that neither party has made any representations to the other

concerning the enforceability or validity of any one or more provisions of this Agreement, and that this Agreement has been drafted jointly and not by one party alone.

ARTICLE 4. PUBLIC BENEFITS

4.1 Intent. The parties acknowledge and agree that development of the Project on the Property will result in substantial public needs which will not be fully met by the Development/Operating Plan and further acknowledge and agree that this Agreement confers substantial private benefits on Owner which should be balanced by commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on Owner by providing more fully for the satisfaction of the public needs resulting from the Project

4.2 Developer Fee. Applicant agrees to pay all established fees, charges, City costs, taxes, or other similar forms of expenses applicable to all Commercial Cannabis establishments and Dispensary Permits.

4.3 Jobs and Wage Creation.

4.3.1 Local Hiring. Owner agrees to use its reasonable efforts to hire qualified City residents for jobs at the Project. Owner shall abide by all local hiring commitments provided in the Owner Commitment to Community Benefit Program in Exhibit C

4.3.2 Mandatory Payment of Wage. Owner agrees to pay all employees wages in accordance with the wage rate provided in the Owner's Community Benefit Plan and the Owner Commitment to Community Benefit Program in Exhibit D.

4.5 Payment of Marijuana Business Operation Tax.

4.5.1 Amount of Tax. Pursuant to Chapter SMC Chapter 5.04.320, Owner shall pay City the annual business operations tax based on a percentage of gross receipts as set by the City Council by Ordinance in accordance with prior voter approval of up to ten percent (10%) annually. Such taxes shall be remitted in accordance with regulations adopted by City.

4.5.2 All other taxes established by Ordinance shall be paid in accordance with the SMC and State law, as both may be amended from time to time.

ARTICLE 5. REVIEW FOR COMPLIANCE.

5.1 Periodic Review. The City Manager or designee may review

this Agreement annually, on or before each anniversary of the Effective Date or upon receipt of a request by Owner to extend the term, in order to ascertain Owner's good faith compliance with this Agreement including the Dispensary Permit. During the periodic review Owner shall be required to demonstrate good faith compliance with the terms of the Agreement, through submitting an annual monitoring report, records, or equivalent written materials to the City Manager or designee. The City may elect to extend the permits without review. Owner shall be entitled to a review hearing pursuant to 6.3 below in the event the City Manager or designee determines Owner is not in compliance with this Agreement, Use Permit or Dispensary Permit.

5.2 Special Review. The City Council may order a special review of compliance with this Agreement at any time. The City Manager or his or her designee shall conduct such special review. During a special review, the Owner shall be required to demonstrate good faith compliance with the terms of the Agreement. The burden of proof on this issue shall be on the Owner.

5.3 Review Hearing. At the time and place set for the review hearing, the Owner shall be given an opportunity to be heard. If the City Manager finds, based upon substantial evidence, that the Owner has not complied in good faith with the terms or conditions of this Agreement, the City Manager may recommend that the City Council terminate this Agreement notwithstanding any other provision of this Agreement to the contrary, or modify this Agreement and impose such conditions as are reasonably necessary to protect the interests of the City. The decision of the City Council shall be final, subject only to judicial review pursuant to Code of Civil Procedure Section 1094.5.

5.4 Failure to Conduct Review. The City's failure to conduct a periodic review of this Agreement shall not constitute a breach of this Agreement or a waiver of future periodic reviews.

5.5 Cost of Review. The costs incurred by City in connection with the periodic reviews shall be borne by Owner.

ARTICLE 6. ANNEXATION INTO DISTRICTS

6.1 Owner agrees to the Subject Property being annexed into any current or future Community Facilities District, Community Services District, or any other tax district which would pertain to the Property.

ARTICLE 7. DEFAULTS AND REMEDIES.

7.1 Remedies in General. It is acknowledged by the parties that the City would not have entered into this Agreement if it were to be liable in damages under this Agreement, or with respect to this Agreement or the application thereof, except as hereinafter expressly provided. Subject to extensions of time by mutual consent in writing, failure or delay by either party to

perform any term or provision of this Agreement shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured during any such thirty (30) day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings. Notwithstanding the foregoing to the contrary, if the alleged default is of such a nature that it cannot be cured within thirty (30) days, the alleged defaulting party shall not be deemed in default as long as such party commences to cure such default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion.

7. 2 After notice and expiration of the thirty (30) day period, the other party to this Agreement, at its option, may institute legal proceedings pursuant to this Agreement.

7.3 In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the City shall not be liable in monetary damages, unless expressly provided for in this Agreement, to the Owner or to any successors in interest of the Owner, or to any other person, and the Owner covenants on behalf of itself and all successors in interest to the Property or any portion thereof, not to sue for damages or claim any damages:

(i) For any breach of this Agreement or for any cause of action which arises out of this Agreement: or

(ii) For the impairment or restriction of any right or interest conveyed or provided under, with, or pursuant to this Agreement, including, without limitation, any impairment or restriction which the Owner characterizes as a regulatory taking or inverse condemnation; or

(iii) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Agreement.

7.4 Nothing contained herein shall modify or abridge the Owner's rights or remedies (including its rights for damages, if any) resulting from the exercise by the City of its power of eminent domain. Nothing contained herein shall modify or abridge the Owner's rights or remedies (including its rights for damages, if any) resulting from the grossly negligent or malicious acts of the City and its officials, officers, agents and employees. Nothing herein shall modify or abridge any defenses or immunities available to the City and its employees pursuant to the Government Claims Act and all other applicable statutes and decisional law.

7.5 Release. Except for those remedies set forth in Sections 8.1 and 8.4, the Owner, for itself, its successors and assignees, hereby releases the City, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, based or asserted, pursuant to Article 1, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon the City because it entered into this Agreement or because of the terms of this Agreement.

The Owner acknowledges that it may have suffered, or may suffer, damages and other injuries that are unknown to it, or unknowable to it, at the time of execution of this Agreement. Such fact notwithstanding, the Owner agrees that the release provided in this Section 7.2 shall apply to such unknown or unknowable claims or damages. Without limiting the generality of the foregoing, the owner acknowledges the provisions of California Civil Code Section 1542, which provide:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which if known by him or her must have materially affected his or her settlement with the debtor."

The owner hereby waves, to the maximum legal extent, the provisions of California Civil Code Section 1542 and all other statutes and judicial decisions of similar effect.

Initial_____

7.6 Attorneys' Fees and Costs. In any action or proceeding between the City and the Owner brought to interpret or enforce this Agreement, or which in any way arises out of the existence of this Agreement or is based upon any term or provision contained herein, the "prevailing party" in such action or proceeding shall be entitled to recover from the non-prevailing party, in addition to all other relief to which the prevailing party may be entitled pursuant to this Agreement, the prevailing party's reasonable attorneys' fees and litigation costs, in an amount to be determined by the court. The prevailing party shall be determined by the court in accordance with California Code of Civil Procedure Section 1032. Fees and costs recoverable pursuant to this Section 8.5 include those incurred during any appeal from an underlying judgment and in the enforcement of any judgment rendered in any such action or proceeding. The

parties agree that each contributed to the drafting of this Agreement, and that neither party is responsible for its drafting in determining whether any ambiguities exist as a result of drafting. Ambiguities shall not automatically be ruled against either party.

ARTICLE 8. THIRD PARTY LITIGATION.

8.1 General Plan Litigation. The City has determined that this Agreement is consistent with its General Plan. The Owner has reviewed the General Plan and concurs with the City's determination.

8.1 Hold Harmless Agreement. Owner hereby agrees to, and shall hold City, its elective and appointive boards, commissions, officers, agents, and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Owner or Owner's contractors, subcontractors, agents, or employees operations under this Agreement, whether such operations be by Owner, or by any of Owner's contractors, subcontractors, agents, or employees operations under this Agreement, whether such operations be by Owner, or by any of Owner's contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for Owner or any of Owner's contractors or subcontractors. Owner agrees to and shall defend City and its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damage caused, or alleged to have been caused, by reason of any of the aforesaid operations.

8.2 Indemnification. Owner shall defend, indemnify and hold harmless City and its agents, officers and employees against and from any and all liabilities, demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorneys' fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to the legality, validity or adequacy of any of the following: (i) this Agreement and the concurrent and subsequent permits, licenses and entitlements approved for the Project or Property; (ii) the environmental impact report, mitigated negative declaration or negative declaration, as the case may be, prepared in connection with the development of the Property; and (iii) the proceedings undertaken in connection with the adoption or approval of any of the above. In the event of any legal or equitable action or other proceeding instituted by any third party (including a governmental entity or official) challenging the validity of any provision of this Agreement or any portion thereof as set forth herein, the parties shall mutually cooperate with each other in defense of said action or proceeding. Notwithstanding the above, the City, at its sole option, may tender the complete defense of any third party challenge as described herein. In the event the City elects to contract with special counsel to provide for such a defense, the City

shall meet and confer with Owner regarding the selection of counsel, and Owner shall pay all costs related to retention of such counsel.

8.3 Accept Reasonable Good Faith Settlement. With respect to Article 10, the City shall not reject any reasonable good faith settlement. If the City does reject a reasonable, good faith settlement that is acceptable to the Owner, the Owner may enter into a settlement of the action, as it relates to the Owner, and the City shall thereafter defend such action (including appeals) at its own cost and be solely responsible for any judgments rendered in connection with such action. This Section 9.3 applies exclusively to settlements pertaining to monetary damages or damages which are remedial by the payment of monetary compensation. The Owner and the City expressly agree that this Section 10.6 does not apply to any settlement that requires an exercise of the City's police powers, limits the City's exercise of its police powers, or affects the conduct of the City's municipal operations.

ARTICLE 9. MISCELLANEOUS PROVISIONS.

9.1 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements that are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement, provided, however, City at its option may rely on statements by Owner's agents at the public hearings leading to the City's approval of the project or on written documents by Owner or Owner's agents that are a part of the public record.

9.2 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. The foregoing notwithstanding, the provision of the public benefits set forth in Article 4, including the payment of the fees set forth therein, are essential elements of this Agreement and the City would not have entered into this Agreement but for such provisions, and therefore in the event that any portion of such provisions are determined to be invalid, void or unenforceable, at the City's option this entire Agreement shall terminate and from that point on be null and void and of no force and effect whatsoever.

9.3 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives

and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

9.4 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.5 Singular and Plural; Gender, and Person. Except where the context requires otherwise, the singular of any word shall include the plural and vice versa, and pronouns inferring the masculine gender shall include the feminine gender and neuter, and vice versa, and a reference to "person" shall include, in addition to a natural person, any governmental entity and any partnership, corporation, joint venture or any other form of business entity.

9.6 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.7 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.8 No Third Party Beneficiaries. The only parties to this Agreement are Owner and the City. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit, or be enforceable by any other person whatsoever.

9.9 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.10 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes.

The burdens of the Agreement shall be binding upon, and the benefits of the Agreement shall inure to all successors in interest to the parties to this Agreement.

9.11 Counterparts. This Agreement may be executed by the

parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

9.12 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and prosecuted in the Superior Court of the County of Monterey, State of California, and the parties hereto waive all provisions of federal or state law or judicial decision providing for the filing, removal or change of venue to any other state or federal court, including, without limitation, Code of Civil Procedure Section 394.

9.13 Agent for Service of Process. In the event the Owner is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer, resident of the State of California, or if it is a foreign corporation, then the Owner shall file, upon its execution of this Agreement, with the City Manager the name of a natural person acting as the agent of owner residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon the Owner. If for any reason service of such process upon such agent is not feasible, then in such event the Owner may be personally served with such process out of this County and such service shall constitute valid service upon the Owner. The Owner is amenable to the process so described, submits to the jurisdiction of the Court so obtained, and waives any and all objections and protests thereto.

9.14 Authority to Execute. The person or persons executing this Agreement on behalf of the Owner warrants and represents that he/she/they have the authority to execute this Agreement on behalf of his/her/their corporation, partnership or business entity and warrants and represents that he/she/they has/have the authority to bind the Owner to the performance of its obligations hereunder.

Each individual executing this Agreement on behalf of his or her respective company or entity shall represent and warrant that:

9.14.1 The individual is authorized to execute and deliver this Agreement on behalf of that company or entity in accordance with a duly adopted resolution of the company's board of directors or appropriate governing body and in accordance with that company's or entity's articles of incorporation or charter and bylaws or applicable formation documents; and

9.14.2 This Agreement is binding on that company or entity in

accordance with its terms; and

9.14.3 The company or entity is a duly organized and legally existing company or entity in good standing; and

9.14.4 The execution and delivery of this Agreement by that company or entity shall not result in any breach of or constitute a default under any mortgage, deed of trust, loan agreement, credit agreement, partnership agreement, or other contract or instrument to which that company or entity is party or by which that company or entity may be bound.

9.15 Nexus/Reasonable Relationship Challenges. Owner consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions, requirements, payment of any kind of fee whatsoever, policies or programs set forth in this Agreement including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

9.16 Owner Compliance with Laws. Owner hereby agrees to comply with all applicable state, federal and local laws, regulations, rules and policies.

9.17 No Damages Relief Against City. The parties acknowledge that the City would not have entered into this Agreement had it been exposed to damage claims from Owner, or Owners successors in interest, assigns, partners, or anyone acting on behalf of the Owner for any breach thereof. As such, the parties agree that in no event shall Owner, or Owners successors in interest, assigns, partners, or anyone acting on behalf of the Owner be entitled to recover damages against City for breach of this Agreement.

9.18 Laws. Owner agrees to comply with all applicable state, regional, and local laws, regulations, polices and rules.

9.19 Compliance with Conditions of Approval. Owner agrees to comply with and fulfill all conditions of approval for any and all entitlement, permits, and/or licenses it receives from the City. All conditions of approval for all entitlements, permits and/or licenses are hereto incorporated.

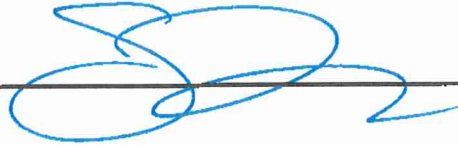
9.20 Owner agrees to comply with all applicable provisions of any current or future applicable federal, state, or local marijuana/Cannabis laws, including AB 266 and AB 243, as duly adopted, including any and all development standards, license and revocation procedures, and the like. Should there be anything in federal or state law, including but not limited to AB 266 or AB 243 which contradicts any provision in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written above.

CITY OF SEASIDE

OWNER

By: 
Ralph Rubio, Mayor



ATTEST:

By: 
Leslie E. Milton-Rerig, City Clerk

APPROVED AS TO FORM:

By: 
Don Freeman, City Attorney

Map Showing Property and Its Location

Address: 1440 Canyon del Rey Boulevard

Assessor's Parcel Number: 011-315-017



Exhibit A of Attachment 1

RESOLUTION NO. 17-98

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

GRANTING THE APPROVAL OF A DISCRETIONARY USE PERMIT TO ALLOW A MEDICAL/ADULT RECREATIONAL CANNABIS FACILITY LOCATED AT 310 AMADOR (APN# 011-315-017) IN THE MIXED USE (MX) ZONING DISTRICT.

WHEREAS, Performance Property Management, or Assigns C/O Larry Scholink , property owner and, Higher Level of Care/Cypress Manufacturing, dba Higher Level, applicant, have applied for a Discretionary Use Permit to allow:

A. The establishment of a Medical/Adult Recreation Cannabis facility.

WHEREAS, the proposed project requires discretionary use permit approval, and it is the responsibility of the Planning Commission in the Seaside Municipal Code to have considered and weighed the merits of the application and public input in relation to the policies, standards and intent of the Seaside General Plan and Seaside Municipal Code in making a recommendation on the proposed cannabis facility to the City Council; and

WHEREAS, the Seaside Planning Commission considered oral comments and written information concerning the proposed amendment at three duly noticed special public meetings held on December 4, 2017, December 5, 2017, and December 20, 2017; and

WHEREAS, the Seaside Planning Commission acted to declare the application as being a qualified applicant on December 20, 2017 and made a recommendation that the City Council consider the application for the issuance a cannabis facility; and

WHEREAS, the Seaside Municipal Code requires the approval of a discretionary use permit by the City Council for a Medical/Adult Recreation Cannabis facility, and it is the responsibility of the City Council to have considered and weighed the merits of the application and public input in relation to the policies, standards and intent of the Seaside General Plan and Seaside Municipal Code in review of the application; and

WHEREAS, the Seaside City Council considered oral comments and written information concerning the proposed amendment at a duly noticed special public meeting held on December 28, 2017; and

WHEREAS, the project is a Categorically Exempt, Class 1, Section 15301 meeting the following conditions:

- a) The proposed development will consist of converting an existing commercial building into a retail medical/adult recreation cannabis facility which will not change the intensity of the project site or the City's infrastructure off-site in order to accommodate the proposed use. It can be seen with certainty that the proposed use will not create any significant environmental impact on the community and neighboring properties.

Exhibit B of Attachment 1

NOW, THEREFORE, BE IT RESOLVED, that the City Council adopts the following findings for the Medical/Adult Recreation Cannabis facility Discretionary Use Permit

- 1) The proposed use is allowed within the applicable zone and complies with all other applicable provisions of this Zoning Ordinance and the Municipal Code.

Evidence: This project is located within the Mixed use Zoning District in which a Medical/Adult Recreation Cannabis facility may be established with use permit approval.

Evidence: The applicant will provide sufficient security measures to both deter and prevent unauthorized entrance into the facility, eliminate any unauthorized loitering inside and outside of the facility, and minimize excessive calls for service by the City's public safety resources.

Evidence: There are no existing retail cannabis facilities operating within 1,000 feet of the project site.

Evidence: Higher Level scored full points for location of business, which will serve as a catalyst project for the City of Seaside within the West Broadway Urban Village Specific Plan.

Evidence: Higher Level scored well for business plan points by demonstrating revenue and capitalization, achievable within the City of Seaside based on the project location being located within an established retail area and the project location having access from the City's entrances on Fremont Boulevard to the north and south and the entrance on Broadway Avenue to the east.

Evidence: Higher Level scored full points for local enterprise and community benefits, which fosters economic and community development within the City of Seaside and provides financial contributions to local non-profit community organizations within the City of Seaside.

Evidence: Higher Level scored full points for neighborhood compatibility with commitments to exemplary security and façade improvement upgrades, which promotes neighborhood unity and land use compatibility/vitality within the City of Seaside.

Evidence: Higher Level scored full points for safety and security, which helps to provide public safety within the City of Seaside by not creating any type of nuisance which would be detrimental to the overall general health, safety and welfare of the community and/or cause a financial burden on public safety resources for unnecessary calls for service .

- 2) The proposed use is consistent with the General Plan and any applicable specific plan.

Seaside General Plan Conformance

Evidence: Per the General Plan Land Use Element, the site is designated as Mixed use (MX) West Broadway Urban Village Specific Plan. The following Goals and Policies would apply:

Land Use Element Goal LU-1: Promote a mixture of land uses and a balance of jobs and housing to support a community in which people can live, work, and play.

Evidence: The project site will be contained within an existing commercial building which has demonstrated that it can contain the necessary capacity to operate a cannabis dispensary without overburdening existing roadways and City infrastructure,

Land Use Element Policy LU-1.1: The proposed use would serve to implement and diversify the land uses within the West Broadway Urban Village Specific Plan and improve the City's job housing balance.

Evidence: The project would occupy a vacant tenant space, increase pedestrian activity, have the potential for increased pass by trips for adjoining businesses, and will employ Seaside residents.

Land Use Element Policy LU-1.2: The proposed use will serve to provide additional jobs to improve the City's job housing balance.

Evidence: The project will employ Seaside residents.

Land Use Element Goal LU-1.3: Encourage regional commercial and visitor-serving commercial development that will enhance the identity of Seaside and attract visitors to the community.

Evidence: The project would occupy a vacant tenant space, increase pedestrian activity, and complete a commercial façade upgrade.

Land Use Element Goal LU-2: Revitalize existing commercial areas.

Evidence: The cannabis facility will serve to establish a regional commodity within the City of Seaside that will provide a substantial investment within the community that will serve to improve the character of the West Broadway Specific Plan area and attract customers both from the Monterey Bay area and tourism.

Element Policy –LU-2.1: The proposed project will serve to revitalize an existing commercial area of the community that is targeted as a specific plan area to provide new jobs and services as the downtown core of the community.

Evidence: The proposed use will serve to fill a vacant commercial site and remove a blighted condition through the extended vacancy of the site since it was constructed.

- 3) The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and planned future land uses in the vicinity.

Evidence: The proposed Medical/Adult Recreation Cannabis facility will meet the needs of the community consistent within the West Broadway Urban Village Specific Plan design goals and improve the overall business character with the infusion of new façade treatments and monetary investment in the infrastructure of the site.

- 4) The site is physically suitable for the type, density and intensity of discretionary use being proposed, including access, utilities, and the absence of physical constraints.

Evidence: The project site is served by existing water, wastewater, and electrical infrastructure and facilities with adequate capacity to serve the proposed project. The proposed conversion of a retail commercial building to a Medical/Adult Recreation Cannabis facility with interior changes and exterior façade changes conforms to Land Discretionary use Element of the Seaside General Plan.

- 5) Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone district in which the property is located.

Evidence: The proposed Medical/Adult Recreation Cannabis facility will provide for a community facility that is safe and attractive for a Cannabis dispensary use.

Evidence: The proposed conversion of a commercial retail building to a Medical/Adult Recreation Cannabis facility would not be detrimental to the public health, safety and general welfare of the people of the City and surrounding neighborhood. The proposed use is located on an in-fill site and would help maintain a compact city form consistent with the scale and character of the surrounding commercial neighborhood.

BE IT FURTHER RESOLVED, that the City Council approves the Discretionary Use Permit Application for “Higher Level” subject to the following conditions:

Project Specific

Planning:

1. Except as modified by required conditions of approval, the permittee shall have the right to operate a Medical/Adult Recreation Retail Cannabis Facility substantially in accordance with the project material stamped “Received by the City of Seaside- December 1, 2017” and subject to the floor plan and exterior façade being modified to comply with the general Cannabis and conditions listed. The aerial site plan is provided as Exhibit “A”.

Cannabis

1. Cannabis may not be inhaled, smoked, eaten, ingested, or otherwise consumed within the Business, on the Property, in the parking areas of the Property, or in those areas restricted under the provisions of Health and Safety Code §11362.79.

2. All storage, display, sales or other distribution of cannabis shall occur only within an enclosed area of a medical cannabis business and shall not be visible from the exterior of the business. Delivery shall be as approved by the Seaside Police Department.
3. The cannabis facility shall have an odor-absorbing ventilation and exhaust system to ensure that odor generated inside the premises is not detected outside the premises.
4. A sign shall be posted in a conspicuous location inside the property advising that use of cannabis may impair a person's ability to drive a motor vehicle or operate heavy machinery.
5. No person, other than a patient, caregiver, licensee, employee, or a contractor shall be in the medical cannabis dispensary room.
6. Medical/Adult Cannabis Dispensary hours of operation shall be as regulated by State and City law.
7. Adults 21 and over can buy cannabis at retail dispensaries with an "A" adult use license as of Jan 1, 2018 as regulated by State Law.
8. No Cannabis Dispensary, Management Employee or employee shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on the Property or in the parking area of the property.

Testing, Packaging, Labeling

9. All cannabis product labels shall also include the following information, prominently displayed and in a clear and legible font: For packages containing only dried flower, the net weight of medical cannabis in the package; A warning if nuts or other known allergens are discretionary used; List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total; Clear indication, in bold type, that the product contains medical cannabis; Identification of the source and date of cultivation and manufacture.
10. Only generic food names may be used to describe edible medical cannabis products. Businesses should refer to State and local law to determine what activities are permitted or prohibited for licensed dispensaries in the City of Seaside. Failure to comply may result in penalties, suspension or revocation of the dispensary business license.

Transportation

11. All cannabis-infused products must be hand packaged, sealed and labeled, and the products stored in closed containers that are labeled. All medical cannabis in a usable form for medicinal use must be packaged and stored in closed containers that are labeled.

12. Each container used to transport or deliver cannabis must be labeled as regulated by State law. The label shall be shown to any law enforcement officer who requests to see the label.

Community Relations

13. Each Cannabis Business shall designate a Community Relations Liaison, who shall be at least twenty-one (21) years of age; and shall provide the Liaison's name to the City Manager. The Liaison shall receive all complaints received by the City Manager regarding the Medical/Adult Cannabis Dispensary, and make good faith attempts to promptly resolve all complaints.

Inspections

14. State and Local representatives (Health, Fire and Building inspectors) may enter and inspect the Property of each Cannabis Business between the hours of nine (9) am and eight (8) pm or during normal business hours.
15. Licensing authorities and State and Local agencies may, at any time, inspect shipments and request documentation for current inventory.
16. Every Cannabis Business shall implement sufficient security measures, as approved by the Seaside Police Department to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products and theft of cannabis or cannabis products. These security measures, as appropriate, shall include, but not be limited to, the following: (a) Preventing individuals from remaining on the premises if they are not engaging in activity expressly related to the operations of the business; (b) Establishing limited access areas accessible only to authorized personnel; (c) Storing all finished cannabis and cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss.
17. Each Cannabis Business shall install and maintain a fully operational digital video surveillance and camera recording system that monitors no less than the front and rear of the Property, all points of ingress and egress at the business, all points of sale within the business, all areas within the business where medical cannabis products are displayed for sale, and all limited access areas within the facility as approved by the Seaside Police Department.
18. The video and surveillance system shall, at a minimum, meet the following requirements: (a) Capture a full view of the public right-of-ways and any parking lot under the control of the medical cannabis business; (b) Record and maintain video 24/7 for a minimum of ninety (90) days, or as otherwise determined by the Seaside Police Department.
19. The cannabis business shall install and use a safe for storage of any processed cannabis and cash on the property when the business is closed to the public. The safe shall be incorporated into the building as a secure receptacle.
20. The cannabis business shall install and discretionary use a fire and burglar alarm system that is monitored by a company that is staffed twenty-four hours (24) a day, seven (7) days a week.

The security plan submitted to the City shall identify the company monitoring the alarm, including contact information. Changes in the security plan shall be approved by the Seaside Police Department prior to implementation.

21. A cannabis business engaged in retail sales shall retain and maintain a security guard or patrol, licensed by the State of California, generally located at an indoor guard station, to an extent sufficient to ensure safety and approved by the Seaside Police Department.
22. No dried cannabis shall be stored at the property in structures that are not completely enclosed, in an unlocked vault or safe, or in any other unsecured storage structure.
23. Windows and roof hatches at the Cannabis Business shall be secured so as to prevent unauthorized entry.

Accounting/Record Keeping

24. The Cannabis Business shall maintain an inventory management system. The point of sale software shall be, upon regulatory implementation of the MMRSA, compliant with the State Unique Identifier and Track and Trace Program.
25. The records of the business shall clearly track cannabis product inventory purchased and/or grown and sales and disposal thereof to clearly track revenue from sales of any medical cannabis from other paraphernalia or services offered by the Cannabis Business.
26. The records shall clearly show the source, amount, price and dates of all cannabis received or purchased, and the amount, price, dates and business, patient or caregiver for all cannabis sold.
27. Each Cannabis Business shall keep a complete set of books of account, invoices, copies of orders and sales, shipping instructions, bills of lading, weigh bills, bank statements including cancelled checks and deposit slips and all other records necessary to show fully the business transactions of such licensee.
28. Each business shall maintain an inventory record documenting the dates and amounts of cannabis sold at the Property, and the daily amounts of cannabis stored on the Property.
29. Receipts shall be maintained via a computer program or by pre-numbered receipts and discretionary used for each sale.
30. Each business shall maintain on-site proof of a valid Business License Permit issued by the City of Seaside.
31. All records kept and maintained by the licensee shall at all times protect the confidential information of the patient or caregiver. All records must be identified as confidential and any disclosure shall be limited in a manner that maintains the confidentiality of the information contained therein.

32. A Cannabis Dispensary holding a Business License Permit shall report to the City Manager each of the following within the time specified; provided that if no time is specified, such a report shall be provided within fifteen (15) days of the triggering event: (1) The transfer or change of ownership interest, business manager, or in the permit application at least thirty days before the transfer or change; (2) Sales and taxable transactions and file sales and discretionary use tax reports to the City quarterly; (3) A conviction of any disqualifying crime by any applicant of a Cannabis Business.

City Standards

33. Discretionary Use Permit approval is subject to revocation procedures contained in S.M.C.S. 17.80.060 in the event any of the conditions of this approval are violated, this discretionary permit was granted on the basis of false or misleading information, written or oral, given willingly or negligently by the applicant or property owner, and/or there has been a discontinuance of the discretionary use, or purposed for which the permit was issued, for a period of 180 days or more.
34. This Discretionary Use Permit is subject to procedures and requirements of Chapter 17.64 (Permit Implementation, Time Limits, and Extensions), and those related to appeals and revocation in Article 6 (Zoning Ordinance Administration) of Title 17 of the Municipal Code.
35. The applicant agrees as a condition and in consideration of the approval of this discretionary permit that it will defend, indemnify and hold harmless the City of Seaside or its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this approval. The applicant will reimburse the City for any court costs and attorney's fees, which the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his obligations under this condition. The City shall promptly notify the applicant of any such claim, action, or proceeding, and the City shall cooperate fully in the defense thereof.
36. Any proposed future development shall comply with the requirements of the applicable City and County agencies and must be in compliance with State Law.
37. The project shall comply with the requirements and the applicable ordinances of the Monterey Peninsula Water Management District (MPWMD) and Monterey Regional Water Pollution Control Agency (MRWPCA).
38. The project shall be responsible for all applicable local and/or regional development and/or impact fees including, but not limited to, sewer, water, and traffic fees, which shall be paid prior to building permit issuance.
39. Applicant must execute and maintain a valid Development/Operating Agreement setting forth the terms and conditions under which the facility will operate which will be reviewed periodically for compliance including, but not limited to, timely payment of all fees and taxes.

40. For purposes of assuring compliance, the applicant, agents, representatives or their assignees agree not to deny or impede access to the subject property by City employees in the performance of their duties.

PASSED AND ADOPTED at the special meeting of the City Council of the City of Seaside, State of California, on the 28th of December, 2017, by the following vote:

AYES:	4	COUNCILMEMBERS: Alexander, Campbell, Pacheco, Rubio
NOES:	0	COUNCILMEMBERS: None
ABSENT:	1	COUNCILMEMBERS: Jones
ABSTAIN:	0	COUNCILMEMBERS: None

APPROVED:



Ralph Rubio, Mayor

ATTEST:



Lesley Milton-Rerig, City Clerk

Resolution No. 17-98

These permits are hereby accepted upon the express terms and conditions hereof, and shall have no force or effect unless and until agreed to, in writing, by the applicant and property owner(s).

The undersigned hereby acknowledge the approved terms and conditions and agree to fully conform to, and comply with, said terms and conditions within the time frames approved by the City of Seaside City Council.



Applicant's Signature

12/29/17

Date

Property Owner's Signature (if different from above)

Date

Community Benefits Moving Forward

As part of the transition, STIIIZY is committed to maintaining—and where possible, enhancing—the employee benefits, community engagement programs, and nonprofit partnerships currently in place.

We are dedicated to acting as exemplary corporate citizens in every jurisdiction in which we operate, with the goal of not only matching but exceeding the benefits historically provided to employees and local nonprofit organizations in the City of Seaside whenever feasible.

This proposal presents our Community Benefits Plan, which outlines a comprehensive approach to supporting employees, strengthening community partnerships, and investing in the long-term success of the Seaside location.

We look forward to continuing Higher Level of Care’s longstanding community relationships and will collaborate with local stakeholders to identify additional nonprofit partners that align with community needs and priorities.

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HEALTH AND BENEFITS

STIIIZY is committed to offering competitive wages and a comprehensive benefits package that extends beyond basic health coverage. This approach is designed to support employees' long-term financial stability, overall well-being, and quality of life through meaningful programs that promote security, professional growth, and work-life balance.

Wages

We are committed to offering competitive wages that exceed current pay levels and support long-term financial stability for employees.

Role	STIIIZY Starting Wages
Receptionist	\$21.00/hr.
Dispensary Sales Associate	\$20.50/hr.
Inventory Specialist	\$22.50/hr.
Floor Lead	\$23.50/hr
Assistant Manager	\$26.00/hr
General Manager	\$75,000 + bonus
Annual Increases	- Reception, Dispensary Sales Associate, Inventory, Floor Lead= \$1/hr annually. After 3rd year, \$.25 cents - Assistant Manager/General Manager= Contingent on performance review (~3-6%)
Tips	Daily tips to employees who handle customer transactions (never withheld)
Overall Benefit	Higher pay, guaranteed annual raises for associates/leads, and full tip distribution

Health Benefits

We offer comprehensive medical plans through Kaiser Permanente and UnitedHealthcare (UHC). To support our employee's health and well-being, the company covers 70% of the premium for whichever plan our employees choose.

Medical Coverage	STIIIZY Health Benefits
Eligibility	PPO & HMO available to anyone averaging 20 + hrs./week
Plan Types Offered	PPO + HMO through United Healthcare & Kaiser
Access for Part-Time Employees	Full Access to PPO and HMO Plans

Workers' Compensation

All employees are covered under the Company's Workers' Compensation insurance, effective immediately upon hire. This coverage is paid entirely by the Company and provides benefits for accidental injuries or illnesses that occur during working hours or as a result of work activities. Employees are asked to report any work-related injury, no matter how minor, to management as soon as possible so that claims can be processed promptly and properly. This coverage provides access to necessary medical care and wage support during recovery, helping safeguard employees' health and financial stability.

Holiday Pay

Holiday pay provides employees with premium compensation for designated holidays, recognizing the added commitment these shifts require. Under past and new plans, employees continue to receive 1.5× their regular rate for all holiday hours, ensuring this important benefit remains fully protected.

Holiday Pay	STIIIZY Holiday Pay
Pay Rate	• Employees working on a holiday will receive 1.5 x their regular rate. • Full-time employees who do not work on a recognized holiday will receive 8 hours of holiday pay; Part-time employees will receive 4 hours of holiday pay. • Employees who work on April 20 receive premium pay at 1.5x their regular rate
Observed Holidays	Observed holidays include New Year's Day, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving, Christmas

Vacation Benefits

Our paid time off programs ensure employees have the flexibility and financial stability to manage personal needs.

Upon completing one full year of continuous employment, each eligible employee will be granted a full forty (40) hours of vacation. This grant applies to all employees, including part-time employees, regardless of the number of hours actually worked during the first year of service.

Beginning after the first anniversary of employment, all employees, both full-time and part-time, will accrue vacation on a per-hour-paid basis, subject to the applicable annual accrual caps set forth below. Under this method, vacation is earned in proportion to hours paid and becomes available for use as it accrues during each pay period.

Accrual rates and caps, effective in the second year of service and thereafter, are as follows:

- From the second anniversary through five (5) years of service: accrual of up to eighty (80) hours per year, with a maximum balance (accrual cap) of one hundred twenty (120) hours.
- After five (5) years of service: accrual of up to one hundred twenty (120) hours per year, with a maximum balance (accrual cap) of one hundred eighty (180) hours.

Sick Leave

The Company provides employees with 64 hours of paid sick leave annually, 24 hours more than the standard 40-hour annual sick leave allowance. This enhanced benefit gives employees additional paid time

to care for their own health, attend medical appointments, recover from illness or injury, or care for a family member, reflecting the Company's commitment to supporting employee wellbeing beyond the minimum required by law.

Leave of Absence Benefits

The Company provides eligible employees with a range of job-protected and leaves of absences administered in compliance with all applicable federal, state, and local laws and on a non-discriminatory basis.

These include family and medical leave under the FMLA (up to 12 weeks, or 26 weeks for military caregiver leave) and applicable state family, medical, and pregnancy-disability leaves; up to two weeks of paid parental pay for the birth, adoption, or foster placement of a child; personal and non-FMLA medical leave; military leave; and reasonable-accommodation and lactation leave.

The Company maintains group health coverage during protected leave and prohibits retaliation against employees for requesting or taking leave.

Employee Assistance Program

The company offers an Employee Assistance Program (EAP) that provides all employees with confidential support for their wellbeing, including counseling, specialist and life-coaching services, financial consultations, grief support, and more.

Life Insurance

- Financial protection for our employee's loved ones
- Up to \$50,000 coverage per life
- 100% covered by the Company

Retirement Benefits

The Employer shall contribute to an Individual Account Plan on behalf of all employees. The Plan will be administered through a jointly managed Trust Fund with equal Employer and Union representation.

Feature	STIIIZY Retirement
Eligible Employees	• Employer contributes \$.20 per hour worked into a trust • Vested in 2 years

COMMUNITY BENEFITS

Local Hiring

STIIIZY agrees to use reasonable efforts to hire qualified residents of the City of Seaside and will comply with all local hiring commitments set forth in the Owner Commitment to Community Benefit Program.

Our goal is that principal employees are residents of the City of Seaside. Management will select employees best suited for each position and, to the extent permitted by law, will give preference in hiring residents of the City of Seaside. STIIIZY intends to hire City of Seaside residents to fill a portion of these roles, contingent upon permit approval, while retaining all existing employees.

We partner with the local Chamber of Commerce to regularly host and participate in local job fairs. We also work closely with community leaders and organizations to connect with qualified local candidates, ensuring that residents have meaningful access to the employment opportunities our dispensary creates.

Hiring locally strengthens the community by creating stable jobs close to home, supporting economic growth, and ensuring that the benefits of business operations are shared directly with local residents. A locally based workforce also reflects and understands the community it serves, fostering stronger relationships and a more inclusive workplace.

Volunteer Hours

Building on the practices established at Higher Level of Care, STIIIZY is committed to providing employees with opportunities to volunteer their time in support of community events, including through paid time off for volunteer activities.

Employees receive sixteen (16) paid volunteer hours annually, ensuring that all staff have dedicated time to give back to the community and support causes that are important to them.

Higher Level of Care has previously supported SeaStars Community Cleanup events. STIIIZY encourages employees to continue supporting SeaStars Community Cleanups and promotes participation in a broad range of volunteer opportunities throughout the City of Seaside.

Charitable Contributions

STIIIZY is committed to supporting local nonprofit organizations and strengthening the Seaside community through financial contributions.

Current:

Higher Level of Care has committed a total of \$15,000 to various nonprofit organizations and foundations supporting community initiatives across multiple sectors.

Proposed:

STIIIZY will continue to contribute a minimum of \$15,000 per year to Seaside-based nonprofits. STIIIZY plans to continue these established partnerships when possible or support similar charities and foundations. Contributions will focus on initiatives benefiting residents, youth, families, underserved communities, and veterans.

Compassionate Care

A Compassionate Care Program provides free or reduced-cost medical cannabis to qualified individuals facing health or financial challenges, such as veterans, seniors, and low-income patients. The program is designed to promote equitable access to care while complying with all applicable state and local regulations and supporting overall community well-being.

Current:

Higher Level of Care partnered with the CalVet Meds program to provide free medical cannabis to veterans.

Proposed:

STIIIZY is currently developing a similar program and plans to establish a dedicated Compassionate Care initiative serving the Seaside community.

Community Outreach and Relations

STIIIZY's community outreach efforts are designed to strengthen relationships with the Seaside community by supporting local residents, organizations, and initiatives through events and programs.

Key objectives include fostering meaningful partnerships, addressing local needs, promoting civic engagement, and contributing to the overall well-being and growth of the community. By engaging employees

and partners in outreach activities, STIIIZY aims to create a positive and lasting community impact while ensuring that the benefits of its operations are shared locally.

Community Outreach

Current: Higher Level of Care spearheaded the formation of an association of cannabis permittees operating within the City of Seaside. As a collaborative group, operators hosted job fairs, cannabis-focused educational seminars, fundraisers, and collectively volunteered their time and resources for the benefit of the City of Seaside and its residents.

Proposed: At other locations, STIIIZY has partnered with operators and community organizations to host job fairs, cannabis-focused educational seminars, and volunteer initiatives. STIIIZY plans to continue hosting community events, educational seminars, and volunteer opportunities in the City of Seaside.

Community Liaison

Current: Higher Level of Care designated a community liaison to receive notices from the City and address concerns or complaints from members of the public regarding facility operations. The liaison's name, address, and email were provided to all businesses and residences within a 250-foot radius of the facility.

Proposal: Community members will be able to contact the Store and District Managers, as well as STIIIZY's Community Relations department, with any concerns or complaints related to facility operations.

Utilization/Patronization of Local Trades & Businesses

Current: Higher Level of Care committed to utilizing and patronizing businesses located within the City of Seaside for its initial build-out, start-up, and ongoing operations. These efforts include engaging local trades, vendors, and service providers whenever feasible.

Proposal: STIIIZY will continue to prioritize the utilization and patronage of local trades and businesses whenever possible, supporting the local economy and maintaining strong relationships with Seaside-based vendors and service providers.

In Summary

The total package we are providing—including higher wages, robust health coverage, expanded community engagement opportunities, and consistent employer-funded retirement contributions—delivers an equivalent or greater overall value to employees.

Our goal in presenting this community benefits package is to ensure alignment with both our existing Collective Bargaining Agreement with UFCW and STIIIZY's broader community benefits framework. This approach reflects our commitment to supporting fair labor standards, workforce stability, and meaningful community engagement, while maintaining consistency across our operations.

By aligning these efforts, we aim to create a comprehensive and sustainable benefits package that supports employees, strengthens partnerships with labor, and delivers positive impacts to the communities in Seaside

Indemnification Agreement

Pursuant to the Seaside Municipal Code, and to the fullest extent permitted by law, STIIIZY Seaside LLC (owner, tenant or other lawful occupant in possession of the property) hereby agrees to defend, indemnify and hold harmless the City of Seaside, its officers, attorneys, agents, and employees:

1. From any claims, actions, proceedings or liability of any nature (collectively referred to as proceeding) brought against the City or its officers, attorneys, agents or employees, related to the issuance, administration, and/or enforcement of the Cannabis Permit issued by the City to the Applicant. The indemnification is intended to include but not be limited to damages, fees, and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the Applicant the City, and/or the parties initiating or bringing such proceeding; provided, however, that STIIIZY Seaside LLC shall have no obligation to indemnify the City to the extent any such claim, action, proceeding, liability, cost, fee, damage, or expense arises from the City's gross negligence, willful misconduct, fraud, or intentional violation of law.

2. STIIIZY Seaside LLC hereby agrees to indemnify the City for all of the City's costs, fees, and damages which the City incurs enforcing the indemnification provisions of this Agreement.

3. In the event of a proceeding, the City retains the right to approve counsel to defend the City, all significant decisions concerning the manner in which the defense is conducted, and any and all settlements, which approval shall not be unreasonably withheld. The City has the right not to participate in the defense except that the City agrees to cooperate with the applicant in the defense of the proceeding. If the City chooses its own counsel to defend the City, the fees and expenses of the counsel selected by the City shall be paid by the City. Notwithstanding the above, if the City Attorney's office participates in the defense, all City Attorney fees and costs shall be paid by the Applicant.

4. The defense and indemnification of the City set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding.

STIIIZY Seaside LLC, consent to inspection for Permit compliance by authorized City personnel without notice, so long as the owner(s), Applicant or legal tenant/occupant is present.

STIIIZY SEASIDE LLC, a California limited liability company

Name: James Kim
Title: CEO

Name: Tak Sato
Title: President

CITY OF SEASIDE CONSENT AND INDEMNIFICATION Pursuant to Seaside Municipal Code, and to the fullest extent permitted by law, the "Property Owner" (owner of the subject property, if different from the applicant) hereby agrees to defend, indemnify and hold harmless the City of Seaside, its officers, attorneys, agents, and employees:

1. From any claims, actions, proceedings or liability of any nature (collectively referred to as proceeding) brought against the City or its officers, attorneys, agents or employees, related to the issuance, administration, and/or enforcement of the Cannabis Permit issued by the City to the Applicant/Occupant of the subject property. The indemnification is intended to include but not be limited to damages, fees, and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the Applicant, the City, and/or the parties initiating or bringing such proceeding.
2. The Property Owner hereby agrees to indemnify the City for all of the City's costs, fees, and damages which the City incurs enforcing the indemnification provisions of this Agreement.
3. In the event of a proceeding, the City retains the right to approve counsel to defend the City and significant decisions concerning the manner in which the defense is conducted, and any and all settlements, which approval shall not be unreasonably withheld. The City has the right not to participate in the defense, except that the City agrees to cooperate with the applicant in the defense of the proceeding. If the City chooses its own counsel to defend the City, the fees and expenses of the counsel selected by the City shall be paid by the City. Notwithstanding the above, if the City Attorney's office participates in the defense, all City Attorney fees and costs shall be paid by the Applicant.
4. The defense and indemnification of the City set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding.

We, the owners of real property identified within this application hereby acknowledge and consent to the dispensation of cannabis by Applicant STIIIZY Seaside LLC on our property identified as APN #011-315-017 and located at 1440 Canyon del Rey. We further consent to inspection for Permit compliance by authorized City personnel without notice, so long as the owner(s), Applicant or legal tenant/occupant is present.

DJSTP LLC

Print Owner Name(s) and Date: _____

Signature: _____



CITY OF SEASIDE STAFF REPORT

Item No.: 7.G.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Aaron Hahn, Junior Engineer
Thomas Korman, Public Works Director/City Engineer

DATE: July 16, 2026

**SUBJECT: APPROVE TRAFFIC ADVISORY COMMITTEE (TAC)
RECOMMENDATION FOR THE INSTALLATION OF TRAFFIC
CALMING MEASURES ALONG TRINITY AVENUE**

RECOMMENDATION

Approve Traffic Advisory Committee (TAC) recommendation.

BACKGROUND

For background, this project was submitted as part of the Traffic Calming Program, which looks at all traffic calming requests submitted within a year (ending on Sept. 30th), and was the only submission for 2025. A 9 day traffic speed study was conducted along this street following the application. This application was originally denied due to the low traffic concern score, and the 85th percentile speed being under the speed limit for the road, but at the March 17th TAC meeting, the committee requested that staff take another look at the project and present potential traffic calming measures.

Trinity Ave. is functionally classified as a local roadway and is one way in either direction. The roadway width of Trinity Avenue is approximately 40 feet from face of curb to face of curb with parking permitted on both sides of the street, and a 5' wide sidewalk along the outside of the street. The speed limit is 25 miles per hour (mph). There are residential single family dwellings along the outside edge of the circle, and one residential park in the center. There are no marked crosswalks, stop signs, or bus stops along the Project street.

A sample plan for speed cushion layouts around the park is included. Each cushion is

broken up to allow emergency vehicles to pass easily. The speed cushions also have painted chevrons on them to make them more visible. Speed hump signs are placed 200' before the speed cushions and pavement markings would be installed 50' before the speed cushions. These effectively reduce vehicle speed and do not remove parking spaces. The signage and pavement markings will help to increase awareness of the drivers. The cost for this would be \$600 for signs, \$2,800 for paint, \$10,400 for demo, \$8,280 for Humps, \$19,560 total.

Asphalt speed cushions have several advantages compared to rubber products. Asphalt cushions are:

- More resistant to damage due to traffic deterioration and weathering (edges of rubber cushions can warp and draw away from the roadway surface)
- Offer greater design flexibility as they can fit a variety of roadway widths (most rubber products come in pre-formed and limited dimensions)
- Quieter than rubber products, which can reverberate against the roadway surface
- More visually appealing, reflecting a finished product as opposed to an after-market addition to the roadway

The edge line striping visibly narrows the travel lane, encouraging drivers to lower their speed. In the included layout, a 12-foot wide lane is maintained around Trinity Park, and at each end it splits into two lanes to allow cars to exit or continue around. Arrows are also added to help cars navigate the lanes. There is an 8' wide parking lane around the park, allowing cars to utilize that parking. The parking area in front of the homes is 13 feet wide, and narrows down to 8 feet around the corners. The painted dividing islands at the east and west of the neighborhood help direct the traffic and help prevent drivers from going the wrong way.

This method is fairly quick to implement, can delineate parking areas, may improve safety by granting bikes a path of travel, and can help to reduce the speed of traffic.

Arrows : \$1,250, Striping: \$15,500 Total: \$16,750.

The next idea could be for angled parking along the north and south sides of the park. This layout would delineate 42 angled parking spots around the inside, which would decrease the current amount by 8, but it would narrow the road, and still allow parking in front of the residences. The drive aisle would be narrowed to 19 feet, which allows for parking along the outer edge and still maintain an 11' wide lane. This configuration also includes the painted dividing islands to help enforce the one-way streets.

This method is fairly quick to implement, can delineate parking areas, illustrates legal parking areas, and can help to reduce the speed of traffic. The reduced parking may also help address the residents' concern about long-term parking around the park, as there are fewer spots for this to occur.

Arrows : \$1,250, Striping: \$11,000, Total: \$12,250.

Speed feedback signs measure and display each approaching vehicle's speed. These would be installed approx. 300' from the start of the straightaways. Each pole also has the legal speed limit to remind drivers to slow down to that speed. Some advantages are that it will provide immediate feedback on the driving speed, requires little maintenance after the initial set up, and is effective in reducing speeds in the short term. As it is not an enforcement tool, the effectiveness could be temporary.

Speed Feedback Signs: \$23,500. This includes new post, foundation, solar panel, and signage.

Due to the width of Trinity Avenue, vehicles can travel within the lane while bypassing the sensor entirely, resulting in potential undercounting and biased speed data. While temporary traffic control (e.g., cones) could be used to channel vehicles over the device, doing so would introduce a traffic-calming effect and compromise the validity of the results, so a traffic counting company was hired (Counts Unlimited).

The traffic volume for eastbound and westbound traffic was found to be about 118 and 158 cars per day respectively, and the 85th percentile speeds were 21 MPH and 22 MPH. The traffic collision data for the past three years showed no accidents, which correlated to zero points. Both directions have 5 foot wide sidewalks, (0 points). Because of the lack of bike lanes, the proximity of Trinity Park, and the wide lane, the evaluation score was an 8 out of 55 total points.

Staff recommended road narrowing via edge line striping. This method is relatively cheap to implement, and is known to help slow down traffic, and it could help with the safety on the street as it is uniquely large. The Committee agreed with staff on the edge line striping, and with input from members of the community that attended the meeting, they wanted to include speed bumps. The TAC suggested that mountable rubber speed bumps be used in place of asphalt speed humps. The reason for this was that they are cheaper, and can be moved or relocated if they are found to be ineffective.

The TAC recommended road narrowing via edge line striping and the installation of rubber mountable speed cushions.

This layout would require 3000 LF of striping (\$15,500), pavement markers (\$1,250), two signs (\$600), and the mountable speed cushions (\$9,500). For an estimated total cost of \$26,850.

FISCAL IMPACT

The cost for traffic-calming improvements is estimated at \$26,850.

STRATEGIC PRIORITY

Community Safety & Quality of Life

ATTACHMENTS

1. Traffic Application
2. Trinity petition
3. Trinity Photo Exhibit

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

Appendix 4. Traffic Calming Program Application

The City of Seaside defines traffic calming as “the management of vehicular traffic speeds and volumes through educational, enforcement and/or engineering measures to minimize the negative impacts on residents, pedestrians, bicyclists and school children.” **This program will focus on speed-related traffic calming.**

This form is to request review of your speed traffic concern along a Seaside neighborhood public street. Please fill out all sections and submit to:

Mail: Traffic Calming Program, Seaside Public Works Department – Engineering Division, 440 Harcourt Avenue
Seaside, CA 93955
Email: PWInfo@ci.seaside.ca.us

Applicant Contact Information

Name: Kyle Cadigan

Email: 

Address: 725 Trinity Ave.

Phone #: 

Location of Concern

Please describe the location of traffic concern.

Between 780-630 east bound Trinity Ave., and 745-635 west bound Trinity Ave.

Nature of Concern

Please describe the nature of the neighborhood problem you are concerned with (attach additional sheets if necessary).

Plese see attached document

Additional Comments and/or Documentation

Please add any additional comments or documents (e.g., map, photograph, sketch), if necessary, to further explain concerns.

Plese see attached document

Date: 09/13/2025

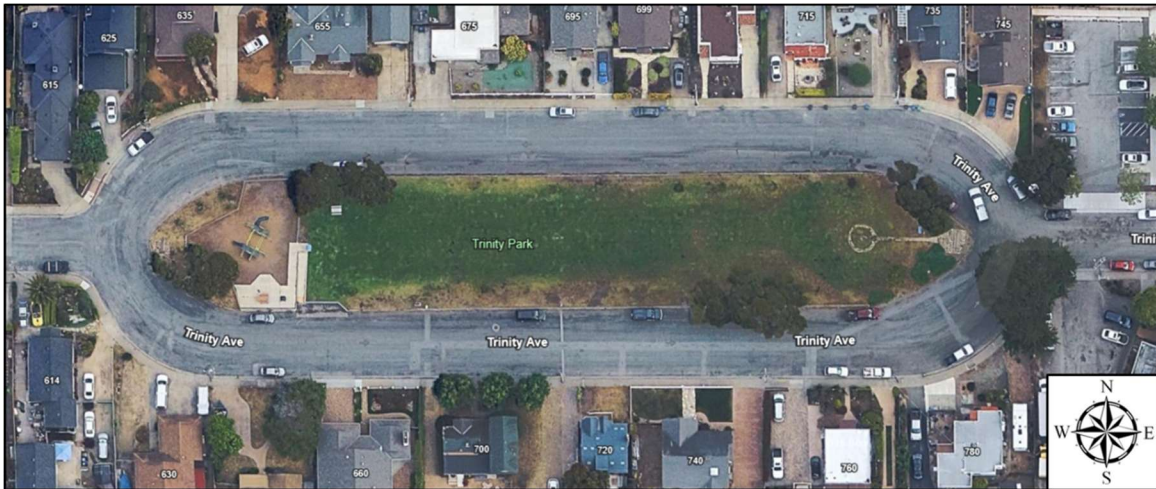
Applicant Signature: 

Kyle Cadigan

Please provide the names and signatures of residents and/or property owners within the affected area that support this request. Each person must reside at a different address and be at least 18 years of age. Note that only one signature per residence is allowed. All persons signing this petition agree that the contact person(s) above represent the affected area/neighborhood. Use the back side for additional names and signatures, if necessary. **The majority of residences in the affected area must sign this petition in order for the application to be considered.**

City of Seaside Traffic Calming Program – Modified 10.31.22
Page 34

Trinity Ave Traffic Calming Photo Exhibit



Aerial Picture of Trinity Avenue.



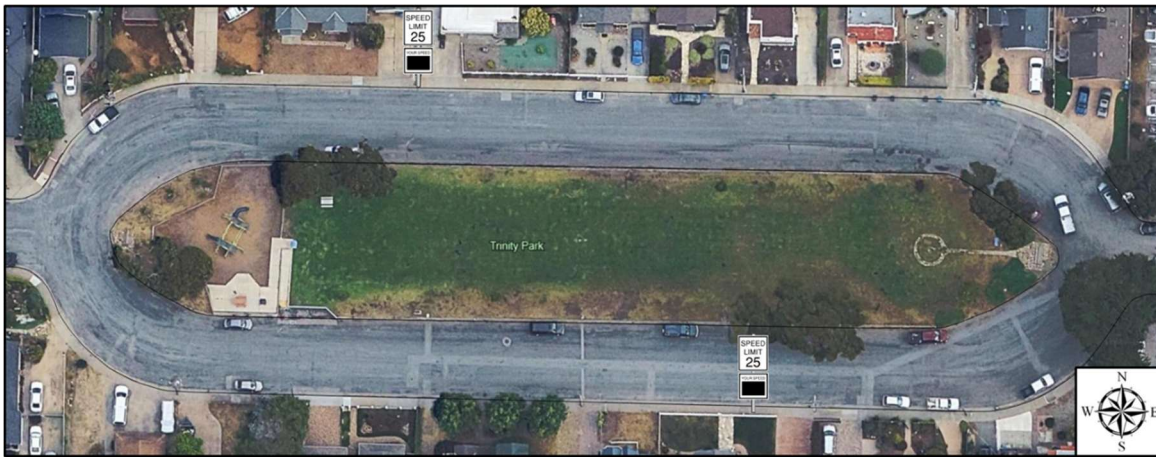
Potential Layout of Speed Cushions on Trinity Avenue.



Potential Layout of Edge Line Striping on Trinity Avenue.



Potential Layout of Angled Parking on Trinity Avenue.



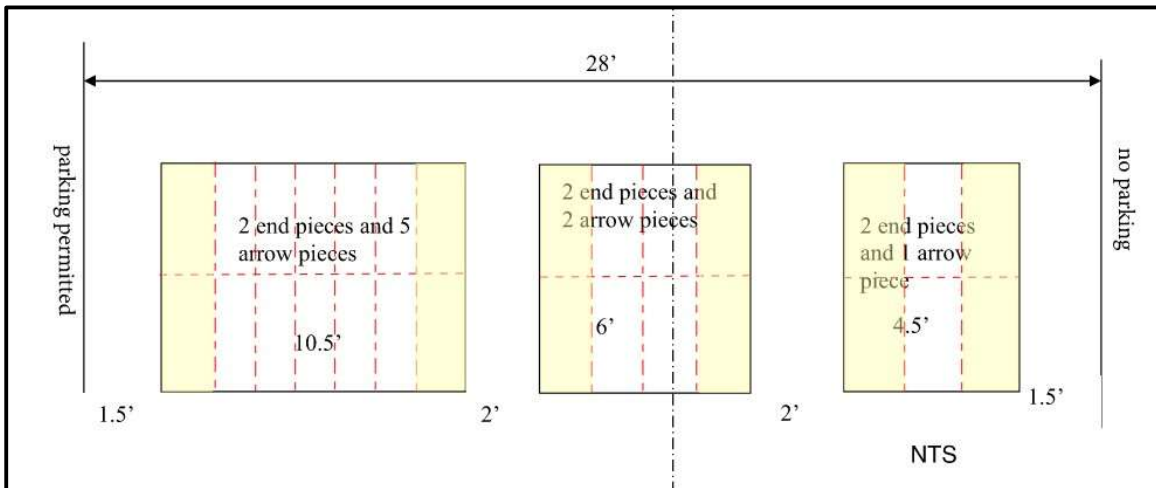
Potential Layout of Speed Feedback Signs on Trinity Avenue.



Traffic Counting Results on Trinity Ave.



TAC Recommended Measures



Example Mountable Speed Hump Configuration



Mission Park in Salinas.



CITY OF SEASIDE STAFF REPORT

Item No.: 8.A.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Greg McDanel, City Manager

DATE: July 16, 2026

SUBJECT: ADOPTION OF URGENCY ORDINANCE REPEALING IN PART OF ORDINANCE NO. 2034: CLARIFYING, AMENDING, AND REVISING TITLE 2, PERSONNEL AND ADMINISTRATION, OF THE SEASIDE MUNICIPAL CODE. THE PROPOSED ACTION IS NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15061(B)(3) (REQUIRES A 4/5TH ROLL-CALL VOTE)

RECOMMENDATION

Adopt Urgency Ordinance repealing in part of Ordinance No. 2034: Clarifying, Amending, and Revising Title 2, Personnel and Administration, of the Seaside Municipal Code and making findings in accordance with California Environmental Quality Act (CEQA) guidelines that the proposed Urgency Ordinance is exempt per guideline 15378.

BACKGROUND

I. EXECUTIVE SUMMARY

This Agenda item relates to Ordinance No. 2034, which was adopted by the City Council on May 1, 2025, and increased the compensation of City Council Members and the Mayor to \$2400 a month. The Ordinance also included a \$300 automobile stipend for the Mayor. The increased compensation was paid during the period of June 2025 through June 2026.

Ordinance No. 2034 has been reviewed and there are two mistakes that have been identified. The first mistake is in the \$2400 amount, which was based on compounding the percentage of the increase. The second mistake was that payment of the \$2400

amount commenced in June 2025 and should not have commenced until after one or more members of the City Council begin a new term until after the results of the November 3, 2026, election are certified and those Councilmembers are sworn into office, most likely in December 2026.

An Urgency Ordinance (**Attachment 5**) is proposed to repeal the \$2400 compensation amount such that the compensation amount returns to the previous amount of \$400. There is no legal issue with regard to the \$300 automobile stipend for the Mayor.

A Regular Ordinance (**Attachment 6**), if adopted, would provide for a compensation increase to \$1180 and a start date for that increase to be after the results of the November 3, 2026 election are certified and those Councilmembers are sworn into office.

There is an issue in regard to the repayment by the Mayor and Councilmembers of the overpayment of compensation which is discussed in Section V of this Staff Report. Recommendation #6 is to direct the City Manager to retain an independent Certified Public Accountant or other qualified professional to recommend to the City a repayment method for the overpayment of compensation.

II. BACKGROUND

On August 21, 1986, the City of Seaside ("City") adopted Ordinance No. 703 setting the compensation of City Councilmembers in the amount of \$400 per month (**Attachment 1**).

On June 29, 2023, Senate Bill No. 329 was adopted by the California State Legislature amending Government Code Section 36516 effective January 1, 2024 pertaining to the compensation of City Councilmembers.

The findings in SB 329 included the following:

SECTION 1. The Legislature finds and declares all of the following:

- (a) The compensation schedule for general law cities has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation.
- (b) Allowing cities to adjust their compensation for inflation since 1984 may help cities councils become more diverse because increased compensation can help individuals from across different income levels receive sufficient income from their service to help ensure that they can continue to serve the public and support their families.

Since January 1, 2024, Government Code Section 36516 (**Attachment 2**) has provided

that a city council may enact an ordinance providing that each members of the city council, including the Mayor, shall receive a salary in the following amount:

(1) For cities with a population of 35,000 or less, the monthly compensation permitted increased by SB 329 to \$950.

(2) In the alternative, the compensation of City Councilmembers could be increased by the greater amount of:

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the compensation in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent from each calendar year.

On March 20, 2025, the City Council received a Staff Report regarding increasing stipends for City Council Members and to provide direction to staff. Staff referenced the adoption of Senate Bill No. 329 which increased the amount of compensation for City Council Members based upon the population of a city. The Staff Report noted the options under Government Code Section 36516 including: (1) an amount equal to 5% for each calendar year from the operative date of the last adjustment of salary in effect when the ordinance or amendment is enacted (5% Formula) or (2) in cities up to and including 35,000 in population, a monthly salary of \$950. The Staff Report included a calculation based on the 5% option from 1986 to 2024 to be \$2,409.05.

On April 17, 2025, based on the direction provided by the City Council at the March 20, 2025 meeting, the City Council received a Staff Report which included a draft Ordinance Amending Municipal Code Section 2.02.490 (Compensation) to increase the compensation of City Councilmembers to \$2400 a month and included a \$300 per month automobile stipend for the Mayor. The City Council approved the introduction of proposed Ordinance No. 2034 for these compensation amounts **(Attachment 3)**.

On May 1, 2025, the City Council adopted Ordinance No. 2034 which included an Effective Date of 30 days after its final passage and adoption. The 30 day period after May 1, 2025 ended May 31, 2025 and the amounts stated in Ordinance No. 2034 have been paid to the Council Members from for 13 months from June 2025 through June 2026. Ordinance No. 2034 amended Municipal Code Section 2.02.490 in the following manner:

"Each member of the city council shall receive a salary of **twenty-four** hundred dollars per month. **In addition, the Mayor shall receive compensation in the amount of three hundred dollars per month automobile stipend.**"

The City's population as of July 2025 is estimated by the United States Census Bureau to be 31,636.

The California Consumer Price Index increased from October 1986 to April 2026 by approximately 250% according to the California Department of Industrial Relations.

III. REVIEW OF ORDINANCE NO. 2034

The City was contacted by a member of the public on June 1, 2026 requesting clarification regarding the amount of compensation approved in 2025 for the City Council. Following that contact, Brian Pierik, a partner in the law firm of Burke, Williams & Sorensen, LLP, was requested by the City to review Ordinance No. 2034 and provide recommendations to the City on how to proceed. Based upon that review, there were two mistakes found in Ordinance No. 2034 which are described below.

1. Error in Ordinance No. 2034: Calculation of the Amount of Compensation

The first mistake in Ordinance No. 2034 is the amount of compensation. The City calculated the amount of compensation based on the 5% Formula Government Code Section 36516 which authorizes increase in monthly compensation in an amount equal to 5% for each calendar year from the operative date of the last adjustment of salary in effect when the ordinance or amendment is enacted. In making that calculation, the City compounded the annual increases such that each year was increased based on the amount for the prior year from 1986 through 2024.

Government Code Section 36516 has no provision stating whether or not compounding applies to the 5% Formula. However, on August 8, 2006, the California Attorney General issued Opinion No. 06-504 (**Attachment 4**) which states on page 5:

"Applying these rules of construction, we find that subdivision (c) of section 36516 refers to calculations based solely upon "the salary in effect when the ordinance or amendment is enacted," which is the same salary amount as that resulting from "the last adjustment of the salary." We apply the words of the statute as written. Only the currently received salary amount is to be part of the calculations. To make separate calculations for each intervening year since the date of the last salary increase would base the calculations on salaries that were not received by the city council members. Nothing in the language of section 36516 suggests that the calculations are to be based upon salary amounts that were never received."

Thus, based upon Attorney General Opinion No. 06-504, the 5% Formula in Government Code Section 36516 is not to be compounded. Applying the 5% Formula per calendar year without compounding, the City Councilmember compensation of \$400 as of May 2025 would have been \$20 per year multiplied by 38 years (1986 to 2024)

equals \$760 plus \$400 (current salary) which results in a total compensation of \$1160 a month.

Ordinance No. 2034 also included an additional compensation for the Mayor in the amount of \$300 a month automobile stipend which is allowed based on Government Code Section 36516.1 which provides:

“ A mayor elected pursuant to Section 34900 to 34904, inclusive, may be provided with compensation in addition to that which he or she receives as a council member. That additional compensation may be provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.”

The additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504 (**Attachment 4**).

Based upon the foregoing, there was a mistake made in the calculation of the \$2400 compensation in Ordinance No. 2034 and the correct amount should have been \$1160 a month at the time of adoption in 2025. There was no mistake in Ordinance No. 2034 regarding the \$300 a month automobile stipend for the Mayor.

2. Error in Date of Commencement of Payment of the Increased Compensation

As noted, Ordinance No. 2034 was adopted on May 1, 2025 and provided for an effective date of 30 days following adoption which was May 31, 2025.

Government Code Section 36516 has no provision stating the effective date for an Ordinance increasing the compensation of City Councilmembers and most Ordinances do become effective 30 days following adoption. However, for an Ordinance approving an increase in compensation for City Councilmembers, Government Code Section 36516.5 provides as follows:

“A change in compensation does not apply to a council member during the council member's term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office.” One of more members of the City Council will not begin a new term until after the results of the November 3, 2026 election are certified and those Councilmembers are sworn into office, most likely in December 2026.

Based on the foregoing, Ordinance No. 2034 should have provided that the increased compensation would not be paid until after one of more members of the City Council

are sworn into office following the November 3, 2026 election.

There was no mistake in Ordinance No. 2034 in regard to the commencement date of May 31, 2025 for the \$300 a month automobile stipend for the Mayor based on Attorney General Opinion No.06-504 (**Attachment 4**).

IV. PROPOSED ORDINANCES

Based upon the review of Ordinance No. 2034, the City Council is being presented with two Ordinances which are described as follows.

1. Urgency Ordinance Repealing in Part Ordinance No. 2034 (**Attachment 5**)

Since there were mistakes made in Ordinance No. 2034 in regard to the amount of compensation of \$2400 and the effective date for payment of the compensation, Ordinance No. 2034 must be repealed, in part, based on requirements of Government Code Section 36516 and Government Code Section 36516.5.

The Urgency Ordinance would repeal from Municipal Code Section 2.02.490 the word "twenty" and read:

2.02.490. Compensation

Each member of the city council shall receive a salary of ~~twenty~~-four hundred dollars per month. In addition, the mayor shall receive a three hundred dollars per month automobile stipend.

Government Code Section 36516.1 provides that an elected mayor may be provided with compensation in addition to that which the mayor receives as a Councilmember. The Government Code does not specify the maximum amount of additional compensation that may be provided to the mayor.

The additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504 (**Attachment 4**).

Ordinance No. 2034 includes a severability clause which provides that if any provision of the Ordinance is invalid that the remainder of the Ordinance shall continue to be in full force and effect which means that the \$300 per month automobile stipend for the Mayor provided in Ordinance No. 2034 still has full force and effect.

Urgency Ordinances are authorized by Government Code Section 36937 (b) when necessary for the immediate preservation of the public peace, health and safety which applies here in order to ensure that the compensation of the City Councilmembers is consistent with applicable law.

An Urgency Ordinance requires four affirmative votes to be adopted and becomes effective immediately upon adoption and there is no second reading.

2. Ordinance Amending Municipal Code Section 2.02.490 Increasing The Compensation Of The Mayor And City Councilmembers **(Attachment 6)**

If Ordinance No. 2034 is repealed, in part as described above, which would return the City Council compensation to \$400 a month, then the City Council may consider an Ordinance amending Municipal Code Section 2.02.490 increasing the compensation of the Mayor and City Councilmembers based on a correct calculation of the amount of the compensation increase with the 5% Formula and also including the correct commencement date for the compensation increase which will be the date one or more members of the City Council are sworn into office following the November 3, 2026 election.

Applying the 5% per calendar year formula of Government Code Section 36516 to the City Councilmember compensation of \$400 is \$20 per year multiplied by 39 years (December 1986 through August 2026) is \$780 plus \$400 results in a total compensation of \$1180 a month.

The draft Ordinance also includes Section 7 which provides that the commencement date for the increased compensation will be the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

If the City Council introduces this Ordinance at this meeting, then the second reading of the Ordinance for adoption would be scheduled for the City Council meeting on August 6, 2026 and the Ordinance would be effective on September 5, 2026. However, as noted, the commencement date for the increased compensation will not be until the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

V. CALCULATION OF OVERPAYMENT OF COMPENSATION TO COUNCIL MEMBERS AND METHOD OF REPAYMENT

As noted, Ordinance No. 2024 has two mistakes. One mistake was the amount of compensation of \$2400. The second mistake was the effective date of the increased compensation which should have been the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

The salary of the Council prior to the adoption of Ordinance No. 2034 was \$400 a month. The difference between \$2400 a month and \$400 a month is \$2000 a month multiplied by 13 months from June 2025 through June 2026 is \$26,000 which does not include interest.

One of the recommendations in this Staff Report is a motion directing the City Manager to retain an independent Certified Public Accountant or other qualified professional to recommend to the City a repayment method for the overpayment of compensation to the Mayor and City Councilmembers for the 13 month period of June 2025 through June 2026 which would include interest calculations.

VI. CONCLUSION

Approval of the recommended actions will correct the compensation issue prospectively, establish a lawful path for future Council compensation, and initiate an independent process to address repayment of overpaid amounts in a transparent and responsible manner.

ATTACHMENTS

1. Ordinance No. 7302. Government Code Section 36516
3. Ordinance No. 2034
4. Attorney General Opinion No. 06-504 issued August 8, 2006
5. Draft Urgency Ordinance Repealing in Part Ordinance No. 2034 **(Current agenda item)**
6. Draft Ordinance Amending Municipal Code Section 2.02.490 Increasing The Compensation Of The Mayor And City Councilmembers **(Next agenda item)**

FISCAL IMPACT

Adoption of the proposed Urgency Ordinance will reduce City Councilmember compensation from \$2,400 per month to the previously authorized amount of \$400 per month, effective immediately upon adoption. This will stop further overpayment of Council compensation and reduce ongoing monthly compensation costs by \$2,000 per Councilmember.

STRATEGIC PRIORITY

Effective Accessible Governance

ATTACHMENTS

1. Attachment 1 - Ordinance No. 703
 2. Attachment 2 - Government Code Section 36516
 3. Attachment 3 - Ordinance No. 2034
-

4. Attachment 4 - Attorney General Opinion 06-504
 5. Attachment 5 - Urgency Ordinance
 6. Attachment 6 - Regular Ordinance to Increase Compensation
-

Reviewed for Submission to the City Council by:

A handwritten signature in black ink, appearing to read 'G. McDanel', is positioned above a horizontal line.

Greg McDanel, City Manager

ORDINANCE NO. 703AN ORDINANCE ADDING SECTION 2.02.490 TO THE
SEASIDE MUNICIPAL CODE RELATING TO
COMPENSATION FOR COUNCIL MEMBERS

WHEREAS, Government Code section 36516 adopts a salary
schedule for members of a city council; and

WHEREAS, in cities over 35,000 in population, said
Government Code section sets a monthly salary of four hundred
dollars (\$400) for city council members; and

WHEREAS, pursuant to the official 1980 census, the City of
Seaside has a population of 36,567;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEASIDE DOES
ORDAIN AS FOLLOWS:

Section 1. Section 2.02.490 Added. Section 2.02.490 is
hereby added to the Municipal Code to read as follows:

"2.02.490 Compensation. Each member of the city council shall
receive a salary of four hundred dollars (\$400) per month."

Section 2. All ordinances and parts of ordinances in conflict
herewith are hereby repealed.

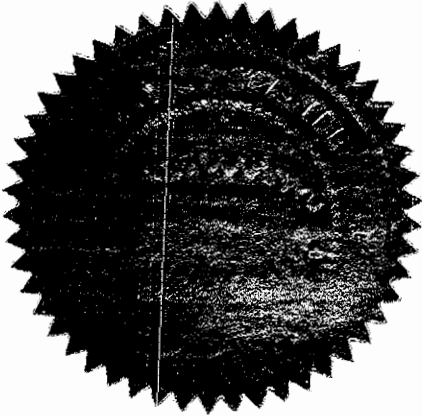
Section 3. Within fifteen (15) days after passage, the city
clerk shall cause this ordinance to be published one time in the
Monterey Peninsula Herald. This ordinance shall be in force and
take effect thirty (30) days from and after its passage and
approval.

INTRODUCED this 7th day of August, 1986.

PASSED AND ADOPTED at a regular meeting of the city council
of the City of Seaside duly held on the 21st day of
August 1986, by the following vote:

I, Dee Latimore - City Clerk, of the City of Seaside, State of California, hereby certify that on the 16th day of Sept., 1986, a true copy of the foregoing Ordinance No. 703 of the City of Seaside was published in The Herald

16th Witness my hand and the seal of the City of Seaside this
day of Sept., 19 86.



Packet Page 105

(Ordinance Adding section 2.02.490 continued)

1 AYES: Councilmember: Houser, Polite, Mayor McClair

2 NOES: Councilmember: Quinn

3 ABSENT: Councilmember: Lively

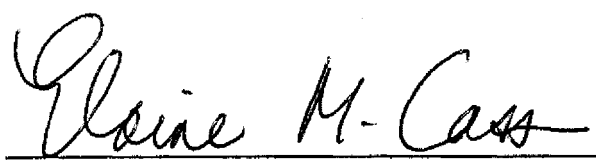
6 SO ORDERED:

8 
9 LANCELOT C. McCLAIR, Mayor

11 ATTEST:

13 
14 D. LATIMORE, City Clerk

16 APPROVED AS TO FORM:

18 
19 ELAINE M. CASS, City Attorney

ATTACHMENT 2

Government Code Section 36516. Ordinance and schedule concerning salaries of city council members; election call; compensation increases; exclusions from salary determinations; waiver of compensation

Effective: January 1, 2024

- (a)(1) A city council may enact an ordinance providing that each member of the city council shall receive a salary based on the population of the city as set forth in paragraph (2).
- (2) The salaries approved by ordinance under paragraph (1) shall be as follows:
- (A) In cities up to and including 35,000 in population, up to and including nine hundred fifty dollars (\$950) per month.
- (B) In cities over 35,000 up to and including 50,000 in population, up to and including one thousand two hundred seventy-five dollars (\$1,275) per month.
- (C) In cities over 50,000 up to and including 75,000 in population, up to and including one thousand six hundred dollars (\$1,600) per month.
- (D) In cities over 75,000 up to and including 150,000 in population, up to and including one thousand nine hundred dollars (\$1,900) per month.
- (E) In cities over 150,000 up to and including 250,000 in population, up to and including two thousand five hundred fifty dollars (\$2,550) per month.
- (F) In cities over 250,000 population, up to and including three thousand two hundred dollars (\$3,200) per month.
- (3) For the purposes of this subdivision, the population of a city shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.
- (4) The salary of council members may be increased beyond the amount provided in this subdivision by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed the greater of either of the following:
- (A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.
- (B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.
- (5) No ordinance shall be enacted or amended to provide automatic future increases in salary.

(b) Notwithstanding subdivision (a), at any municipal election, the question of whether city council members shall receive a salary for services, and the amount of that salary, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the salary specified in the election call. The salary of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

(c) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) and (b). For the purposes of this section, compensation includes payment for service by a city council member on a commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

(d) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the city for its employees.

(e) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to Section 36514.5 shall not be included for purposes of determining salary pursuant to this section.

(f) A city council member may waive any or all of the compensation permitted by this section.

(g)(1) For the purposes of this section, a city council shall consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council.

(2) At the first meeting, the city council shall present the proposed ordinance, which shall include findings demonstrating the need for the increased compensation. The ordinance shall not be adopted at the first meeting.

(3) At least seven days after the first meeting, the city council shall hold a second meeting to consider whether to adopt the ordinance.

ORDINANCE NO. 2034

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE
CLARIFYING, AMENDING, AND REVISING TITLE 2, PERSONNEL AND
ADMINISTRATION, OF THE SEASIDE MUNICIPAL CODE**

WHEREAS, the City desires to make technical, typographical, clarifications and modifications to the Seaside Municipal Code to better reflect the past practices and applications of the code; and

WHEREAS, the City has adopted Resolutions that have modified the interpretation and application of the code and these changes are being codified into the code; and

WHEREAS, this ordinance specifically addresses the changes to Title 2, Section 2.02.490 Councilmember compensation; and

WHEREAS, the last time the City Council received any increase in their compensation was by Ordinance 703 adopted on or about August 21, 1986 and codified in Seaside Municipal Code section 2.02.490; and

WHEREAS, since that time, the cost of living has increased more than 300%; and

WHEREAS, the City of Seaside's population as of the 2023 Census Information was 31,317; and

WHEREAS, Government Code section 36516 provides for a base salary of \$950 per month in cities with a population of less than 35,000; and

WHEREAS, Government Code section 36516 (a)(4) provides for escalation above the amounts set forth in Government Code section 36516(a)(2)(A) if an ordinance is adopted that escalates up to five percent for each calendar year from the operative date of the last adjustment; and

WHEREAS, the City and its needs have grown in complexity, the hours required of council members and the mayor have increased substantially, and the resources needed to prepare for and attend city council meetings and participate on other boards and commissions, and other activities have increased; and

WHEREAS, the City Council of the City of Seaside finds that increasing the compensation for its council members would facilitate equitable representation in local government by making it easier for public servants to balance careers and personal obligations, and increase the opportunity for individuals across different income levels, as

well as those individuals in marginalized communities, to participate in public service, all consistent with the legislative intent of Government Code section 36516; and

WHEREAS, on March 20, 2025 the City Council directed staff to bring forward an ordinance which established Council member and Mayor compensation at the rate of \$2400.00 per month with a \$300.00 per month vehicle stipend for the Mayor.

NOW THEREFORE, the City Council of the City of Seaside, State of California does ordain as follows:

SECTION 1. GENERAL PURPOSE AND FINDINGS

- A. The purpose of this Ordinance is to amend Title 2, and update the compensation of the City Council by modifying Title 2, section 2.02.490; and
- B. The City Council finds the above declaratory paragraphs to be true and correct and incorporates them herein as findings on the nature and extent of the need for the increase in salary and the amounts established herein.

SECTION 2. TEXT AMENDMENTS

New amendments to the existing code are shown in underline, while deletions are shown in strike out. Section 2.02.490 shall be amended as follows:

2.02.490 Compensation.

Each member of the city council shall receive a salary of ~~twenty-four~~ hundred dollars per month. ~~In addition, the mayor shall receive a three hundred dollars per month automobile stipend.~~ (Ord. 703 § 1, 1986)

SECTION 3. ENVIRONMENTAL COMPLIANCE

The proposed changes to the Ordinance will not result in direct or indirect changes to the environment and do not meet the definition of project under CEQA. (14 CCR 15378(b))

SECTION 4. SEVERABILITY

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption.

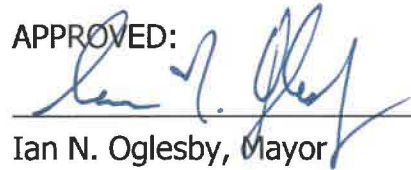
INTRODUCED AND PASSED TO PRINT at a Regular meeting of the City Council of the City of Seaside, State of California, on the 17th day of April, 2025.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside, State of California, on the 1st day of May 2025, by the following roll call vote:

AYES:	4	COUNCIL MEMBERS:	Burks, Garcia-Arrazola, Miller, Oglesby
NOES:	1	COUNCIL MEMBERS:	Pacheco
ABSENT:	0	COUNCIL MEMBERS:	None
ABSTAIN:	0	COUNCIL MEMBERS:	None



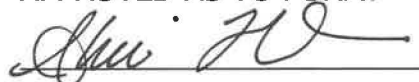
APPROVED:


 Ian N. Oglesby, Mayor

ATTEST:


 Dominique L. Davis, City Clerk

APPROVED AS TO FORM:


 Sheri L. Damon, City Attorney

TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL
State of California

BILL LOCKYER
Attorney General

OPINION	:	No. 06-504
	:	
of	:	August 8, 2006
	:	
BILL LOCKYER	:	
Attorney General	:	
	:	
GREGORY L. GONOT	:	
Deputy Attorney General	:	
	:	

THE HONORABLE JENNY OROPEZA, MEMBER OF THE STATE ASSEMBLY, has requested an opinion on the following questions:

1. Is the 5 percent salary increase authorized for city council members of a general law city to be applied to the currently received salary amount for the total number of years since the last salary adjustment?
2. May the additional compensation authorized for a mayor of a general law city be increased during his or her term of office as mayor?

CONCLUSIONS

1. The 5 percent salary increase authorized for city council members of a general law city is to be applied to the currently received salary amount for the total number of years since the last salary adjustment.

2. The additional compensation authorized for a mayor of a general law city may be increased during his or her term of office as mayor.

ANALYSIS

The two questions presented for resolution concern the compensation authorized for city council members and mayors of general law cities in California. We are asked to interpret two different statutes. The first is Government Code section 36516,¹ which states:

“(a) A city council may enact an ordinance providing that each member of the city council shall receive a salary, the amount of which shall be determined by the following schedule:

“(1) In cities up to and including 35,000 in population, up to and including three hundred dollars (\$300) per month.

“(2) In cities over 35,000 up to and including 50,000 in population, up to and including four hundred dollars (\$400) per month.

“(3) In cities over 50,000 up to and including 75,000 in population, up to and including five hundred dollars (\$500) per month.

“(4) In cities over 75,000 up to and including 150,000 in population, up to and including six hundred dollars (\$600) per month.

“(5) In cities over 150,000 up to and including 250,000 in population, up to and including eight hundred dollars (\$800) per month.

“(6) In cities over 250,000 population, up to and including one thousand dollars (\$1,000) per month.

¹ All further references to the Government Code are by section number only.

“For the purposes of this section the population shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.

“(b) At any municipal election, the question of whether city council members shall receive compensation for services, and the amount of compensation, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the compensation specified in the election call. Compensation of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

“(c) Compensation of council members may be increased beyond the amount provided in this section by an ordinance or by an amendment to an ordinance but *the amount of the increase may not exceed an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.* No salary ordinance shall be enacted or amended which provides for automatic future increases in salary.

“(d) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) to (c), inclusive. For the purposes of this section, compensation includes payment for service by a city council member on a commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

“(e) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section provided the same benefits are available and paid by the city for its employees.

“(f) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to Section 36514.5 shall not be included for purposes of determining salary pursuant to this section.” (Italics added.)

The second statute requiring interpretation is section 36516.1, which provides:

“A mayor elected pursuant to Sections 34900 to 34904, inclusive, of the Government Code may be provided with compensation in addition to that which he receives as a councilman. Such additional compensation may be provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.”

Under section 36516, subdivision (c), is the authorized 5 percent annual salary increase for city council members to be applied to the current salary amount for the total number of years since the last salary adjustment? Under section 36516.1, may a mayor receive the authorized additional compensation during his or her term of office?

1. Salary Increase for City Council Members

Subdivision (a) of section 36516 sets a maximum amount for the salary of a city council member, depending upon the size of the city. (89 Ops.Cal.Atty.Gen. 135, 139 (2006); 84 Ops.Cal.Atty.Gen. 13, 15 (2001); 80 Ops.Cal.Atty.Gen. 119, 120-122 (1997). The residents of the city may vote to exceed the stated maximum amount (§ 36516, subd. (b); 84 Ops.Cal.Atty.Gen., *supra*, at p. 17), and the city council may by ordinance increase the level of compensation beyond the amount set in the statute for a city of its size, but not by more than 5 percent per year (§ 36516, subd. (c); 84 Ops.Cal.Atty.Gen., *supra*, at p. 17; 80 Ops.Cal.Atty.Gen., *supra*, at p. 123).

Section 36516.5 additionally provides:

“A change in compensation does not apply to a councilman during his term of office; however, the prohibition herein expressed shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of such council becomes eligible for a salary increase by virtue of his beginning a new term of office.”

Accordingly, the actual adjustment of a city council member’s compensation may only occur when one of the council members commences a new term. (See 80 Ops.Cal.Atty.Gen., *supra*, at p.123; 54 Ops.Cal.Atty.Gen. 112, 114 (1971).) In the typical situation, where city council members serve staggered four-year terms, salary increases may take place no more often than every two years.

In complying with the directive of section 36516, subdivision (c), is the 5 percent² annual adjustment to be applied to the currently received salary adjustment? Or, as it has been suggested, may the 5 percent be applied to the currently received salary amount only for the first year, and then applied to the newly calculated amount for the second year, and continuing these separate calculations, for each intervening year? For example, if six years have passed since the last salary increase, is one calculation to be made or are six separate calculations to be made with the 5 percent applied to each intervening year's calculated, but not received, increase?

In analyzing the terms of section 36516, we are guided by well-settled principles of statutory interpretation. "Our role in construing a statute is to ascertain the Legislature's intent so as to effectuate the purpose of the law. [Citation.]" (*Hunt v. Superior Court* (1999) 21Cal.4th 984, 1000.) " 'In determining intent, we look first to the words of the statute, giving the language its usual ordinary meaning.' " (*Curle v. Superior Court* (2001) 24 Cal.4th 1057, 1063.) "[A] statute ' . . . is to be interpreted by the language in which it is written, and courts are no more at liberty to add provisions to what is therein declared in definite language than they are to disregard any of its express provisions.' [Citation.]" (*Wells Fargo Bank v. Superior Court* (1991) 53 Cal.3d 1082, 1097.) " 'A statute must be construed "in the context of the entire statutory system of which it is a part. . . . ' " (*People v. Hull* (1991) 1 Cal.4th 266, 272.) Other statutes that might bear upon the meaning of the statute at issue may be considered. (*White v. County of Sacramento* (1982) 31Cal.3d 676, 682; 78 Ops.Cal.Atty.Gen. 92, 95 (1979); 67 Ops.Cal.Atty.Gen. 325, 329 (1984).)

Applying these rules of construction, we find that subdivision (c) of section 36516 refers to calculations based solely upon "the salary in effect when the ordinance or amendment is enacted," which is the same salary amount as that resulting from "the last adjustment of the salary." We apply the words of the statute as written. Only the currently received salary amount is to be part of the calculations. To make separate calculations for each intervening year since the date of the last salary increase would base the calculations on salaries that were not received by the city council members. Nothing in the language of section 36516 suggests that the calculations are to be based upon salary amounts that were never received.

² While the statute authorizes adjustments of less than 5 percent, we will assume that the ordinance in question specifies a 5 percent increase.

A somewhat analogous situation involves the computing of interest on both the principal sum and accrued interest. In *Robertson v. Dodson* (1942) 54 Cal.App.2d 661, 665, the court observed that “the compounding of interest has never been looked upon with favor in this state.” This principle was reaffirmed in *Westbrook v. Fairchild* (1992) 7 Cal.App.4th 889, 893, where the court held that there was no constitutional or statutory authorization or equitable power to compound the award of post judgment interest.

We have examined in some detail the legislative history pertaining to subdivision (c) of section 36516. This statutory language was originally enacted in 1972 (Stats. 1972, ch. 591, § 2) and has remained unchanged through subsequent legislative enactments (Stats. 1984, ch. 100, § 2; Stats. 2005, ch. 178, § 1). We find no basis in the legislative history to calculate a salary increase based upon annual salary amounts that were not previously received.

Finally, we note that when the Legislature has authorized the use of a compounding formula for calculating salary and benefit increases, it has done so in unmistakable language. For example, with respect to cost-of-living adjustments for retirees who are members of the Public Employees Retirement System (§§ 20000-21432), section 21329, subdivision (b), provides:

“No monthly allowance in any year may exceed an amount equal to the base allowance increased by 2 percent per year *compounded* for the number of years intervening between the end of the base year and the beginning of the calendar year in which the adjustment is made.” (Italics added.)

Section 75523, subdivision (b), pertaining to the retirement allowance of retired judges, similarly provides:

“No adjustment shall be made unless the cost-of-living increase equals or exceeds 1 percent. The allowance shall not be increased by more than three 3 percent in a single year. *Increases shall be compounded.*” (Italics added.)

The Legislature could easily have provided the same type of directive in section 36516 if it had so intended. (See *Traverso v. People ex rel. Dept. of Transportation* (1993) 6 Cal.4th 1152, 1166; *State Farm Mut. Auto. Ins. Co. v. Department of Motor Vehicles* (1997) 53 Cal.App.4th 1076, 1082; 73 Ops.Cal.Atty.Gen. 13, 23 (1990).)

We conclude that the 5 percent salary increase authorized for city council members of a general law city is to be applied to the currently received salary amount for the total number of years since the last salary adjustment.

2. Salary Increase for City Mayors

An elected mayor of a general law city is a member of the city council. (§ 34903; 80 Ops.Cal.Atty.Gen., *supra*, at p.126; 57 Ops.Cal.Atty.Gen.626, 628 (1974).) His or her salary *as a member of the council* is subject to the constraints of sections 36516 and 36516.5. (80 Ops.Cal.Atty.Gen., *supra*, at p. 126 .)

However, an elected mayor may receive additional compensation for performing the duties of a mayor. As previously quoted, section 36516.1 allows a mayor to receive additional compensation “provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.” May the additional compensation be received during the mayor’s current term of office? We conclude that it may.

In 80 Ops.Cal.Atty.Gen. 119, *supra*, we determined that a mayor’s additional compensation may not be *reduced* by the city council during his or her current term of office because of the “contract clauses” of the United States and California Constitutions (U.S. Const., art. I, § 10, cl. 1 [“No state shall . . . pass any . . . law impairing the obligation of contracts . . .”]; Cal. Const., art. I, § 9 [“A . . . law impairing the obligation of contracts may not be passed”]). (*Id.* at pp. 124-126.) We specifically did not rely upon the prohibition in section 36516.5 that “[a] change in compensation does not apply to a councilman during his term of office” in reaching our conclusion. We reasoned in part:

“Section 36516.5’s prohibition is as follows: ‘A change in compensation does not apply to a councilman during his term of office. . . .’ Although a mayor is a member of the city council, he or she is not normally referred to as a ‘councilman.’ The additional salary authorized by section 36516.1 would seemingly not be received as a ‘councilman’; rather, the additional compensation would be granted for the performance of mayoral duties.” (*Id.* at p. 126.)

Here, we are concerned with an *increase* in a mayor’s compensation; therefore, the constitutional considerations involving a mayor’s contractual rights are not in question. As for section 36516.5’s prohibition, it is inapplicable here, just as it was in our 1997 opinion and for the same reasons. The additional compensation for performing mayoral duties is not received as “a councilman.”

We are left, then, with a statute that precludes additional compensation for city council members during their current terms of office, but no similar statute prohibiting additional compensation for city mayors during their current terms of office. Consistent with our analysis in answer to the first question, we find that if the Legislature had intended to restrict increases for mayors under the terms of section 36516.5, it could easily have so provided. It did not; we will not add such language to this statute in the guise of statutory construction.

We conclude that the additional compensation authorized for a mayor of a general law city may be increased during his or her term of office as mayor.

ATTACHMENT 5

ORDINANCE NO. XX

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE REPEALING IN PART ORDINANCE NO. 2034

WHEREAS, on August 21, 1986, the City of Seaside (“City”) adopted Ordinance No. 703 setting the compensation of City Council Members in the amount of \$400 per month; and

WHEREAS, the Mayor is a member of the City Council; and

WHEREAS, the City’s population as of July 2025 is estimated by the United States Census Bureau to be 31,636; and

WHEREAS, since January 1, 2024, Government Code Section 36516 (a) has provided that a city council may enact an ordinance providing that each member of the City Council, including the Mayor, shall receive a salary in the following amount:

(1) For cities with a population of 35,000 or less, the monthly compensation permitted increased by SB 329 from \$300 to \$950.

(2) In the alternative, the compensation of City Council Members can be increased by the greater amount of:

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the compensation in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent from each calendar year; and

WHEREAS, the California Consumer Price Index increased from September 1986 to July 2026 by over 250%; and

WHEREAS, Government Code Section 36516.1 provides that an elected mayor may be provided with compensation in addition to that which the mayor receives as a Council Member. The Government Code does not specify the maximum amount of additional compensation that may be provided to the mayor; and

WHEREAS, the additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504; and

ATTACHMENT 5

WHEREAS, on May 1, 2025, the City Council adopted Ordinance No. 2034 which amended Municipal Code Section 2.02.490 (Compensation) to increase the compensation of City Council Members to \$2400 a month and included a \$300 per month automobile stipend for the Mayor and these amounts have been paid from June 2025 through July 2026, a period of 14 months; and

WHEREAS, the period from August 1986 through June 2025 was 38 years and 10 months; and

WHEREAS, applying the 5% per calendar year formula of Government Code Section 36516 (a) (4) (A) to the City Council Member compensation of \$400 would have been \$20 per year multiplied by 38 years equals \$760 plus \$400 results in a total compensation of \$1160 a month; and

WHEREAS, the calculation of \$2400 a month for City Council Members compensation was incorrect under Government Code Section 36516 because \$2400 exceeds the 5% formula which does not permit compounding and also exceeds the \$950 a month amount for cities with a population of 35,000 or less; and

WHEREAS, Government Code Section 36516.5 provides as follows:

“A change in compensation does not apply to a council member during the council member's term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office.”; and

WHEREAS, commencing payment of \$2400 a month to City Council Members in June 2025 was incorrect because the start date for the compensation increase should have been when one or more City Council Members will begin a new term of office after the November 3, 2026 election; and

WHEREAS, Ordinance No. 2034 includes a severability clause which provides that if any provision of the Ordinance is invalid that the remainder of the Ordinance shall continue to be in full force and effect which means that the \$300 per month automobile stipend for the Mayor provided in Ordinance No. 2034 still has full force and effect; and

WHEREAS, Ordinance No. 2034 should be repealed in part because \$2400 a month compensation amount was incorrect and because the commencement date for the payment of the compensation increase should have been when one or more members of the city council begins a new term of office after the November 3, 2026; and

WHEREAS, based on the foregoing, the City Council finds pursuant to Government Code Section 36937 (b) that this Urgency Ordinance is necessary for the immediate preservation

ATTACHMENT 5

of the public peace, health and safety in order to ensure that the compensation of the City Council Members is consistent with applicable law.

NOW, THEREFORE, the City Council of the City of Seaside, State of California does ordain as follows:

SECTION 1. RECITALS. The foregoing Recitals are true and correct and are hereby incorporated by reference in full.

SECTION 2. REPEAL IN PART OF ORDINANCE NO. 2034. The word “twenty” in Ordinance No. 2034 amending Municipal Code Section 2.02.490 is hereby repealed and stricken such that Section 2.02.490 shall read as follows with deletion shown in strike out:

2.02.490. Compensation

Each member of the city council shall receive a salary of ~~twenty~~ four hundred dollars per month. In addition, the mayor shall receive a three hundred dollars per month automobile stipend.

SECTION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). This Urgency Ordinance will not result in a direct or indirect changes to the environment and does not meet the definition of a project under CEQA. 14 California Code of Regulations 15378

SECTION 4. SEVERABILITY.

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Urgency Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Urgency Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be held unconstitutional, invalid, or enforceable.

SECTION 5. EFFECTIVE DATE. This Urgency Ordinance adopted pursuant to Government Code Section 36937 (b) will be effective immediately upon adoption by a four fifth (4/5) vote of the City Council.

SECTION 6. PUBLICATION. The City Clerk is directed to certify this Urgency Ordinance and cause it to be published in the manner required by law.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside, State of California, on the 16th day of July, 2026, by the following roll call vote:

ATTACHMENT 5

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED AS TO FORM

Sheri L. Damon, City Attorney

ATTACHMENT 6

ORDINANCE NO. XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE AMENDING MUNICIPAL CODE SECTION 2.02.490 INCREASING THE COMPENSATION OF THE MAYOR AND CITY COUNCIL MEMBERS

WHEREAS, on August 21, 1986, the City of Seaside (“City”) adopted Ordinance No. 703 setting the compensation of City Council Members in the amount of \$400 per month; and

WHEREAS, the Mayor is a member of the City Council; and

WHEREAS, the City’s population as of July 2025 is estimated by the United States Census Bureau to be 31,636; and

WHEREAS, on June 29, 2023, Senate Bill No. 329 was adopted by the California State Legislature amending Government Code Section 36516 effective January 1, 2024 pertaining to the compensation of City Council Members; and

WHEREAS, the findings in SB 329 included the following:

SECTION 1. The Legislature finds and declares all of the following:

(a) The compensation schedule for general law cities has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation.

(b) Allowing cities to adjust their compensation for inflation since 1984 may help cities councils become more diverse because increased compensation can help individuals from across different income levels receive sufficient income from their service to help ensure that they can continue to serve the public and support their families.

WHEREAS, since January 1, 2024, Government Code Section 36516 (a) provides that a city council may enact an ordinance providing that each member of the city council, including the Mayor, shall receive a salary in the following amount:

(1) For cities with a population of 35,000 or less, the monthly compensation permitted increased by SB 329 from \$300 to \$950.

(2) In the alternative, the compensation of City Council Members can be increased by the greater amount of:

ATTACHMENT 6

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the compensation in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent from each calendar year; and

WHEREAS, the California Consumer Price Index increased from October 1986 to April 2026 by approximately 250% according to the California Department of Industrial Relations; and

WHEREAS, on May 1, 2025, the City Council adopted Ordinance No. 2034 which amended City Municipal Code Section 2.02.490 with an Effective Date of May 31, 2025 to increase the compensation of City Council Members to \$2400 a month and included a \$300 per month automobile stipend for the Mayor and these amounts have been paid from June 2025 through June 2026, a period of 13 months; and

WHEREAS, Ordinance No. 2034 was repealed in part by Urgency Ordinance No. _____ adopted on July 16, 2026 because \$2400 a month in compensation was an incorrect amount and because the commencement date for the payment of the compensation increase for City Council Members should have been when one or more members of the city council begins a new term of office after the November 3, 2026 election; and

WHEREAS, the period from December 1986 through August 2026 is 39 years and 8 months; and

WHEREAS, based upon Attorney General Opinion No. 06-504 issued August 8, 2006, the 5% Formula in Government Code Section 36516 is not to be compounded; and

WHEREAS, applying the 5% per calendar year formula of Government Code Section 36516, without compounding, to the current City Council Member compensation of \$400 is \$20 per year multiplied by 39 years equals \$780 plus \$400 results in a total compensation of \$1180 a month; and

WHEREAS, Government Code Section 36516.1 provides that an elected mayor may be provided with compensation in addition to that which the mayor receives as a Council Member. The Government Code does not specify the maximum amount of additional compensation that may be provided to the mayor; and

WHEREAS, The additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504; and

ATTACHMENT 6

WHEREAS, Ordinance No. 2034 includes a severability clause which provides that if any provision of the Ordinance is invalid that the remainder of the Ordinance shall continue to be in full force and effect which means that the \$300 per month automobile stipend for the Mayor provided in Ordinance No. 2034 still has full force and effect; and

WHEREAS, the City and its needs have grown in complexity, the hours required of Council Members and the Mayor have increased substantially, and the resources needed to prepare for and attend city council meetings and other activities have increased; and

WHEREAS, the City Council of the City of Seaside finds that increasing the compensation for its Council Members, including the Mayor, would facilitate representation in local government by allowing public servants to balance careers and personal obligations, and increase the opportunity for individuals across different income levels to participate in public service, all consistent with the legislative intent of Government Code Section 36516.

NOW, THEREFORE, the City Council of the City of Seaside, State of California does ordain as follows:

SECTION 1. RECITALS. The foregoing Recitals are true and correct and are hereby incorporated by reference in full.

SECTION 2. PURPOSE AND INTENT OF ORDINANCE. The purpose and intent of this Ordinance is to amend Municipal Code Section 2.02.490 to provide for a compensation increase for the Mayor and other City Council Members which is consistent with the provisions of Government Code Section 36516, Government Code Section 36516.1 and Government Code Section 36516.5.

SECTION 3. TEXT AMENDMENT TO MUNICIPAL CODE SECTION 2.02.490.

New amendments to Section 2.02.490 are shown in underline and deletions are shown in strike out. Section 2.02.490 shall be amended as follows:

2.02.490 Compensation

Each member of the city council shall receive a salary of \$1180 (eleven hundred and eighty dollars) ~~four hundred dollars~~ per month. In addition, the Mayor shall receive compensation in the amount of three hundred dollars per month automobile stipend.

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). This Ordinance will not result in a direct or indirect changes to the environment and does not meet the definition of a project under CEQA. 14 California Code of Regulations 15378

ATTACHMENT 6

SECTION 5. SEVERABILITY.

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be held unconstitutional, invalid, or enforceable.

SECTION 6. EFFECTIVE DATE. This Ordinance shall be effective 30 days after adoption.

SECTION 7. COMMENCEMENT DATE FOR INCREASED COMPENSATION

The increased compensation provided by this Ordinance shall commence the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

SECTION 8. PUBLICATION. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside, State of California, on the ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

ATTACHMENT 6

APPROVED AS TO FORM

Sheri L. Damon



CITY OF SEASIDE STAFF REPORT

Item No.: 8.B.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Greg McDanel, City Manager

DATE: July 16, 2026

SUBJECT: INTRODUCTION OF ORDINANCE AMENDING MUNICIPAL CODE SECTION 2.02.490 INCREASING THE COMPENSATION OF THE MAYOR AND CITY COUNCIL MEMBERS. THE PROPOSED ACTION IS NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15061(B)(3) AND PROVIDE DIRECTION TO CITY MANAGER (FIRST READING – ROLL-CALL VOTE)

RECOMMENDATION

- 1.) Conduct the first reading of an Ordinance Amending Municipal Code Section 2.02.490 Increasing the Compensation of the Mayor and City Councilmembers and hold public hearing.
- 2.) Motion making findings in accordance with California Environmental Quality Act (CEQA) guidelines that the proposed Urgency Ordinance is exempt per guideline 15378.
- 3.) Motion directing City Manager to retain an independent Certified Public Accountant or other qualified professional to recommend to the City a repayment method for the overpayment of compensation to the Mayor and City Councilmembers for the 13 month period of June 2025 through June 2026 and authorize the City Manager to contact the Fair Political Practices Commission with any questions regard the repayment method.
- 4.) Take other action related to this Agenda item as directed.

BACKGROUND

I. EXECUTIVE SUMMARY

This Agenda item relates to Ordinance No. 2034, which was adopted by the City Council on May 1, 2025. The Ordinance also increased the compensation of City Council Members and the Mayor to \$2400 a month and also included a \$300 automobile stipend for the Mayor. The increased compensation was paid during the period of June 2025 through June 2026.

Ordinance No. 2034 has been reviewed and there are two mistakes that have been identified. The first mistake is in the \$2400 amount, which was based on compounding the percentage of the increase.

The second mistake was that payment of the \$2400 amount commenced in June 2025 and should not have commenced until after one or more members of the City Council begin a new term until after the results of the November 3, 2026, election are certified and those Councilmembers are sworn into office, most likely in December 2026.

An Urgency Ordinance (**Attachment 5**) is proposed to repeal the \$2400 compensation amount such that the compensation amount would return to the previous amount of \$400. There is no legal issue with regard to the \$300 automobile stipend for the Mayor.

A Regular Ordinance (**Attachment 6**), if adopted, would provide for a compensation increase to \$1180 and a start date for that increase to be after the results of the November 3, 2026, election are certified and those Councilmembers are sworn into office.

There is an issue in regard to the repayment by the Mayor and City Councilmembers of the overpayment of compensation which is discussed in Section V of this Staff Report. The final recommendation is to direct the City Manager to retain an independent Certified Public Accountant or other qualified professional to recommend to the City a repayment method for the overpayment of compensation.

II. BACKGROUND

On August 21, 1986, the City of Seaside ("City") adopted Ordinance No. 703 setting the compensation of City Councilmembers in the amount of \$400 per month (**Attachment 1**).

On June 29, 2023, Senate Bill No. 329 was adopted by the California State Legislature amending Government Code Section 36516 effective January 1, 2024 pertaining to the compensation of City Councilmembers.

The findings in SB 329 included the following:

SECTION 1. The Legislature finds and declares all of the following:

(a) The compensation schedule for general law cities has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation.

(b) Allowing cities to adjust their compensation for inflation since 1984 may help cities councils become more diverse because increased compensation can help individuals from across different income levels receive sufficient income from their service to help ensure that they can continue to serve the public and support their families.

Since January 1, 2024, Government Code Section 36516 (**Attachment 2**) has provided that a city council may enact an ordinance providing that each members of the city council, including the Mayor, shall receive a salary in the following amount:

(1) For cities with a population of 35,000 or less, the monthly compensation permitted increased by SB 329 to \$950.

(2) In the alternative, the compensation of City Councilmembers could be increased by the greater amount of:

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the compensation in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent from each calendar year.

On March 20, 2025, the City Council received a Staff Report regarding increasing stipends for City Councilmembers and to provide direction to staff. Staff referenced the adoption of Senate Bill No. 329, which increased the amount of compensation for City Council Members based upon the population of a city. The Staff Report noted the options under Government Code Section 36516 including: (1) an amount equal to 5% for each calendar year from the operative date of the last adjustment of salary in effect when the ordinance or amendment is enacted (5% Formula) or (2) in cities up to and including 35,000 in population, a monthly salary of \$950. The Staff Report included a calculation based on the 5% option from 1986 to 2024 to be \$2,409.05.

On April 17, 2025, based on the direction provided by the City Council at the March 20, 2025, meeting, the City Council received a Staff Report which included a draft Ordinance Amending Municipal Code Section 2.02.490 (Compensation) to increase the compensation of City Councilmembers to \$2400 a month and included a \$300 per month automobile stipend for the Mayor. The City Council approved the introduction of proposed Ordinance No. 2034 for these compensation amounts (**Attachment 3**).

On May 1, 2025, the City Council adopted Ordinance No. 2034, which included an Effective Date of 30 days after its final passage and adoption. The 30 day period after May 1, 2025, ended May 31, 2025, and the amounts stated in Ordinance No. 2034 have been paid to the Council Members from for 13 months from June 2025 through June 2026. Ordinance No. 2034 amended Municipal Code Section 2.02.490 in the following manner:

“Each member of the city council shall receive a salary of ~~twenty~~-four hundred dollars per month. **In addition, the Mayor shall receive compensation in the amount of three hundred dollars per month automobile stipend.**”

The City’s population as of July 2025 is estimated by the United States Census Bureau to be 31,636.

The California Consumer Price Index increased from October 1986 to April 2026 by approximately 250% according to the California Department of Industrial Relations.

III. REVIEW OF ORDINANCE NO. 2034

The City was contacted by a member of the public on June 1, 2026 requesting clarification regarding the amount of compensation approved in 2025 for the City Council. Following that contact, Brian Pierik, a partner in the law firm of Burke, Williams & Sorensen, LLP, was requested by the City to review Ordinance No. 2034 and provide recommendations to the City on how to proceed. Based upon that review, there were two mistakes found in Ordinance No. 2034 which are described below.

1. Error in Ordinance No. 2034: Calculation of the Amount of Compensation

The first mistake in Ordinance No. 2034 is the amount of compensation. The City calculated the amount of compensation based on the 5% Formula Government Code Section 36516 which authorizes increase in monthly compensation in an amount equal to 5% for each calendar year from the operative date of the last adjustment of salary in effect when the ordinance or amendment is enacted. In making that calculation, the City compounded the annual increases such that each year was increased based on the amount for the prior year from 1986 through 2024.

Government Code Section 36516 has no provision stating whether or not compounding applies to the 5% Formula. However, on August 8, 2006, the California Attorney General issued Opinion No. 06-504 (**Attachment 4**) which states on page 5:

“Applying these rules of construction, we find that subdivision (c) of section 36516 refers to calculations based solely upon “the salary in effect when the ordinance or amendment is enacted,” which is the same salary amount as that resulting from “the last adjustment of the salary.” We apply the words of the statute as

written. Only the currently received salary amount is to be part of the calculations. To make separate calculations for each intervening year since the date of the last salary increase would base the calculations on salaries that were not received by the city council members. Nothing in the language of section 36516 suggests that the calculations are to be based upon salary amounts that were never received.”

Thus, based upon Attorney General Opinion No. 06-504, the 5% Formula in Government Code Section 36516 is not to be compounded. Applying the 5% Formula per calendar year without compounding, the City Councilmember compensation of \$400 as of May 2025 would have been \$20 per year multiplied by 38 years (1986 to 2024) equals \$760 plus \$400 (current salary), which results in a total compensation of \$1160 a month.

Ordinance No. 2034 also included an additional compensation for the Mayor in the amount of \$300 a month automobile stipend which is allowed based on Government Code Section 36516.1 which provides:

“ A mayor elected pursuant to Section 34900 to 34904, inclusive, may be provided with compensation in addition to that which he or she receives as a council member. That additional compensation may be provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.”

The additional compensation for the mayor of a general law city may be increased during his or her term, according to the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504 (**Attachment 4**).

Based upon the foregoing, there was a mistake made in the calculation of the \$2400 compensation in Ordinance No. 2034 and the correct amount should have been \$1160 a month. There was no mistake in Ordinance No. 2034 regarding the \$300 a month automobile stipend for the Mayor.

2. Error in Date of Commencement of Payment of the Increased Compensation

As noted, Ordinance No. 2034 was adopted on May 1, 2025 and provided for an effective date of 30 days following adoption which was May 31, 2025.

Government Code Section 36516 has no provision stating the effective date for an Ordinance increasing the compensation of City Councilmembers and most Ordinances do become effective 30 days following adoption. However, for an Ordinance approving an increase in compensation for City Councilmembers, Government Code Section 36516.5 provides as follows:

“A change in compensation does not apply to a council member during the council

member's term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office."One of more members of the City Council will not begin a new term until after the results of the November 3, 2026 election are certified and those Councilmembers are sworn into office, most likely in December 2026.

Based on the foregoing, Ordinance No. 2034 should have provided that the increased compensation would not be paid until after one of more members of the City Council are sworn into office following the November 3, 2026 election.

There was no mistake in Ordinance No. 2034 in regard to the commencement date of May 31, 2025 for the \$300 a month automobile stipend for the Mayor based on Attorney General Opinion No.06-504 (**Attachment 4**).

IV. PROPOSED ORDINANCES

Based upon the review of Ordinance No. 2034, the City Council is being presented with two Ordinances which are described as follows.

1. Urgency Ordinance Repealing in Part Ordinance No. 2034 (**Attachment 5**)

Since there were mistakes made in Ordinance No. 2034 in regard to the amount of compensation of \$2400 and the effective date for payment of the compensation, Ordinance No. 2034 must be repealed, in part, based on requirements of Government Code Section 36516 and Government Code Section 36516.5.

The Urgency Ordinance would repeal from Municipal Code Section 2.02.490 the word "twenty" and read:

2.02.490. Compensation

Each member of the city council shall receive a salary of **twenty-four** hundred dollars per month. **In addition, the mayor shall receive a three hundred dollars per month automobile stipend.**

Government Code Section 36516.1 provides that an elected mayor may be provided with compensation in addition to that which the mayor receives as a Councilmember. The Government Code does not specify the maximum amount of additional compensation that may be provided to the mayor.

The additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504 (**Attachment 4**).

Ordinance No. 2034 includes a severability clause which provides that if any provision of the Ordinance is invalid that the remainder of the Ordinance shall continue to be in full force and effect which means that the \$300 per month automobile stipend for the Mayor provided in Ordinance No. 2034 still has full force and effect.

Urgency Ordinances are authorized by Government Code Section 36937 (b) when necessary for the immediate preservation of the public peace, health and safety which applies here in order to ensure that the compensation of the City Councilmembers is consistent with applicable law.

An Urgency Ordinance requires four affirmative votes to be adopted and becomes effective immediately upon adoption and there is no second reading.

2. Ordinance Amending Municipal Code Section 2.02.490 Increasing The Compensation Of The Mayor And City Councilmembers (Attachment 6)

If Ordinance No. 2034 is repealed, in part as described above, which would return the City Council compensation to \$400 a month, then the City Council may consider an Ordinance amending Municipal Code Section 2.02.490 increasing the compensation of the Mayor and City Councilmembers based on a correct calculation of the amount of the compensation increase with the 5% Formula and also including the correct commencement date for the compensation increase which will be the date one or more members of the City Council are sworn into office following the November 3, 2026 election.

Applying the 5% per calendar year formula of Government Code Section 36516 to the City Councilmember compensation of \$400 is \$20 per year multiplied by 39 years (December 1986 through August 2026) is \$780 plus \$400 results in a total compensation of \$1180 a month.

The draft Ordinance also includes Section 7 which provides that the commencement date for the increased compensation will be the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

If the City Council introduces this Ordinance at this meeting, then the second reading of the Ordinance for adoption would be scheduled for the City Council meeting on August 6, 2026 and the Ordinance would be effective on September 5, 2026. However, as noted, the commencement date for the increased compensation will not be until the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

V. CALCULATION OF OVERPAYMENT OF COMPENSATION TO COUNCIL MEMBERS AND METHOD OF REPAYMENT

As noted, Ordinance No. 2024 has two mistakes. One mistake was the amount of compensation of \$2400. The second mistake was the effective date of the increased compensation which should have been the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

The salary of the Council prior to the adoption of Ordinance No. 2034 was \$400 a month. The difference between \$2400 a month and \$400 a month is \$2000 a month multiplied by 13 months from June 2025 through June 2026 is \$26,000 which does not include interest.

One of the recommendations in this Staff Report is a motion directing the City Manager to retain an independent Certified Public Accountant or other qualified professional to recommend to the City a repayment method for the overpayment of compensation to the Mayor and City Councilmembers for the 13 month period of June 2025 through June 2026 which would include interest calculations.

VI. CONCLUSION

Approval of the recommended actions will correct the compensation issue prospectively, establish a lawful path for future Council compensation, and initiate an independent process to address repayment of overpaid amounts in a transparent and responsible manner.

ATTACHMENTS

1. Ordinance No. 7302. Government Code Section 36516
3. Ordinance No. 2034
4. Attorney General Opinion No. 06-504 issued August 8, 2006
5. Draft Urgency Ordinance Repealing in Part Ordinance No. 2034 (**Previous Agenda Item**)
6. Draft Ordinance Amending Municipal Code Section 2.02.490 Increasing The Compensation Of The Mayor And City Councilmembers (**Current Agenda Item**)

FISCAL IMPACT

The proposed ordinance would increase City Councilmember compensation from \$400 per month to \$1,180 per month. The monthly increase would be \$780 per Councilmember, or \$3,900 per month for all five members of the City Council. Although the ordinance would become effective 30 days after adoption, the increased compensation would not commence until the date that one or more members of the City Council begin a new term of office following the November 3, 2026 election, consistent with Government Code section 36516.5. Therefore, there is no immediate

fiscal impact from the compensation increase upon adoption of this ordinance.

As discussed in the staff report, the City has also identified prior overpayments of Council compensation from June 2025 through June 2026. The estimated overpayment is \$2,000 per month per Councilmember for 13 months. Staff recommends retaining an independent Certified Public Accountant or other qualified professional, in coordination with legal counsel, to calculate the final repayment amounts and recommend an appropriate repayment process.

STRATEGIC PRIORITY

Effective Accessible Governance

ATTACHMENTS

1. Attachment 1 - Ordinance No. 703
2. Attachment 2 - Government Code Section 36516
3. Attachment 3 - Ordinance No. 2034
4. Attachment 4 - Attorney General Opinion 06-504
5. Attachment 5 - Urgency Ordinance
6. Attachment 6 - Regular Ordinance to Increase Compensation

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

ORDINANCE NO. 703AN ORDINANCE ADDING SECTION 2.02.490 TO THE
SEASIDE MUNICIPAL CODE RELATING TO
COMPENSATION FOR COUNCIL MEMBERS

WHEREAS, Government Code section 36516 adopts a salary schedule for members of a city council; and

WHEREAS, in cities over 35,000 in population, said Government Code section sets a monthly salary of four hundred dollars (\$400) for city council members; and

WHEREAS, pursuant to the official 1980 census, the City of Seaside has a population of 36,567;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEASIDE DOES ORDAIN AS FOLLOWS:

Section 1. Section 2.02.490 Added. Section 2.02.490 is hereby added to the Municipal Code to read as follows:

"2.02.490 Compensation. Each member of the city council shall receive a salary of four hundred dollars (\$400) per month."

Section 2. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

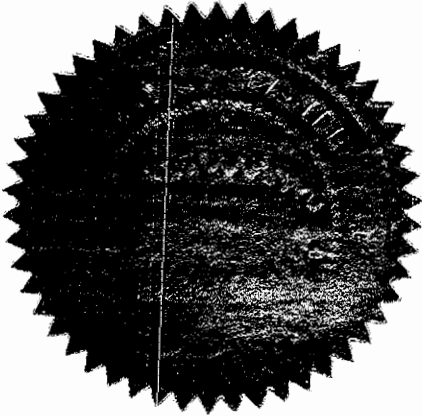
Section 3. Within fifteen (15) days after passage, the city clerk shall cause this ordinance to be published one time in the Monterey Peninsula Herald. This ordinance shall be in force and take effect thirty (30) days from and after its passage and approval.

INTRODUCED this 7th day of August, 1986.

PASSED AND ADOPTED at a regular meeting of the city council of the City of Seaside duly held on the 21st day of August 1986, by the following vote:

I, Dee Latimore - City Clerk, of the City of Seaside, State of California, hereby certify that on the 16th day of Sept., 1986, a true copy of the foregoing Ordinance No. 703 of the City of Seaside was published in The Herald

16th Witness my hand and the seal of the City of Seaside this
day of Sept., 19 86.



Packet Page 139

(Ordinance Adding section 2.02.490 continued)

1 AYES: Councilmember: Houser, Polite, Mayor McClair

2 NOES: Councilmember: Quinn

3 ABSENT: Councilmember: Lively

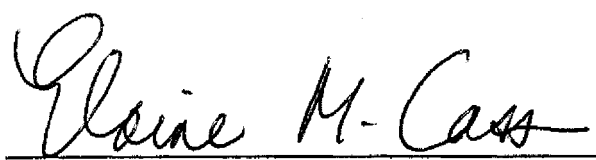
6 SO ORDERED:

8 
9 LANCELOT C. McCLAIR, Mayor

11 ATTEST:

13 
14 D. LATIMORE, City Clerk

16 APPROVED AS TO FORM:

18 
19 ELAINE M. CASS, City Attorney

ATTACHMENT 2

Government Code Section 36516. Ordinance and schedule concerning salaries of city council members; election call; compensation increases; exclusions from salary determinations; waiver of compensation

Effective: January 1, 2024

- (a)(1) A city council may enact an ordinance providing that each member of the city council shall receive a salary based on the population of the city as set forth in paragraph (2).
- (2) The salaries approved by ordinance under paragraph (1) shall be as follows:
- (A) In cities up to and including 35,000 in population, up to and including nine hundred fifty dollars (\$950) per month.
- (B) In cities over 35,000 up to and including 50,000 in population, up to and including one thousand two hundred seventy-five dollars (\$1,275) per month.
- (C) In cities over 50,000 up to and including 75,000 in population, up to and including one thousand six hundred dollars (\$1,600) per month.
- (D) In cities over 75,000 up to and including 150,000 in population, up to and including one thousand nine hundred dollars (\$1,900) per month.
- (E) In cities over 150,000 up to and including 250,000 in population, up to and including two thousand five hundred fifty dollars (\$2,550) per month.
- (F) In cities over 250,000 population, up to and including three thousand two hundred dollars (\$3,200) per month.
- (3) For the purposes of this subdivision, the population of a city shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.
- (4) The salary of council members may be increased beyond the amount provided in this subdivision by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed the greater of either of the following:
- (A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.
- (B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.
- (5) No ordinance shall be enacted or amended to provide automatic future increases in salary.

(b) Notwithstanding subdivision (a), at any municipal election, the question of whether city council members shall receive a salary for services, and the amount of that salary, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the salary specified in the election call. The salary of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

(c) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) and (b). For the purposes of this section, compensation includes payment for service by a city council member on a commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

(d) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the city for its employees.

(e) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to Section 36514.5 shall not be included for purposes of determining salary pursuant to this section.

(f) A city council member may waive any or all of the compensation permitted by this section.

(g)(1) For the purposes of this section, a city council shall consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council.

(2) At the first meeting, the city council shall present the proposed ordinance, which shall include findings demonstrating the need for the increased compensation. The ordinance shall not be adopted at the first meeting.

(3) At least seven days after the first meeting, the city council shall hold a second meeting to consider whether to adopt the ordinance.

ORDINANCE NO. 2034

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE
CLARIFYING, AMENDING, AND REVISING TITLE 2, PERSONNEL AND
ADMINISTRATION, OF THE SEASIDE MUNICIPAL CODE**

WHEREAS, the City desires to make technical, typographical, clarifications and modifications to the Seaside Municipal Code to better reflect the past practices and applications of the code; and

WHEREAS, the City has adopted Resolutions that have modified the interpretation and application of the code and these changes are being codified into the code; and

WHEREAS, this ordinance specifically addresses the changes to Title 2, Section 2.02.490 Councilmember compensation; and

WHEREAS, the last time the City Council received any increase in their compensation was by Ordinance 703 adopted on or about August 21, 1986 and codified in Seaside Municipal Code section 2.02.490; and

WHEREAS, since that time, the cost of living has increased more than 300%; and

WHEREAS, the City of Seaside's population as of the 2023 Census Information was 31,317; and

WHEREAS, Government Code section 36516 provides for a base salary of \$950 per month in cities with a population of less than 35,000; and

WHEREAS, Government Code section 36516 (a)(4) provides for escalation above the amounts set forth in Government Code section 36516(a)(2)(A) if an ordinance is adopted that escalates up to five percent for each calendar year from the operative date of the last adjustment; and

WHEREAS, the City and its needs have grown in complexity, the hours required of council members and the mayor have increased substantially, and the resources needed to prepare for and attend city council meetings and participate on other boards and commissions, and other activities have increased; and

WHEREAS, the City Council of the City of Seaside finds that increasing the compensation for its council members would facilitate equitable representation in local government by making it easier for public servants to balance careers and personal obligations, and increase the opportunity for individuals across different income levels, as

well as those individuals in marginalized communities, to participate in public service, all consistent with the legislative intent of Government Code section 36516; and

WHEREAS, on March 20, 2025 the City Council directed staff to bring forward an ordinance which established Council member and Mayor compensation at the rate of \$2400.00 per month with a \$300.00 per month vehicle stipend for the Mayor.

NOW THEREFORE, the City Council of the City of Seaside, State of California does ordain as follows:

SECTION 1. GENERAL PURPOSE AND FINDINGS

- A. The purpose of this Ordinance is to amend Title 2, and update the compensation of the City Council by modifying Title 2, section 2.02.490; and
- B. The City Council finds the above declaratory paragraphs to be true and correct and incorporates them herein as findings on the nature and extent of the need for the increase in salary and the amounts established herein.

SECTION 2. TEXT AMENDMENTS

New amendments to the existing code are shown in underline, while deletions are shown in strike out. Section 2.02.490 shall be amended as follows:

2.02.490 Compensation.

Each member of the city council shall receive a salary of ~~twenty-four~~ hundred dollars per month. In addition, the mayor shall receive a three hundred dollars per month automobile stipend. (Ord. 703 § 1, 1986)

SECTION 3. ENVIRONMENTAL COMPLIANCE

The proposed changes to the Ordinance will not result in direct or indirect changes to the environment and do not meet the definition of project under CEQA. (14 CCR 15378(b))

SECTION 4. SEVERABILITY

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption.

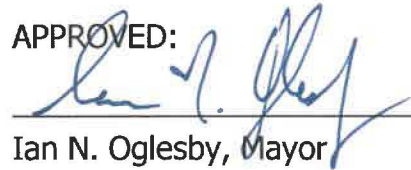
INTRODUCED AND PASSED TO PRINT at a Regular meeting of the City Council of the City of Seaside, State of California, on the 17th day of April, 2025.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside, State of California, on the 1st day of May 2025, by the following roll call vote:

AYES:	4	COUNCIL MEMBERS:	Burks, Garcia-Arrazola, Miller, Oglesby
NOES:	1	COUNCIL MEMBERS:	Pacheco
ABSENT:	0	COUNCIL MEMBERS:	None
ABSTAIN:	0	COUNCIL MEMBERS:	None



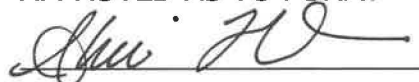
APPROVED:


 Ian N. Oglesby, Mayor

ATTEST:


 Dominique L. Davis, City Clerk

APPROVED AS TO FORM:


 Sheri L. Damon, City Attorney

TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL
State of California

BILL LOCKYER
Attorney General

OPINION	:	No. 06-504
	:	
of	:	August 8, 2006
	:	
BILL LOCKYER	:	
Attorney General	:	
	:	
GREGORY L. GONOT	:	
Deputy Attorney General	:	
	:	

THE HONORABLE JENNY OROPEZA, MEMBER OF THE STATE ASSEMBLY, has requested an opinion on the following questions:

1. Is the 5 percent salary increase authorized for city council members of a general law city to be applied to the currently received salary amount for the total number of years since the last salary adjustment?
2. May the additional compensation authorized for a mayor of a general law city be increased during his or her term of office as mayor?

CONCLUSIONS

1. The 5 percent salary increase authorized for city council members of a general law city is to be applied to the currently received salary amount for the total number of years since the last salary adjustment.

2. The additional compensation authorized for a mayor of a general law city may be increased during his or her term of office as mayor.

ANALYSIS

The two questions presented for resolution concern the compensation authorized for city council members and mayors of general law cities in California. We are asked to interpret two different statutes. The first is Government Code section 36516,¹ which states:

“(a) A city council may enact an ordinance providing that each member of the city council shall receive a salary, the amount of which shall be determined by the following schedule:

“(1) In cities up to and including 35,000 in population, up to and including three hundred dollars (\$300) per month.

“(2) In cities over 35,000 up to and including 50,000 in population, up to and including four hundred dollars (\$400) per month.

“(3) In cities over 50,000 up to and including 75,000 in population, up to and including five hundred dollars (\$500) per month.

“(4) In cities over 75,000 up to and including 150,000 in population, up to and including six hundred dollars (\$600) per month.

“(5) In cities over 150,000 up to and including 250,000 in population, up to and including eight hundred dollars (\$800) per month.

“(6) In cities over 250,000 population, up to and including one thousand dollars (\$1,000) per month.

¹ All further references to the Government Code are by section number only.

“For the purposes of this section the population shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.

“(b) At any municipal election, the question of whether city council members shall receive compensation for services, and the amount of compensation, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the compensation specified in the election call. Compensation of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

“(c) Compensation of council members may be increased beyond the amount provided in this section by an ordinance or by an amendment to an ordinance but *the amount of the increase may not exceed an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.* No salary ordinance shall be enacted or amended which provides for automatic future increases in salary.

“(d) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) to (c), inclusive. For the purposes of this section, compensation includes payment for service by a city council member on a commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

“(e) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section provided the same benefits are available and paid by the city for its employees.

“(f) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to Section 36514.5 shall not be included for purposes of determining salary pursuant to this section.” (Italics added.)

The second statute requiring interpretation is section 36516.1, which provides:

“A mayor elected pursuant to Sections 34900 to 34904, inclusive, of the Government Code may be provided with compensation in addition to that which he receives as a councilman. Such additional compensation may be provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.”

Under section 36516, subdivision (c), is the authorized 5 percent annual salary increase for city council members to be applied to the current salary amount for the total number of years since the last salary adjustment? Under section 36516.1, may a mayor receive the authorized additional compensation during his or her term of office?

1. Salary Increase for City Council Members

Subdivision (a) of section 36516 sets a maximum amount for the salary of a city council member, depending upon the size of the city. (89 Ops.Cal.Atty.Gen. 135, 139 (2006); 84 Ops.Cal.Atty.Gen. 13, 15 (2001); 80 Ops.Cal.Atty.Gen. 119, 120-122 (1997). The residents of the city may vote to exceed the stated maximum amount (§ 36516, subd. (b); 84 Ops.Cal.Atty.Gen., *supra*, at p. 17), and the city council may by ordinance increase the level of compensation beyond the amount set in the statute for a city of its size, but not by more than 5 percent per year (§ 36516, subd. (c); 84 Ops.Cal.Atty.Gen., *supra*, at p. 17; 80 Ops.Cal.Atty.Gen., *supra*, at p. 123).

Section 36516.5 additionally provides:

“A change in compensation does not apply to a councilman during his term of office; however, the prohibition herein expressed shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of such council becomes eligible for a salary increase by virtue of his beginning a new term of office.”

Accordingly, the actual adjustment of a city council member’s compensation may only occur when one of the council members commences a new term. (See 80 Ops.Cal.Atty.Gen., *supra*, at p.123; 54 Ops.Cal.Atty.Gen. 112, 114 (1971).) In the typical situation, where city council members serve staggered four-year terms, salary increases may take place no more often than every two years.

In complying with the directive of section 36516, subdivision (c), is the 5 percent² annual adjustment to be applied to the currently received salary adjustment? Or, as it has been suggested, may the 5 percent be applied to the currently received salary amount only for the first year, and then applied to the newly calculated amount for the second year, and continuing these separate calculations, for each intervening year? For example, if six years have passed since the last salary increase, is one calculation to be made or are six separate calculations to be made with the 5 percent applied to each intervening year's calculated, but not received, increase?

In analyzing the terms of section 36516, we are guided by well-settled principles of statutory interpretation. "Our role in construing a statute is to ascertain the Legislature's intent so as to effectuate the purpose of the law. [Citation.]" (*Hunt v. Superior Court* (1999) 21Cal.4th 984, 1000.) " 'In determining intent, we look first to the words of the statute, giving the language its usual ordinary meaning.' " (*Curle v. Superior Court* (2001) 24 Cal.4th 1057, 1063.) "[A] statute ' . . . is to be interpreted by the language in which it is written, and courts are no more at liberty to add provisions to what is therein declared in definite language than they are to disregard any of its express provisions.' [Citation.]" (*Wells Fargo Bank v. Superior Court* (1991) 53 Cal.3d 1082, 1097.) " 'A statute must be construed "in the context of the entire statutory system of which it is a part. . . . ' " (*People v. Hull* (1991) 1 Cal.4th 266, 272.) Other statutes that might bear upon the meaning of the statute at issue may be considered. (*White v. County of Sacramento* (1982) 31Cal.3d 676, 682; 78 Ops.Cal.Atty.Gen. 92, 95 (1979); 67 Ops.Cal.Atty.Gen. 325, 329 (1984).)

Applying these rules of construction, we find that subdivision (c) of section 36516 refers to calculations based solely upon "the salary in effect when the ordinance or amendment is enacted," which is the same salary amount as that resulting from "the last adjustment of the salary." We apply the words of the statute as written. Only the currently received salary amount is to be part of the calculations. To make separate calculations for each intervening year since the date of the last salary increase would base the calculations on salaries that were not received by the city council members. Nothing in the language of section 36516 suggests that the calculations are to be based upon salary amounts that were never received.

² While the statute authorizes adjustments of less than 5 percent, we will assume that the ordinance in question specifies a 5 percent increase.

A somewhat analogous situation involves the computing of interest on both the principal sum and accrued interest. In *Robertson v. Dodson* (1942) 54 Cal.App.2d 661, 665, the court observed that “the compounding of interest has never been looked upon with favor in this state.” This principle was reaffirmed in *Westbrook v. Fairchild* (1992) 7 Cal.App.4th 889, 893, where the court held that there was no constitutional or statutory authorization or equitable power to compound the award of post judgment interest.

We have examined in some detail the legislative history pertaining to subdivision (c) of section 36516. This statutory language was originally enacted in 1972 (Stats. 1972, ch. 591, § 2) and has remained unchanged through subsequent legislative enactments (Stats. 1984, ch. 100, § 2; Stats. 2005, ch. 178, § 1). We find no basis in the legislative history to calculate a salary increase based upon annual salary amounts that were not previously received.

Finally, we note that when the Legislature has authorized the use of a compounding formula for calculating salary and benefit increases, it has done so in unmistakable language. For example, with respect to cost-of-living adjustments for retirees who are members of the Public Employees Retirement System (§§ 20000-21432), section 21329, subdivision (b), provides:

“No monthly allowance in any year may exceed an amount equal to the base allowance increased by 2 percent per year *compounded* for the number of years intervening between the end of the base year and the beginning of the calendar year in which the adjustment is made.” (Italics added.)

Section 75523, subdivision (b), pertaining to the retirement allowance of retired judges, similarly provides:

“No adjustment shall be made unless the cost-of-living increase equals or exceeds 1 percent. The allowance shall not be increased by more than three 3 percent in a single year. *Increases shall be compounded.*” (Italics added.)

The Legislature could easily have provided the same type of directive in section 36516 if it had so intended. (See *Traverso v. People ex rel. Dept. of Transportation* (1993) 6 Cal.4th 1152, 1166; *State Farm Mut. Auto. Ins. Co. v. Department of Motor Vehicles* (1997) 53 Cal.App.4th 1076, 1082; 73 Ops.Cal.Atty.Gen. 13, 23 (1990).)

We conclude that the 5 percent salary increase authorized for city council members of a general law city is to be applied to the currently received salary amount for the total number of years since the last salary adjustment.

2. Salary Increase for City Mayors

An elected mayor of a general law city is a member of the city council. (§ 34903; 80 Ops.Cal.Atty.Gen., *supra*, at p.126; 57 Ops.Cal.Atty.Gen.626, 628 (1974).) His or her salary *as a member of the council* is subject to the constraints of sections 36516 and 36516.5. (80 Ops.Cal.Atty.Gen., *supra*, at p. 126 .)

However, an elected mayor may receive additional compensation for performing the duties of a mayor. As previously quoted, section 36516.1 allows a mayor to receive additional compensation “provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.” May the additional compensation be received during the mayor’s current term of office? We conclude that it may.

In 80 Ops.Cal.Atty.Gen. 119, *supra*, we determined that a mayor’s additional compensation may not be *reduced* by the city council during his or her current term of office because of the “contract clauses” of the United States and California Constitutions (U.S. Const., art. I, § 10, cl. 1 [“No state shall . . . pass any . . . law impairing the obligation of contracts . . .”]; Cal. Const., art. I, § 9 [“A . . . law impairing the obligation of contracts may not be passed”]). (*Id.* at pp. 124-126.) We specifically did not rely upon the prohibition in section 36516.5 that “[a] change in compensation does not apply to a councilman during his term of office” in reaching our conclusion. We reasoned in part:

“Section 36516.5’s prohibition is as follows: ‘A change in compensation does not apply to a councilman during his term of office. . . .’ Although a mayor is a member of the city council, he or she is not normally referred to as a ‘councilman.’ The additional salary authorized by section 36516.1 would seemingly not be received as a ‘councilman’; rather, the additional compensation would be granted for the performance of mayoral duties.” (*Id.* at p. 126.)

Here, we are concerned with an *increase* in a mayor’s compensation; therefore, the constitutional considerations involving a mayor’s contractual rights are not in question. As for section 36516.5’s prohibition, it is inapplicable here, just as it was in our 1997 opinion and for the same reasons. The additional compensation for performing mayoral duties is not received as “a councilman.”

We are left, then, with a statute that precludes additional compensation for city council members during their current terms of office, but no similar statute prohibiting additional compensation for city mayors during their current terms of office. Consistent with our analysis in answer to the first question, we find that if the Legislature had intended to restrict increases for mayors under the terms of section 36516.5, it could easily have so provided. It did not; we will not add such language to this statute in the guise of statutory construction.

We conclude that the additional compensation authorized for a mayor of a general law city may be increased during his or her term of office as mayor.

ATTACHMENT 5

ORDINANCE NO. XX

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE REPEALING IN PART ORDINANCE NO. 2034

WHEREAS, on August 21, 1986, the City of Seaside (“City”) adopted Ordinance No. 703 setting the compensation of City Council Members in the amount of \$400 per month; and

WHEREAS, the Mayor is a member of the City Council; and

WHEREAS, the City’s population as of July 2025 is estimated by the United States Census Bureau to be 31,636; and

WHEREAS, since January 1, 2024, Government Code Section 36516 (a) has provided that a city council may enact an ordinance providing that each member of the City Council, including the Mayor, shall receive a salary in the following amount:

(1) For cities with a population of 35,000 or less, the monthly compensation permitted increased by SB 329 from \$300 to \$950.

(2) In the alternative, the compensation of City Council Members can be increased by the greater amount of:

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the compensation in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent from each calendar year; and

WHEREAS, the California Consumer Price Index increased from September 1986 to July 2026 by over 250%; and

WHEREAS, Government Code Section 36516.1 provides that an elected mayor may be provided with compensation in addition to that which the mayor receives as a Council Member. The Government Code does not specify the maximum amount of additional compensation that may be provided to the mayor; and

WHEREAS, the additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504; and

ATTACHMENT 5

WHEREAS, on May 1, 2025, the City Council adopted Ordinance No. 2034 which amended Municipal Code Section 2.02.490 (Compensation) to increase the compensation of City Council Members to \$2400 a month and included a \$300 per month automobile stipend for the Mayor and these amounts have been paid from June 2025 through July 2026, a period of 14 months; and

WHEREAS, the period from August 1986 through June 2025 was 38 years and 10 months; and

WHEREAS, applying the 5% per calendar year formula of Government Code Section 36516 (a) (4) (A) to the City Council Member compensation of \$400 would have been \$20 per year multiplied by 38 years equals \$760 plus \$400 results in a total compensation of \$1160 a month; and

WHEREAS, the calculation of \$2400 a month for City Council Members compensation was incorrect under Government Code Section 36516 because \$2400 exceeds the 5% formula which does not permit compounding and also exceeds the \$950 a month amount for cities with a population of 35,000 or less; and

WHEREAS, Government Code Section 36516.5 provides as follows:

“A change in compensation does not apply to a council member during the council member's term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office.”; and

WHEREAS, commencing payment of \$2400 a month to City Council Members in June 2025 was incorrect because the start date for the compensation increase should have been when one or more City Council Members will begin a new term of office after the November 3, 2026 election; and

WHEREAS, Ordinance No. 2034 includes a severability clause which provides that if any provision of the Ordinance is invalid that the remainder of the Ordinance shall continue to be in full force and effect which means that the \$300 per month automobile stipend for the Mayor provided in Ordinance No. 2034 still has full force and effect; and

WHEREAS, Ordinance No. 2034 should be repealed in part because \$2400 a month compensation amount was incorrect and because the commencement date for the payment of the compensation increase should have been when one or more members of the city council begins a new term of office after the November 3, 2026; and

WHEREAS, based on the foregoing, the City Council finds pursuant to Government Code Section 36937 (b) that this Urgency Ordinance is necessary for the immediate preservation

ATTACHMENT 5

of the public peace, health and safety in order to ensure that the compensation of the City Council Members is consistent with applicable law.

NOW, THEREFORE, the City Council of the City of Seaside, State of California does ordain as follows:

SECTION 1. RECITALS. The foregoing Recitals are true and correct and are hereby incorporated by reference in full.

SECTION 2. REPEAL IN PART OF ORDINANCE NO. 2034. The word “twenty” in Ordinance No. 2034 amending Municipal Code Section 2.02.490 is hereby repealed and stricken such that Section 2.02.490 shall read as follows with deletion shown in strike out:

2.02.490. Compensation

Each member of the city council shall receive a salary of ~~twenty~~ four hundred dollars per month. In addition, the mayor shall receive a three hundred dollars per month automobile stipend.

SECTION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). This Urgency Ordinance will not result in a direct or indirect changes to the environment and does not meet the definition of a project under CEQA. 14 California Code of Regulations 15378

SECTION 4. SEVERABILITY.

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Urgency Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Urgency Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be held unconstitutional, invalid, or enforceable.

SECTION 5. EFFECTIVE DATE. This Urgency Ordinance adopted pursuant to Government Code Section 36937 (b) will be effective immediately upon adoption by a four fifth (4/5) vote of the City Council.

SECTION 6. PUBLICATION. The City Clerk is directed to certify this Urgency Ordinance and cause it to be published in the manner required by law.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside, State of California, on the 16th day of July, 2026, by the following roll call vote:

ATTACHMENT 5

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED AS TO FORM

Sheri L. Damon, City Attorney

ATTACHMENT 6

ORDINANCE NO. XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE AMENDING MUNICIPAL CODE SECTION 2.02.490 INCREASING THE COMPENSATION OF THE MAYOR AND CITY COUNCIL MEMBERS

WHEREAS, on August 21, 1986, the City of Seaside (“City”) adopted Ordinance No. 703 setting the compensation of City Council Members in the amount of \$400 per month; and

WHEREAS, the Mayor is a member of the City Council; and

WHEREAS, the City’s population as of July 2025 is estimated by the United States Census Bureau to be 31,636; and

WHEREAS, on June 29, 2023, Senate Bill No. 329 was adopted by the California State Legislature amending Government Code Section 36516 effective January 1, 2024 pertaining to the compensation of City Council Members; and

WHEREAS, the findings in SB 329 included the following:

SECTION 1. The Legislature finds and declares all of the following:

(a) The compensation schedule for general law cities has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation.

(b) Allowing cities to adjust their compensation for inflation since 1984 may help cities councils become more diverse because increased compensation can help individuals from across different income levels receive sufficient income from their service to help ensure that they can continue to serve the public and support their families.

WHEREAS, since January 1, 2024, Government Code Section 36516 (a) provides that a city council may enact an ordinance providing that each member of the city council, including the Mayor, shall receive a salary in the following amount:

(1) For cities with a population of 35,000 or less, the monthly compensation permitted increased by SB 329 from \$300 to \$950.

(2) In the alternative, the compensation of City Council Members can be increased by the greater amount of:

ATTACHMENT 6

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the compensation in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent from each calendar year; and

WHEREAS, the California Consumer Price Index increased from October 1986 to April 2026 by approximately 250% according to the California Department of Industrial Relations; and

WHEREAS, on May 1, 2025, the City Council adopted Ordinance No. 2034 which amended City Municipal Code Section 2.02.490 with an Effective Date of May 31, 2025 to increase the compensation of City Council Members to \$2400 a month and included a \$300 per month automobile stipend for the Mayor and these amounts have been paid from June 2025 through June 2026, a period of 13 months; and

WHEREAS, Ordinance No. 2034 was repealed in part by Urgency Ordinance No. _____ adopted on July 16, 2026 because \$2400 a month in compensation was an incorrect amount and because the commencement date for the payment of the compensation increase for City Council Members should have been when one or more members of the city council begins a new term of office after the November 3, 2026 election; and

WHEREAS, the period from December 1986 through August 2026 is 39 years and 8 months; and

WHEREAS, based upon Attorney General Opinion No. 06-504 issued August 8, 2006, the 5% Formula in Government Code Section 36516 is not to be compounded; and

WHEREAS, applying the 5% per calendar year formula of Government Code Section 36516, without compounding, to the current City Council Member compensation of \$400 is \$20 per year multiplied by 39 years equals \$780 plus \$400 results in a total compensation of \$1180 a month; and

WHEREAS, Government Code Section 36516.1 provides that an elected mayor may be provided with compensation in addition to that which the mayor receives as a Council Member. The Government Code does not specify the maximum amount of additional compensation that may be provided to the mayor; and

WHEREAS, The additional compensation for the mayor of a general law city may be increased during his or her term according the Opinion of the California Attorney General issued on August 8, 2006 No. 06-504; and

ATTACHMENT 6

WHEREAS, Ordinance No. 2034 includes a severability clause which provides that if any provision of the Ordinance is invalid that the remainder of the Ordinance shall continue to be in full force and effect which means that the \$300 per month automobile stipend for the Mayor provided in Ordinance No. 2034 still has full force and effect; and

WHEREAS, the City and its needs have grown in complexity, the hours required of Council Members and the Mayor have increased substantially, and the resources needed to prepare for and attend city council meetings and other activities have increased; and

WHEREAS, the City Council of the City of Seaside finds that increasing the compensation for its Council Members, including the Mayor, would facilitate representation in local government by allowing public servants to balance careers and personal obligations, and increase the opportunity for individuals across different income levels to participate in public service, all consistent with the legislative intent of Government Code Section 36516.

NOW, THEREFORE, the City Council of the City of Seaside, State of California does ordain as follows:

SECTION 1. RECITALS. The foregoing Recitals are true and correct and are hereby incorporated by reference in full.

SECTION 2. PURPOSE AND INTENT OF ORDINANCE. The purpose and intent of this Ordinance is to amend Municipal Code Section 2.02.490 to provide for a compensation increase for the Mayor and other City Council Members which is consistent with the provisions of Government Code Section 36516, Government Code Section 36516.1 and Government Code Section 36516.5.

SECTION 3. TEXT AMENDMENT TO MUNICIPAL CODE SECTION 2.02.490.

New amendments to Section 2.02.490 are shown in underline and deletions are shown in strike out. Section 2.02.490 shall be amended as follows:

2.02.490 Compensation

Each member of the city council shall receive a salary of \$1180 (eleven hundred and eighty dollars) ~~four hundred dollars~~ per month. In addition, the Mayor shall receive compensation in the amount of three hundred dollars per month automobile stipend.

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). This Ordinance will not result in a direct or indirect changes to the environment and does not meet the definition of a project under CEQA. 14 California Code of Regulations 15378

ATTACHMENT 6

SECTION 5. SEVERABILITY.

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be held unconstitutional, invalid, or enforceable.

SECTION 6. EFFECTIVE DATE. This Ordinance shall be effective 30 days after adoption.

SECTION 7. COMMENCEMENT DATE FOR INCREASED COMPENSATION

The increased compensation provided by this Ordinance shall commence the date that one or more members of the city council begin a new term of office following the November 3, 2026 election.

SECTION 8. PUBLICATION. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of Seaside, State of California, on the ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

ATTACHMENT 6

APPROVED AS TO FORM

Sheri L. Damon



CITY OF SEASIDE STAFF REPORT

Item No.: 8.C.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Thomas Korman, Public Works Director/City Engineer
Andreas Baer, Assistant Public Works Director

DATE: July 16, 2026

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING SEASIDE MUNICIPAL CODE CHAPTER 13.12 CROSS-CONNECTION CONTROL PROGRAM. THE PROPOSED ACTION IS NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15061(B)(3) (FIRST READING - ROLL CALL VOTE)

RECOMMENDATION

Conduct the first reading and open public hearing.

BACKGROUND

Chapter 13.12 - Cross-Connection Control Program

The existing Cross Connection Control Program, Chapter 13.12 was adopted October 6th, 1988 and amended in January 16th, 2020. The proposed edits reflect updates to the California Code of Regulations ("CCR") as they pertain to the types of backflow protection devices necessary to maintain the minimum level of protection for the municipal water supply. The chapter has been revised to incorporate the CCCPH (Cross-Connection Control Policy Handbook) and its standards applying to the SMWS (Seaside Municipal Water System) as defined in CHSC (California's Health and Safety Code) section 116275 (h).

The State Water Resources Control Board adopted the CCCPH on July 1st 2024. The CCCHP aims to protect public health by establishing standards to ensure a public water system's drinking water distribution system will not be subject the backflow of liquids, gases, or other substances. The standards apply stateswide.

The proposed ordinances attached hereto will address the issues noted above by amending the existing Municipal Code Chapter 13.12 with the proposed language in the attached draft ordinance.

The City Council is holding this public hearing on July 16th, 2026, as the initial reading to introduce the ordinance amendments and will adjournize the second reading and adoption at subsequent regular meeting of the Seaside City Council. The ordinance will go into effect 31 days following the adoption of the ordinance.

ENVIRONMENTAL COMPLIANCE

The proposed changes to the Ordinance will not result in direct or indirect changes to the environment and do not meet the definition of project under CEQA. (14 CCR 15378(b)) Additionally, any cross-connection activities are categorically exempt from CEQA. (14 CCR 15301(b))

FISCAL IMPACT

There is no fiscal impact associated with the adoption of an amendment to the Municipal Code for the Cross Connection Control Program.

STRATEGIC PRIORITY

Effective Accessible Governance, Enhanced Physical Infrastructure & Abundant Water Supply, Community Safety & Quality of Life

ATTACHMENTS

1. Ordinance
2. Exhibit A Seaside Municipal Code Chapter 13.12
3. Exhibit B Cross Connection Control Policy Handbook

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

ORDINANCE NO. XXXX

**AN ORDINANCE AMENDING SEASIDE MUNICIPAL CODE CHAPTER 13.12
CROSS CONNECTION CONTROL PROGRAM. THE PROPOSED ACTION IS NOT
SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)
PURSUANT TO SECTION 15061(B)(3)**

WHEREAS, the existing Cross Connection Control Program, chapter 13.12 was adopted in 1988; and

WHEREAS, the State Water Resources Control Board adopted the Cross-Connection Control Policy Handbook (CCCPH), attached hereto as Exhibit B, on July 1st 2024 aiming to protect public health by establishing standards to ensure a public water system drinking water distribution system will not be subject to the backflow or liquids, gasses, or other substances; and

WHEREAS, the CCCPH are defined in California Health and Safety Code (CHSC) section 116275 (h) and the standards apply statewide; and

WHEREAS, the Cross-Contamination Control and Backflow Prevention regulation previously outlined in Title 17 of the California Code of Regulation have been repealed and replaced; and

WHEREAS, Chapter 13.12 needs to be revised to replace references to Title 17 with the CCCPH;

NOW, THEREFORE BE IT RESOLVED, that the Seaside Municipal Code Section 13.12 will be amended in accordance with the attached red lined text in Exhibit A; and.

NOW, THEREFORE BE IT FURTHER RESOLVED, the proposed changes to the Ordinance will not result in direct or indirect changes to the environment and do not meet the definition of project under CEQA. (14 CCR 15378(b)) additionally, any cross-connection activities are categorically exempt from CEQA. (14 CCR 15301(b)).

PASSED AND ADOPTED at regular meeting of the City Council of the City of Seaside duly held on the 16th day of July 2026, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED TO FORM:

Sheri L. Damon, City Attorney

Chapter 13.12

CROSS-CONNECTION CONTROL PROGRAM

Sections:

- [**13.12.010 Title.**](#)
- [**13.12.020 Purpose.**](#)
- [**13.12.030 Adoption.**](#)
- [**13.12.040 Connections with noncity systems prohibited.**](#)
- [**13.12.050 Definitions.**](#)
- [**13.12.060 Cross-connection protection requirements designated.**](#)
- [**13.12.070 Cross-connection protection – General provisions.**](#)
- [**13.12.080 Where protection is required.**](#)
- [**13.12.090 Type of protection required.**](#)
- [**13.12.100 Approved backflow prevention devices.**](#)
- [**13.12.110 Backflow prevention device installation.**](#)
- [**13.12.120 Backflow prevention device testing and maintenance.**](#)
- [**13.12.130 Backflow prevention device removal.**](#)
- [**13.12.140 User supervisor.**](#)
- [**13.12.150 Administrative procedures – Water system survey.**](#)
- [**13.12.160 Customer notification.**](#)
- [**13.12.170 Water service termination.**](#)

13.12.010 Title.

The ordinance codified in this chapter shall be known and cited as the “cross-connection control program to protect the Seaside Municipal Water System.” (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.020 Purpose.

The purpose of this chapter is (A) to protect the public water supply against actual or potential contamination through cross-connections by isolating sources of contamination that may occur within a water user’s premises because of some undiscovered or unauthorized cross-connection on the premises; (B) to eliminate existing connections between drinking water systems and other sources of water that are not approved as safe and potable for human consumption; (C) to eliminate cross-connections between drinking water systems and sources of

contamination; (D) to prevent the making of cross-connections in the future. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.030 Adoption.

These regulations are adopted pursuant to ~~the State of California Code of Regulations, Title 17, Public Health, entitled "Regulations Relating to Cross-Connections."~~the State Water Resources Control Board Cross-Contamination Control Policy Handbook (CCCPH) latest edition and incorporating all updates and amendments as defined in California's Health and Safety Code (CHSC) section 116275 (h) (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.040 Connections with non-city systems prohibited.

It is unlawful for any person, firm or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being served with water by the City of Seaside's Municipal Water System and any other source of water supply or to maintain any sanitary fixture or other appurtenances or fixtures which, by reason of their construction, may cause or allow backflow of water or other substances into the public water supply system of the city and/or the service of water pipes or fixtures of any consumer of the city. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.050 Definitions.

"Air-gap separation" means a physical break between a supply pipe and a receiving vessel. The air gap shall be at least double the diameter of the supply pipe measured vertically above the top rim of the vessel, in no case less than one inch.

"Approved backflow prevention device" means devices which have passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated their competency to perform such tests to the California Department of Health Services.

"Approved water supply" means any water supply whose potability is regulated by state or local health agency.

"Auxiliary supply" means any water supply on or available to the premises other than the approved water supply.

"AWWA Standard" means an official standard developed and approved by the American Water Works Association (AWWA).

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

"Contamination" means a degradation of the quality of the potable water by any foreign substance which creates a hazard to the public health, or which may impair the usefulness or quality of the water.

"Cross-connection," as used in this chapter, means any unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe, wholesome and potable. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.

"Double check valve assembly" means an assembly of at least two independently acting check valves including tightly closing shutoff valves on each side of the check valve assembly and test cocks available for testing the watertightness of each check valve.

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

"Local health agency" means the county or city health authority.

"Person" means an individual, corporation, company, association, partnership, municipality, public utility or other public body or institution.

"Premises" means any and all areas on a water user's property which are served or have the potential to be served by the public water system.

"Public water system" means a system for the provision of piped water to the public for human consumption that has five or more service connections or

regularly serves an average of twenty-five individuals daily at least sixty days out of the year.

“Reclaimed water” means a wastewater which, as a result of treatment, is suitable for uses other than potable use.

“Reduced pressure principle backflow prevention device” means a device incorporating two or more check valves and an automatically operating differential relief valve located between the two checks, a tightly closing shutoff valve on each side of the check valve assembly, and equipped with necessary test cocks for testing.

“Service connection” refers to the point of connection of a user’s piping to the water supplier’s facilities.

“Water supplier” means the person who owns or operates the approved water supply system.

“Water user” means any person obtaining water from an approved water supply system. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.060 Cross-connection protection requirements designated.

The cross-connection protection requirements are as designated in SMC [13.12.070](#) through [13.12.090](#). (Ord. [1044](#) § 2 (Att. C), 2017; Ord. [752](#) § 1 (Exh. A), 1988)

13.12.070 Cross-connection protection – General provisions.

A. Unprotected cross-connections with the public water supply are prohibited.

B. Whenever backflow protection has been found necessary, the city will require the water user to install an approved backflow prevention device by and at the water user’s expense for continued services or before a new service will be granted.

C. Wherever backflow protection has been found necessary on a water supply line entering a water user’s premises, then any and all water supply lines from the City of Seaside’s Municipal Water System’s mains entering such premises, buildings or structures shall be protected by an approved backflow prevention

device. The type of device to be installed will be in accordance with the requirements of this chapter. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.080 Where protection is required.

A. Each service connection from the Seaside Municipal Water system for supplying water to premises having an auxiliary water supply shall be protected against backflow of water from the premises into the public water system unless the auxiliary water supply is accepted as an additional source by the City Engineer and is approved by the public health agency having jurisdiction.

B. Each service connection from the Seaside Municipal Water System for supplying water to any premises on which any substance is handled in such fashion as may allow its entry into the public water system shall be protected against backflow of the water from the premises into the public system. This shall include the handling of process waters and waters originating from the Seaside Municipal Water System which have been subjected to deterioration in sanitary quality.

C. Backflow prevention devices shall be installed on the service connection to any premises having: (1) internal cross-connections that cannot be permanently corrected and controlled to the satisfaction of the state or local health department and the city, or (2) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not cross-connections exist. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.090 Type of protection required.

A. The type of protection that shall be provided to prevent backflow into the approved water supply shall be commensurate with the degree of hazard that exists on the consumer's premises. The type of protective device that may be required (listing in an increasing level of the type of protection) includes: double check valve assembly (DC), reduced pressure principle backflow prevention device (RP) and air-gap separation (AG). The water user may choose a higher level of protection than required by the city. The minimum types of backflow protection required to protect the approved water supply at the user's water connection to premises with varying degrees of hazard are ~~given in Table 1 of Title 17 California Code of Regulations, Section 7604, as that section may be~~

~~revised from time to time defined in the CCCPH~~. Situations which are not covered in ~~Table 1~~the CCCPH shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by the City Engineer or health agency.

B. Two or more services supplying water from different street mains to the same building, structure or premises through which an inter-street main flow may occur shall have at least a standard check valve on each water service to be located adjacent to and on the property side of the respective meters. Such check valve shall not be considered adequate if backflow protection is deemed necessary to protect the Seaside Municipal Water System's mains from pollution or contamination; in such cases the installation of approved backflow devices at such service connections shall be required. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.100 Approved backflow prevention devices.

A. Only backflow prevention devices which have been approved by the City Engineer shall be acceptable for installation by a water user connected to the city's potable water system.

B. The city will provide, upon request, to any affected customer a list of approved backflow prevention devices. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.110 Backflow prevention device installation.

Backflow prevention devices shall be installed in a manner prescribed in ~~Section 7603, Title 17, of the California Administrative Code~~the CCCPH. Location of the devices should be as close as practical to the user's connection. The City Engineer shall have the final authority in determining the required location of a backflow prevention device.

A. Air-Gap Separation (AG). The air-gap separation shall be located on the user's side of and as close to the service connection as is practical. All piping from the service connection to the receiving tank shall be above grade and be entirely visible. No water use shall be provided from any point between the service connection and the air-gap separation. The water inlet piping shall terminate a distance of at least two pipe diameters of the supply inlet, but in no case less than one inch above the overflow rim of the receiving tank.

B. Reduced Pressure Principle Backflow Prevention Device (RP). The approved reduced pressure principle backflow prevention device shall be installed on the user's side of and as close to the service connection as is practical. The device shall be installed a minimum of twelve inches above grade and not more than thirty-six inches above grade measured from the bottom of the device and with a minimum of twelve inches side clearance. The device shall be installed so that it is readily accessible for maintenance and testing. Water supplied from any point between the service connection and the RP device shall be protected in a manner approved by the city.

C. Double Check Valve Assembly (DC). The approved double check valve assembly shall be located as close as practical to the user's connection and shall be installed above grade, if possible, and in a manner where it is readily accessible for testing and maintenance. If a double check valve assembly is put below grade it must be installed in a vault such that there is a minimum of six inches between the bottom of the vault and the bottom of the device, so that the top of the device is no more than a maximum of eight inches below grade, so there is a minimum of six inches of clearance between the side of the device with the test cocks and the side of the vault, and so there is a minimum of three inches of clearance between the other side of the device and the side of the vault. Special consideration must be given to double check valve assemblies of the "Y" type. These devices must be installed on their "side" with the test cocks in a vertical position so that either check valve may be removed for service without removing the device. Vaults which do not have an integrated bottom must be placed on a three-inch layer of gravel. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.120 Backflow prevention device testing and maintenance.

A. The owners of any premises on which, or on account of which, backflow prevention devices are installed shall have the devices tested by a person who had demonstrated their competency in testing of these devices to the city. Backflow prevention devices must be tested at least annually and immediately after installation, relocation or repair. The City Engineer may require a more frequent testing schedule if it is determined to be necessary. No device shall be placed back in service unless it is functioning as required. A report in a form acceptable to the city shall be filed with the city each time a device is tested, relocated or repaired. These devices shall be serviced, overhauled or replaced

whenever they are found to be defective and all costs of testing, repair and maintenance shall be borne by the water user.

B. The city will supply a list of qualified persons to test backflow prevention devices. The city will notify affected customers by mail when annual testing of a device is needed and also supply users with the necessary forms which must be filled out each time a device is tested or repaired.

C. Upon request the city will test a water user's backflow prevention device to fulfill the requirements of this chapter. The water user will be charged for the test and any maintenance found necessary to keep the device in working order on the next regular water bill. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.130 Backflow prevention device removal.

Approval must be obtained from the city before a backflow prevention device is removed, relocated or replaced.

A. Removal. The use of a device may be discontinued and the device removed from service upon presentation of sufficient evidence to the city to verify that a hazard no longer exists or is not likely to be created in the future.

B. Relocation. A device may be relocated following confirmation by the city that the relocation will continue to provide the required protection and satisfy installation requirements. A retest will be required following the relocation of the device.

C. Repair. A device may be removed for repair; provided the water use is either discontinued until repair is completed and the device is returned to service, or the service connection is equipped with other backflow protection approved by the city. A retest will be required following the repair of the device.

D. Replacement. A device may be removed and replaced; provided the water use is discontinued until the replacement device is installed. All replacement devices must be approved by the City Engineer and must be commensurate with the degree of hazard involved. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.140 User supervisor.

At each premises where it is necessary, in the opinion of the City Engineer, a user supervisor shall be designated by and at the expense of the water user. This user supervisor shall be responsible for the monitoring of the backflow prevention devices and for avoidance of cross-connections. In the event of contamination or pollution of the drinking water system due to a cross-connection on the premises, the city shall be promptly notified by the user supervisor so that appropriate measures may be taken to overcome the contamination. The water user shall inform the city of the user supervisor's identity on, as a minimum, an annual basis and whenever a change occurs. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.150 Administrative procedures – Water system survey.

A. The city shall review all requests for new connections to the Seaside Municipal Water System to determine if backflow protection is needed. Plans and specifications must be submitted to the city upon request for review of possible cross-connection hazards as a condition of service for new service connections. If it is determined that a backflow prevention device is necessary to protect the public water system, the required device must be installed before service will be granted.

B. The city may require an on-premises inspection to evaluate cross-connection hazards. The city will transmit a written notice requesting an inspection appointment to each affected water user. Any water user who cannot or will not allow an on-premises inspection of his piping system shall be required to install the backflow prevention device the City Engineer considers necessary.

C. The city may, at its discretion, require a re-inspection for cross-connection hazards of any premises to which it serves water. The city will transmit a written notice requesting an inspection appointment to each affected water user. Any water user who cannot or will not allow an on-premises inspection of his piping shall be required to install the backflow prevention device the City Engineer considers necessary. (Ord. [752](#) § 1 (Exh. A), 1988)

13.12.160 Customer notification.

A. Device Installation.

1. The city will notify the water user of the survey findings, listing the corrective actions to be taken if any are required. A period of sixty days will be given to complete all corrective actions required, including installation of backflow prevention devices.

2. A second notice will be sent to each water user who does not take the required corrective actions prescribed in the first notice within the sixty-day period allowed. The second notice will give the water user a two-week period to take the required corrective action. If no action is taken within the two-week period, the water service to the affected water user may be terminated until the required corrective actions are taken.

B. Testing and Maintenance.

1. The city will notify each affected water user when it is time for the backflow prevention device installed on their service connection to be tested. This written notice shall give the water user thirty days to have the device tested and supply the water user with the necessary form to be completed and resubmitted to the city.

2. A second notice shall be sent to each water user which does not have his/her backflow prevention device tested as prescribed in the first notice within the thirty-day period allowed. The second notice will give the water user a two-week period to have his/her backflow prevention device tested. If no action is taken within the two-week period, the water service to the affected water user may be terminated until the subject device is tested.
(Ord. [752](#) § 1 (Exh. A), 1988)

13.12.170 Water service termination.

A. General. When the city encounters water uses that represent a clear and immediate hazard to the potable water supply that cannot be immediately abated, the city shall institute the procedure for discontinuing water service from the Seaside Municipal Water System.

B. Basis for Termination. Conditions or water uses that create a basis for water service termination shall include, but are not limited to, the following items:

1. Refusal to install a required backflow prevention device;

2. Refusal to test a backflow prevention device;
3. Refusal to repair a faulty backflow prevention device;
4. Refusal to replace a faulty backflow prevention device;
5. Direct or indirect connection between the public water system and a sewer line;
6. Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants;
7. Unprotected direct or indirect connection between the public water system and an auxiliary water system;
8. A situation which presents an immediate health hazard to the public water system.

C. Water Service Termination Procedures.

1. For conditions designated in subsection (B)(1), (2), (3) or (4) of this section, the city will terminate service to a customer's premises after two written notices have been sent specifying the corrective action needed and the time period in which it must be done. If no action is taken within the allowed time period, water service may be terminated.
2. For conditions designated in subsection (B)(5), (6), (7) or (8) of this section, the city will take the following steps:
 - a. Make reasonable effort to advise water user of intent to terminate water service;
 - b. Terminate water supply and lock service valve. The water service will remain inactive until correction of violations has been approved by the city Engineer. (Ord. [752](#) § 1 (Exh. A), 1988)

State Water Resources Control Board

Cross-Connection Control Policy Handbook

Standards and Principles for California's
Public Water Systems

Adopted: December 19, 2023

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California Environmental Protection Agency

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Appendix

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Appendix B: ASME A112.1.2-2012(R2017) Table 1, Minimum Air Gaps for Generally used Plumbing Fixtures, page 4

Appendix C: Backflow Prevention Assembly Diagrams

Appendix D: High Hazard Premises

Appendix E: General Range of Knowledge for Cross-Connection Control Specialists

Appendix F: Example Backflow Incident Reporting Form

Appendix G: Related Statutes and Regulations

Acronyms and Abbreviations

As used in this policy, acronyms and abbreviations reference the following:

Acronym or Abbreviation	Meaning
AB	Assembly Bill
AG	Air Gap separation
BAT	Best Available Technology
BPA	Backflow Prevention Assembly
Bus. & Prof. Code	Business and Professional Code
CA	California
CBSC	California Building Standards Commission
CCCPH	Cross-Connection Control Policy Handbook
CCR	California Code of Regulations
C.F.R.	Code of Federal Regulations
CHSC	California Health and Safety Code
Civ. Code	Civil Code
DC	Double Check valve backflow prevention assembly
DCDA	Double Check Detector backflow prevention Assembly
DCDA-II	Double Check Detector backflow prevention Assembly – type II
Division	Division of Drinking Water
EPA	Environmental Protection Agency
Gov. Code	Government Code
MCL	Maximum Contaminant Level
Pen. Code	Penal Code
PVB	Pressure Vacuum Breaker backsiphonage prevention assembly
PWS	Public Water System
RP	Reduced Pressure principle backflow prevention assembly
RPDA	Reduced Pressure principle Detector backflow prevention Assembly
RPDA-II	Reduced Pressure principle Detector backflow prevention Assembly – type II
RW	Recycled Water
SB	Senate Bill
SDWA	Safe Drinking Water Act
State Water Board	State Water Resources Control Board
SVB	Spill-resistant Pressure Vacuum Breaker backsiphonage prevention assembly
U.S.	United States

Chapter 1 – Policy Overview

1.1 Objective

The primary objective of the Cross-Connection Control Policy Handbook (CCCPH) is the protection of public health through the establishment of standards intended to ensure a public water system's (PWS) drinking water distribution system will not be subject to the backflow of liquids, gases, or other substances. In addition, by providing basic educational information on backflow prevention, the State Water Resources Control Board (State Water Board) intends to build a foundation of awareness within the regulated community regarding the importance of backflow protection and cross-connection control, leading to the implementation of a robust cross-connection control program for PWSs.

1.2 Applicability

The CCCPH and its standards apply to all California PWSs, as defined in California's Health and Safety Code (CHSC, section 116275 (h)). Compliance with this CCCPH is mandatory for all California PWSs.

1.3 Policy Development Background and Legal Authorities

Through the adoption of the CCCPH, the State Water Board is exercising its authority, under California's Safe Drinking Water Act¹ (SDWA), to establish enforceable standards applicable to California's PWSs. Failure to comply with the CCCPH may result in the issuance of compliance, enforcement, or other corrective actions against a PWS.

1.3.1 California Safe Drinking Water Act

On October 6, 2017, Assembly Bill 1671 (AB 1671) was approved and filed with the Secretary of State (see Appendix A). AB 1671 amended California's SDWA through the establishment of CHSC sections 116407 and 116555.5. AB 1671 also amended section 116810 of the CHSC, which is briefly discussed in Appendix G.

On October 2, 2019, Assembly Bill 1180 (AB 1180) was approved and filed with the Secretary of State. AB 1180 amended Section 116407 of the CHSC and added section 13521.2 to the Water Code. AB 1180 requires that the CCCPH include provisions for the use of a swivel or changeover device (swivel-ell).

¹ CHSC, div. 104, pt. 12, ch. 4, section 116270 et seq.

AB 1671 and 1180 established the following:

- The State Water Board must adopt standards for backflow protection and cross-connection control by January 1, 2020.
- The State Water Board may establish standards for backflow protection and cross-connection control through the adoption of the CCCPH, with the CCCPH not being subject to the requirements of the CA Administrative Procedure Act.²
- If standards for backflow protection and cross-connection control are established via the CCCPH, the State Water Board must:
 - Consult with state and local agencies and persons, identified by the State Water Board, as having expertise on the subject of backflow protection and cross-connection control.
 - Hold at least two public hearings before adoption of the CCCPH.
 - Post the CCCPH on the State Water Board website.
- Upon the effective date of the CCCPH, the previous cross-connection control standards³ become inoperative, and are repealed 90 days later, unless the State Water Board determines not to repeal a specific existing regulation.
- A PWS must implement a cross-connection control program that complies with the standards adopted by the State Water Board.
- Use of a swivel-ell must be consistent with any notification and backflow protection provisions contained in the CCCPH.

The development of the CCCPH included consultation with stakeholders, including state and local agencies, on an array of subjects related to cross-connection control, consistent with the statutory mandate, as well as consideration of input from other stakeholders and the general public in a February 20, 2020 workshop.

Prior to adoption of the CCCPH, in accordance with the statutory mandate, the State Water Board held two public hearings - one on April 27, 2021, and the other on December 5, 2022. A Board Workshop was held on October 18, 2023.

Pursuant to sections 116407 and 116555.5 of the CHSC, the State Water Board chose to adopt standards for backflow protection and cross-connection control through the adoption of this CCCPH, which became effective July 1, 2024.

Aside from the mandates of AB 1671 related to the State Water Board's need and authority to develop and adopt an enforceable CCCPH, there are long-standing statutory mandates in California's SDWA concerning backflow protection and cross-connection control, some of which are summarized below.

² Gov. Code, tit. 2, div. 3, pt. 1, ch. 3.5, section 11340 et seq.

³ Cal. Code Regs., tit. 17, div. 1, ch. 5, subch. 1, grp. 4, arts. 1 & 2, section 7583 et seq.

- The State Water Board is required to adopt regulations for the control of cross-connections that it determines to be necessary for ensuring PWSs “distribute a reliable and adequate supply of pure, wholesome, potable, and healthy water.” (CHSC section 116375, subd. (c).)
- Any person who owns a PWS is required to ensure that the distribution system will not be subject to backflow under normal operating conditions. (CHSC section 116555, subd. (a)(2).)

Prior to AB 1671 and the adoption of this CCCPH, California’s regulations pertaining to cross-connection control were set forth in regulations in CCR Title 17,⁴ which were adopted in 1987 with minor revisions in 2000. Although still protective to public health, the CCR Title 17 cross-connection regulations required updating as both the drinking water and cross-connection control industries had evolved. This CCCPH updates those regulations, which as previously noted are no longer operative following the adoption of the CCCPH.

The State Water Board may update its standards for backflow protection and cross-connection control through revisions of the CCCPH. Prior to adopting substantive revisions to the CCCPH, the State Water Board will consult with state and local agencies and persons identified as having expertise on the subject by the State Water Board, and the State Water Board will hold at least one public hearing to consider public comments.

⁴ Cal. Code Regs., tit. 17, div. 1, ch. 5, subch. 1, grp. 4, arts. 1 & 2, section 7583 et seq.

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Chapter 2 – Background on Backflow Protection and Cross-Connection Control

2.1 What is a Cross-Connection?

A cross-connection is an interconnection between a potable water supply and a non-potable source via any actual or potential connection or structural arrangement between a PWS and any source or distribution system containing liquid, gas, or other substances not from an approved water supply. Bypass arrangements, jumper connections, removable sections, improperly installed swivel or change-over devices and other temporary or permanent devices through which, or because of which backflow can occur are considered to be cross-connections.⁵ The CCCPH includes acceptable installation criteria for swivel-ell and other types of backflow prevention assemblies (BPAs) to prevent backflow.

Backflow is the undesired or unintended reversal of flow of water and/or other liquids, gases, or other substances into a PWS's distribution system or approved water supply.

The presence of a cross-connection represents a location in a distribution system through which backflow of contaminants or pollutants can occur. Backflow occurs when a non-potable source is at a greater pressure than the potable water distribution system. Backflow can occur from either backsiphonage or backpressure. Backsiphonage occurs when a non-potable source enters the drinking water supply due to negative (i.e., sub-atmospheric) distribution system pressure. Backpressure occurs when the pressure from a non-potable source exceeds the pressure in the potable water distribution system.

Backsiphonage may be caused by a variety of circumstances, such as main breaks, flushing, pump failure, or emergency firefighting water demand. Backpressure may occur when heating, cooling, waste disposal, or industrial manufacturing systems are connected to potable supplies and the pressure in the external system exceeds the pressure in the distribution system. Both situations act to change the direction of water, which normally flows from the distribution system to the customer, so that non-potable substances from industrial, commercial, or residential premises flows back into the distribution system through a cross-connection.

Cross-connections are not limited to industrial or commercial facilities. Submerged inlets are found on many common plumbing fixtures and are sometimes necessary features of the fixtures if they are to function properly. Examples of this type of design are siphon-jet urinals or water closets, flushing rim slop sinks, and dental cuspidors.

⁵ California Department of Health Services (DHS), Public Water Supply Branch. (1988). *Guidance Manual for cross connection Control Program (Green Manual)*. California Department of Health Services.

Older bathtubs and lavatories may have supply inlets below the flood level rims, but modern sanitary design has minimized or eliminated this cross-connection in new fixtures. Chemical and industrial process vats sometimes have submerged inlets where the water pressure is used as an aid in diffusion, dispersion and agitation of the vat contents. Even though a supply pipe may be installed above a vat, backsiphonage can still occur. Siphon action has been shown to raise a liquid in a pipe such as water almost 34 feet. Some submerged inlets are difficult to control, including those which are not apparent until a significant change in water level occurs or where a supply may be conveniently extended below the liquid surface by means of a hose or auxiliary piping. A submerged inlet may be created in numerous ways, and its detection may be difficult.

Chemical and biological contaminants have caused illness and deaths during known incidents of backflow, with contamination affecting several service connections, and the number of incidents reported is believed to be a small percentage of the total number of backflow incidents that actually occur. The public health risk from cross-connections and backflow is a function of a variety of factors including cross-connection and backflow occurrence and type and amount of contaminants.

2.2 Purpose of a Cross-Connection Control Program

The purpose of a cross-connection control program is to prevent the occurrence of backflow into a PWS's distribution system in order to protect customers from contamination or pollution from any on-site hazards. Properly installed and maintained BPAs, devices or methods provide protection against the threat posed by many conditions typically found on a user's premise.

The use of approved BPAs ensures that the appropriate performance evaluation of the assembly was conducted. It is important and required by the CCCPH to select and properly install an approved BPA that is capable of protecting the distribution system from the hazard identified. The success of a program depends on individuals that are knowledgeable about cross-connection control to identify actual and potential hazards, apply principles of backflow protection and prevention, and implement cross-connection control policies and procedures. A successful program will have ongoing surveillance of a PWS to ensure BPAs, devices or methods are working, and identify new hazards or changes in the distribution system. Certified specialists are needed to properly evaluate the degree of hazard that exists in the distribution system. Hazards typically identified in distribution systems along with the required level of protection are specified in Chapter 3 of the CCCPH.

2.3 Notes on Applicability of the Cross-Connection Control Policy Handbook

The CCCPH provides the basis for regulating the use and management of cross-connection control programs and BPAs in PWSs, and related requirements for supporting programs and policies. Activities or uses outside of the scope of the

authority of the State Water Board to regulate PWSs are not regulated by the CCCPH, including California Plumbing Code requirements and definitions not related to PWSs.

Recycled water cross-connection control installations and programs for the purposes of protecting the recycled water supply are not regulated by the CCCPH, although a PWS that uses recycled water is regulated by the CCCPH to ensure that a PWS's drinking water system has adequate backflow protection from a recycled water system.

Water systems that do not meet the definition of a PWS (e.g. "State Small Water Systems" under CCR Title 22, Article 3) are not regulated by the CCCPH, although they may need to comply with the California Plumbing Code, local health agencies, and other laws or entities.

Transient noncommunity and nontransient noncommunity systems are PWSs and must comply with both the California Plumbing Code and CCCPH. The California Plumbing Code and the CCCPH will overlap in protection of these user premises. To ensure compliance, these noncommunity water systems may need to have internal cross-connection control programs within the user premises.

Noncommunity water systems must have the ability to enforce backflow protection within the premises. Compliance with the California Plumbing Code can be verified by the PWS and used for compliance with the CCCPH. Compliance with the CCCPH is documented through the hazard assessment and maintenance of an inventory of field-testable BPAs and methods. Annual field testing of BPAs is required. Where the minimum backflow protection differs between the California Plumbing Code and the CCCPH, the more protective minimum protection will be required.

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Chapter 3 – Standards for Backflow Protection and Cross-Connection Control

Article 1 – Definitions and General Requirements

3.1.1 Definitions

The following definitions apply to the terms used in the CCCPH:

“Air-gap separation” or **“AG”** means a physical vertical separation of at least two (2) times the effective opening, as defined in section 207.0 of the California Plumbing Code, between the free-flowing discharge end of a potable water supply pipeline and the flood level of an open or non-pressurized receiving vessel, and in no case less than one (1) inch.

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

“Auxiliary water supply” means a source of water, other than an approved water supply, that is either used or equipped, or can be equipped, to be used as a water supply and is located on the premises of, or available to, a water user.

“Backflow” means an undesired or unintended reversal of flow of water and/or other liquids, gases, or other substances into a public water system’s distribution system or approved water supply.

“Backflow prevention assembly” or **“BPA”** means a mechanical assembly designed and constructed to prevent backflow, such that while in-line it can be maintained and its ability to prevent backflow, as designed, can be field tested, inspected and evaluated.

“Backflow prevention assembly tester” means a person who is certified as a backflow prevention assembly tester.

“Community water system” means a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25 yearlong residents of the area served by the system.

“Contact hour” means not less than 50 minutes of a continuing education course.

“Continuing education course” means a presentation or training that transmits information related to cross-connection control programs and backflow prevention and protection.

“Cross-connection” means any actual or potential connection or structural arrangement between a public water system, including a piping system connected to the public water system and located on the premises of a water user or available to the water user, and any source or distribution system containing liquid, gas, or other substances not from an approved water supply.

“Cross-connection control specialist” means a person who is certified as a cross-connection control specialist.

“Distribution system” has the same meaning as defined in section 63750.50 of CCR, Title 22, Division 4, Chapter 2.

“Double check detector backflow prevention assembly” or **“DCDA”** means a double check valve backflow prevention assembly that includes a bypass with a water meter and double check backflow prevention assembly, with the bypass’s water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow. This type of assembly may only be used to isolate low hazard cross-connections. See Diagram 1, Appendix C.

“Double check detector backflow prevention assembly – type II” or **“DCDA-II”** means a double check valve backflow prevention assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow. This type of assembly may only be used to isolate low hazard cross-connections. See Diagram 2, Appendix C.

“Double check valve backflow prevention assembly” or **“DC”** means an assembly consisting of two independently-acting internally-loaded check valves, with tightly closing shut-off valves located at each end of the assembly (upstream and downstream of the two check valves) and fitted with test cocks that enable accurate field testing of the assembly. This type of assembly may only be used to isolate low hazard cross-connections. See Diagram 3, Appendix C.

“Existing public water system” or **“existing PWS”** means a public water system initially permitted on or before July 1, 2024 as a public water system by the State Water Board.

“Hazard Assessment” means an evaluation of a user premises designed to evaluate the types and degrees of hazard at a user’s premises.

“High hazard cross-connection” means a cross-connection that poses a threat to the potability or safety of the public water supply. Materials entering the public water supply through a high hazard cross-connection are contaminants or health hazards. See Appendix D for some examples.

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

“New public water system” or **“new PWS”** means a public water system permitted after July 1, 2024 as a public water system by the State Water Board. A new public water system includes a public water system receiving a new permit because of a change in ownership.

“Noncommunity water system” means a public water system that is not a community water system.

“Nontransient noncommunity water system” means a public water system that is not a community water system and that regularly serves at least 25 of the same persons over six months per year.

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

“Pressure vacuum breaker backsiphonage prevention assembly” or **“PVB”** means an assembly with an independently-acting internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve; with test cocks and tightly closing shutoff valves located at each end of the assembly that enable accurate field testing of the assembly. This type of assembly may only be used for protection from backsiphonage and is not to be used to protect from backpressure. See Diagram 4, Appendix C.

“Public water system” or **“PWS”** has the same meaning as defined in section 116275(h) of the CHSC.

“Recycled Water” is a wastewater which as a result of treatment is suitable for uses other than potable use.

“Reduced pressure principle backflow prevention assembly” or **“RP”** means an assembly with two independently acting internally-loaded check valves, with a hydraulically operating mechanically independent differential-pressure relief valve located between the check valves and below the upstream check valve. The assembly shall have shut-off valves located upstream and downstream of the two check-valves, and test cocks to enable accurate field testing of the assembly. See Diagram 5, Appendix C.

“Reduced pressure principle detector backflow prevention assembly” or **“RPDA”** means a reduced pressure principle backflow prevention assembly that includes a bypass with a water meter and reduced pressure principle backflow prevention assembly, with the bypass’s water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow. See Diagram 6, Appendix C.

“Reduced pressure principle detector backflow prevention assembly – type II” or **“RPDA-II”** means a reduced pressure principle backflow prevention assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow. See Diagram 7, Appendix C.

“Spill-resistant pressure vacuum breaker backsiphonage prevention assembly” or **“SVB”** means an assembly with an independently-acting internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve; with shutoff valves at each end and a test cock and bleed/vent port, to enable accurate field testing of the assembly. This type of assembly may only be used for protection from backsiphonage and is not to be used to protect from backpressure. See Diagram 8, Appendix C.

“State Water Board”, unless otherwise specified, means the State Water Resources Control Board or the local primacy agency having been delegated the authority to enforce the requirements of the CCCPH by the State Water Resources Control Board.

“Swivel-Ell” means a reduced pressure principle backflow prevention assembly combined with a changeover piping configuration (swivel-ell connection) designed and constructed pursuant to this Chapter. See design and construction criteria, as well as Diagrams 9a and 9b, Appendix C.

“Transient noncommunity water system” means a noncommunity water system that does not regularly serve at least 25 of the same persons over six months per year.

“User premises” means the property under the ownership or control of a water user and is served, or is readily capable of being served, with water via a service connection with a public water system.

“User’s service connection” means either the point where a water user’s piping is connected to a water system or the point in a water system where the approved water supply can be protected from backflow using an air gap or backflow prevention assembly.

“User Supervisor” means a person designated by a water user to oversee a water use site and responsible for the avoidance of cross-connections.

“Water supplier” means a person who owns or operates a public water system.

“Water user” means a person or entity who is authorized by the PWS to receive water.

3.1.2 Applicability

A public water system (PWS) must comply with the requirements of the CCCPH.

3.1.3 Program for Public Water System Cross-Connection Control

(a) A PWS must protect the public water supply through implementation and enforcement of a cross-connection control program. Unless otherwise specified by this Chapter or directed by the State Water Board, a PWS may implement its cross-connection control program, in whole or in part, either directly or by way of contract or agreement with another party. The PWS, however, shall not be responsible for abatement of cross-connections which may exist within a user's premises. The cross-connection control program must include at a minimum the following elements:

(1) **Operating rules or ordinances** – Each PWS must have operating rules, ordinances, by-laws or a resolution to implement the cross-connection program. The PWS must have legal authority to implement corrective actions in the event a water user fails to comply in a timely manner with the PWS's provisions regarding the installation, inspection, field testing, or maintenance of BPAs required pursuant to this Chapter. Such corrective actions must include the PWS's ability to perform at least one of the following:

- (A) deny or discontinue water service to a water user,
- (B) install, inspect, field test, and/or maintain a BPA at a water user's premises, or
- (C) otherwise address in a timely manner a failure to comply with the cross-connection control program.

(2) **Cross-Connection Control Program Coordinator** – The PWS must designate at least one individual involved in the development of and be responsible for the reporting, tracking, and other administration duties of its cross-connection control program. For PWS with 3,000 service connections or more the Cross-Connection Control Program Coordinator must be a cross-connection control specialist.

(3) **Hazard Assessments** – The PWS must survey its service area and conduct hazard assessments per Article 2 of this Chapter that identifies actual or potential cross-connection hazards, degree of hazard, and any backflow protection needed.

(4) **Backflow Prevention** – The PWS must ensure that actual and potential cross-connections are eliminated when possible or controlled by the installation of approved BPAs or AG's consistent with the requirements of the Article 3 of this Chapter.

(5) **Certified Backflow Prevention Assembly Testers and Certified Cross-Connection Control Specialists** – The PWS must ensure all BPA testers and cross-connection control specialists used are certified per Article 4 of this Chapter.

(6) **Backflow Prevention Assembly Testing** – The PWS must develop and implement a procedure for ensuring all BPAs are field tested, inspected, and maintained and AG's are inspected and maintained in accordance with CCCPH section 3.3.3.

(7) **Recordkeeping** – The PWS must develop and implement a recordkeeping system in accordance with CCCPH section 3.5.1.

(8) **Backflow Incident Response, Reporting and Notification** – The PWS must develop and implement procedures for investigating and responding to suspected or actual backflow incidents in accordance with Article 5 of this chapter.

(9) **Public Outreach and Education** – The PWS must implement a cross-connection control public outreach and education program element that includes educating staff, customers, and the community about backflow protection and cross-connection control. The PWS may implement this requirement through a variety of methods which may include providing information on cross-connection control and backflow protection in periodic water bill inserts, pamphlet distribution, new customer documentation, email, and consumer confidence reports.

(10) **Local Entity Coordination** – The PWS must coordinate with applicable local entities that are involved in either cross-connection control or public health protection to ensure hazard assessments can be performed, appropriate backflow protection is provided, and provide assistance in the investigation of backflow incidents. Local entities may include but are not limited to plumbing, permitting, or health officials, law enforcement, fire departments, maintenance, and public and private entities.

(b) The cross-connection control program must be developed in consultation with a cross-connection control specialist if:

(1) The PWS has 1,000 or more service connections, or

(2) required by the State Water Board.

(c) A PWS must have at least one cross-connection control specialist as a permanent or contracted employee of the PWS, and that specialist, or their designee, must be able to be contacted within one hour, if:

(1) The PWS has 3,000 or more service connections, or

(2) the PWS has less than 3,000 service connections and is directed by the State Water Board based on hazard assessments conducted pursuant to CCCPH section 3.2.1. or the PWS's history of backflow incidents.

3.1.4 Plan for Public Water System Cross-Connection Control

(a) After adoption of the CCCPH, each PWS must submit a written Cross-Connection Control Plan for State Water Board review in accordance with the following schedule:

- (1) An Existing PWS must submit the Cross-Connection Control Plan no later than 12 months after the effective date of the CCCPH.
- (2) A new PWS must submit the Cross-Connection Control Plan for review and approval prior to issuance of a domestic water supply permit.
- (3) A PWS may submit a written request to the State Water Board for an extension of the deadline for submittal of its initial Cross-Connection Control Plan. The PWS's application must include a written description of the need for an extension. Approval of an extension will be at the sole discretion of the State Water Board.

(b) The Cross-Connection Control Plan for a community water system must include, at a minimum, the following cross-connection control program procedures and documentation:

- (1) a description of how the community water system will achieve and maintain compliance with each requirement in this Chapter;
- (2) a description of the process, personnel, and timeframes for completing initial and ongoing hazard assessments pursuant to CCCPH section 3.2.1;
- (3) a description of the legal authority pursuant to CCCPH section 3.1.3 to implement corrective actions in the event a water user fails to comply in a timely manner with the provisions of the PWS's cross-connection control program;
- (4) a description of the process and timeframes for ensuring each BPA is inspected and field tested, and AG is inspected, at a frequency no less than required by this Chapter;
- (5) a description of the process and timeframe for ensuring each non-testable backflow preventer that is under the PWS ownership or administration is installed and maintained according to the California Plumbing Code;
- (6) a description of the process for ensuring individuals field testing and inspecting BPAs are no less qualified than required by this Chapter, including but not limited to confirmation of the individual's:
 - (A) certification as a backflow prevention assembly tester,
 - (B) field test kit or gage equipment accuracy verification, and
 - (C) BPA field test result reports;
- (7) a description of the procedures and timeframes of activities for responding to backflow incidents, including notification of customers, and reporting of backflow incidents pursuant to CCCPH section 3.5.2;
- (8) contact information for cross-connection control personnel including any cross-connection control program coordinator and specialist;
- (9) a description of the tracking system that maintains current and relevant information, including:

- (A) recordkeeping information required pursuant to CCCPH section 3.5.1,
- (B) location and type of each BPA, and
- (C) highest threat potential hazard from which a given BPA is protecting the public water system distribution system;

(10) for user supervisors, if used, the required information pursuant to CCCPH section 3.2.2 (f);

(11) the corrective actions, including timeframes for the corrective actions, that a community water system will implement when:

- (A) a cross-connection exists and the BPA installed is not commensurate with the user premises' hazard or no BPA has been installed, or
- (B) a BPA needs to be replaced or maintained;

(12) a description of the public outreach and education program to comply with CCCPH section 3.1.3(a)(9); and

(13) the procedures for coordination with local entities

(c) The Cross-Connection Control Plan for a noncommunity water system must include, at a minimum, the following cross-connection control program procedures and documentation:

(1) a description of how the noncommunity water system will achieve and maintain compliance with each requirement in this Chapter that is applicable to the noncommunity water system;

(2) a description of the process, personnel, and timeframes for completing initial and ongoing hazard assessments pursuant to CCCPH section 3.2.1;

(3) a description of the legal authority pursuant to CCCPH section 3.1.3 to implement corrective actions in the event a water user fails to comply in a timely manner with the provisions of the PWS's cross-connection control program;

(4) a description of the process and timeframes for ensuring each BPA is inspected and field tested and AG is inspected, at a frequency no less than required by this Chapter;

(5) a description of the process and timeframe for ensuring each non-testable backflow preventer for internal protection that is under the PWS ownership or administration is installed and maintained according to the California Plumbing Code;

(6) a description of the process for ensuring individuals field testing and inspecting BPAs are no less qualified than required by this Chapter, including but not limited to confirmation of the individual's:

- (A) certification as a backflow prevention assembly tester,
- (B) field test kit or gage equipment accuracy verification, and
- (C) BPA field test result reports;

(7) a description of the procedures and timeframes of activities for responding to backflow incidents, including notification of customers, and reporting of backflow incidents pursuant to CCCPH section 3.5.2;

(8) contact information for cross-connection control personnel including the cross-connection control program coordinator;

(9) maintaining a tracking system with current and relevant information, including:

(A) recordkeeping information required pursuant to CCCPH section 3.5.1,

(B) location and type of each BPA,

(C) location and type of each non-testable backflow preventer used for internal protection in accordance with the California Plumbing Code, if applicable, and

(D) potential hazard from which a BPA is protecting the public water system distribution system;

(10) for user supervisors, if used, the required information pursuant to CCCPH section 3.2.2(f);

(11) the corrective actions, including timeframes for the corrective actions, that a noncommunity water system will implement when:

(A) a cross-connection exists and the BPA installed is not commensurate with the user premises' hazard or no BPA has been installed, or

(B) a BPA or non-testable backflow preventer needs to be replaced or maintained;

(12) a description of the public outreach and education program to comply with CCCPH section 3.1.3(a)(9); and,

(13) the procedures for coordination with local entities (e.g., local health departments with internal cross-connection control programs, building officials, plumbing officials, etc.).

(d) A PWS must ensure its Cross-Connection Control Plan is, at all times, representative of the current operation of its Cross-Connection Control program. The PWS must make its Cross-Connection Control Plan available to the State Water Board for review upon request. If a PWS makes a substantive revision to its Cross-Connection Control Plan, the PWS must submit the revised Cross-Connection Control Plan to the State Water Board for review.

Article 2 – Hazard Assessments and Required Protection

3.2.1 Hazard Assessments

(a) To evaluate the potential for backflow into the PWS, each community water system must conduct an initial hazard assessment of the user premises within its service area and each noncommunity water system must conduct an initial hazard assessment of its water distribution system. The hazard assessment must consider:

- (1) The existence of cross-connections;
- (2) the type and use of materials handled and present, or likely to be, on the user premises;
- (3) the degree of piping system complexity and accessibility;
- (4) access to auxiliary water supplies, pumping systems, or pressure systems;
- (5) distribution system conditions that increase the likelihood of a backflow event (e.g., hydraulic gradient differences impacted by main breaks and high water-demand situations, multiple service connections that may result in flow-through conditions, etc.);
- (6) user premises accessibility;
- (7) any previous backflow incidents on the user premises; and
- (8) the requirements and information provided in the CCCPH.

(b) Each hazard assessment must identify the degree of hazard to the PWS's distribution system as either a high hazard cross-connection, a low hazard cross-connection, or having no hazard. Examples of some high hazard cross-connection activities may be found in Appendix D.

(c) The hazard assessment must determine whether an existing BPA, if any, provides adequate protection based on the degree of hazard.

(d) Hazard assessments completed prior to the adoption of the CCCPH may be considered as an initial hazard assessment provided that such hazard assessments and associated backflow protection provide protection consistent with the CCCPH and the PWS describes their review of these assessments in the Cross-Connection Control Plan required in CCCPH section 3.1.4.

(e) Subsequent to the initial hazard assessment described in subsection (a), a community water system must perform a hazard assessment under the following criteria:

- (1) if a user premises changes account holder, excluding single-family residences;
- (2) if a user premises is newly or re-connected to the PWS;
- (3) if evidence exists of changes in the activities or materials on a user's premises;
- (4) if backflow from a user's premises occurs;
- (5) periodically, as identified in the PWS's Cross-Connection Control Plan required pursuant to CCCPH section 3.1.4.;

- (6) if the State Water Board requests a hazard assessment of a user's premises;
or
- (7) if the PWS concludes an existing hazard assessment may no longer accurately represent the degree of hazard.

(f) Noncommunity water systems must conduct an initial or follow-up hazard assessment within three years of the effective date of the CCCPH.

(g) Noncommunity water system must conduct a follow-up hazard assessment of its water distribution system if any changes are made that could result in a cross-connection or any backflow incidents occur.

(h) A cross-connection control specialist must review or conduct each initial and follow-up hazard assessment pursuant to this section and make a written finding that, in the specialist's judgment based on cross-connection control principles, the PWS's hazard assessment properly identified all hazards at the time of the assessment, the appropriate degree of hazards, and the corresponding backflow protection.

3.2.2 Backflow Protection Required

(a) A PWS must ensure its distribution system is protected from backflow from identified hazards through the proper installation, continued operation, and field testing of an approved BPA (see Article 3 for installation and approved BPA criteria). When a DC is required or referenced in the CCCPH, a DCDA or DCDA-II type of assembly may be substituted if appropriate. When an RP is required or referenced in the CCCPH, an RPDA or RPDA-II type of assembly may be substituted if appropriate.

(b) The BPA installed must be no less protective than that which is commensurate with the degree of hazard at a user premises, as specified in this Chapter and as determined based on the results of the hazard assessment conducted pursuant to CCCPH section 3.2.1.

(c) Unless specified otherwise in this Chapter, a PWS must, at all times, protect its distribution system from high hazard cross-connections (see Appendix D for examples), through premises containment, through the use of AG(s) or RP(s).

(1) Following State Water Board review and approval, a PWS may implement an alternate method of premises containment in lieu of a required AG provided that the proposed alternative would not increase the level of risk to protection of public health.

(2) Following State Water Board review and approval, a PWS may accept internal protection in lieu of containment when premises containment is not feasible.

(d) Except as otherwise allowed or prohibited in statute or in CCR Title 22, Division 4, Chapter 3, a swivel-ell may be used instead of an AG for premises containment protection when temporarily substituting tertiary recycled water use areas with potable water from a PWS if all the following criteria are met:

- (1) the swivel-ell is approved by the State Water Board;
- (2) the PWS has a cross-connection control program, required pursuant to CCCPH section 3.1.3, and the use and operation of the swivel-ell is described in the Cross-Connection Control Plan required pursuant to CCCPH section 3.1.4;
- (3) the design and construction-related requirements of the swivel-ell adheres to the criteria in Appendix C;
- (4) at least every 12 months, inspections are performed and documented to confirm ongoing compliance with the design and construction-related requirements in Appendix C;
- (5) the RP used in conjunction with the swivel-ell is field tested and found to be functioning properly:

- (A) immediately upon each switchover to potable water use, a visual inspection of the RP must be completed
- (B) within 72 hours of each switchover to potable water use, a field test must be completed, and
- (C) at least every 12 weeks the use site is supplied with potable water; and

(6) there is a legally binding agreement between the PWS and the entity supplying the recycled water, signed by those with relevant legal authority, that includes the following requirements:

- (A) The State Water Board will be notified within 24 hours of all switchovers to or from potable water, will be given an estimate of the timeframe until the next switchover, and will be provided the results of the field testing required in paragraph (5);
- (B) a trained representative of the PWS be present to supervise each switchover; and
- (C) within seven days of each switchover, if requested by the State Water Board, the PWS will submit a written report describing compliance with this subsection, as well as potable and recycled water usage information.

(e) Except as noted below, a PWS must ensure its distribution system is protected with no less than DC protection for a user premises with a fire protection system within ten years of the effective date of the CCCPH.

- (1) A high hazard cross-connection fire protection system, including but not limited to fire protection systems that may utilize chemical addition (e.g., wetting agents, foam, anti-freeze, corrosion inhibitor, etc.) or an auxiliary water supply, must have no less than RP protection.

(2) For existing fire protection systems that do not meet Section 3.2.2 (e)(3) or cannot install DC protection within ten years of the effective date of the CCCPH, a PWS may propose in the cross-connection control plan submitted for CCCPH Section 3.1.4:

- (A) an alternative date; or
- (B) an alternative method of backflow protection that provides at least the same level of protection to public health.

(3) A BPA is not necessary for a low hazard fire protection system on a residential user premises if the following criteria are satisfied:

- (A) the user premises has only one service connection to the PWS;
- (B) a single service line onto the user premises exists that subsequently splits on the property for domestic flow and fire protection system flow, such that the fire protection system may be isolated from the rest of the user premises;
- (C) a single, water industry standard, water meter is provided to measure combined domestic flow and fire protection system flow;
- (D) the fire protection system is constructed of piping materials certified as meeting NSF/ANSI Standard 61; and
- (E) the fire protection system's piping is looped within the structure and is connected to one or more routinely used fixtures (such as a water closet) to prevent stagnant water.

(f) The State Water Board and PWS may, at their discretion, require a water user to designate a user supervisor when the user premises has a multi-piping system that conveys various types of fluids and where changes in the piping system are frequently made. If a user supervisor is designated the following is required:

- (1) The user supervisor is responsible for the avoidance of cross-connections during the installation, operation and maintenance of the water user's pipelines and equipment. The user supervisor must be trained on the fluids used and backflow protection for the premise, and must inform the PWS of changes in piping, and maintain current contact information on file with the PWS; and
- (2) The PWS must include in the Cross-Connection Control Plan required in CCCPH section 3.1.4 the training and qualification requirements for user supervisors, identify the entity that will provide the user supervisor training, and frequency of any necessary recurring training. The training must adequately address the types of hazards and concerns typically found.

(g) Facilities producing, treating, storing, or distributing drinking water that are an approved water supply or water recycling plants as defined by CCR Title 22, Section 60301.710 must have proper internal protection from cross-connections to ensure that all drinking water produced and delivered to customers and workers at those facilities is free from unprotected cross-connections.

Article 3 – Backflow Prevention Assemblies

3.3.1 Standards for Types of Backflow Protection

(a) The PWS must ensure that each AG used for its Cross-Connection Control Program meets the requirements in Table 1, Minimum Air Gaps for Generally used Plumbing Fixtures, page 4 of the American Society of Mechanical Engineers (ASME) A112.1.2-2012(R2017) (See Appendix B).

(b) The PWS must ensure that each replaced or newly installed PVB, SVB, DC, and RP for protection of the PWS is approved through both laboratory and field evaluation tests performed in accordance with at least one of the following:

- (1) Standards found in Chapter 10 of the *Manual of Cross-Connection Control, Tenth Edition*, published by the University of Southern California Foundation for Cross-Connection Control and Hydraulic Research; or
- (2) certification requirements for BPAs in the Standards of ASSE International current as of 2022 that include ASSE 1015-2021 for the DC, ASSE 1048-2021 for the DCDA & DCDA-II, ASSE 1013-2021 for the RP, and ASSE 1047-2021 for the RPDA & RPDA-II and must have the 1YT mark.

(c) BPAs must not be modified following approval granted under section 3.3.1 (b). PWS must require BPA testers to notify the PWS if a water user or PWS-owned BPA has been modified from the CCCPH section 3.3.1 (b) approval.

3.3.2 Installation Criteria for Backflow Protection

(a) For AGs, the following is required:

- (1) The receiving water container must be located on the water user's premises at the water user's service connection unless an alternate location has been approved by the PWS;
- (2) all piping between the water user's service connection and the discharge location of the receiving water container must be above finished grade and be accessible for visual inspection unless an alternative piping configuration is approved by the PWS;
- (3) the PWS must ensure that the AG specified in CCCPH section 3.3.1 (a) has been installed; and
- (4) any new air gap installation at a user's service connection must be reviewed and approved by the State Water Board prior to installation.

(b) RPs must be installed such that the lowest point of an assembly is a minimum of twelve inches above grade, and, unless an alternative is approved by the PWS, a maximum of thirty-six inches above the finished grade.

(c) DCs installed or replaced after the adoption of the CCCPH must be installed according to CCCPH section 3.3.2 (b). Below ground installation can be considered if approved by the PWS where it determines no alternative options are available.

(d) A PVB or SVB must be installed a minimum of twelve inches above all downstream piping and outlets.

(e) SVBs may not be used for premises containment. PVBs may only be used for roadway right of way irrigation systems as premises containment where there is no potential for backpressure.

(f) A RP or DC installed after the adoption of the CCCPH must have a minimum side clearance of twelve inches, except that a minimum side clearance of twenty-four inches must be provided on the side of the assembly that contains the test cocks. The PWS may approve alternate clearances providing that there is adequate clearance for field testing and maintenance.

(g) Backflow protection must be located as close as practical to the water user's service connection unless one or more alternative locations have been approved by the PWS. If internal protection is provided in lieu of premises containment, the PWS must obtain access to the user premises and must ensure that the on-site protection meets the requirements of this Chapter for installation, field testing, and inspections.

(h) Each BPA and air gap separation must be accessible for field testing, inspection, and maintenance.

3.3.3 Field Testing and Repair of Backflow Prevention Assemblies and Air Gap Inspection

(a) PWS must ensure that all BPAs installed for its Cross-Connection Control Program are field tested following installation, repair, depressurization for winterizing, or permanent relocation. All required field testing must be performed by certified backflow prevention assembly testers.

(b) BPAs must be field tested at least annually. The CCCPH does not preclude a PWS, the State Water Board, or a local health agency from requiring more frequent field testing for premises with high hazard cross-connection or BPA at increased risk of testing failure.

(c) Air-gap separations must be visually inspected at least annually to determine compliance with this Chapter by persons certified as backflow prevention assembly testers or certified as a cross-connection control specialist pursuant to this Chapter.

(d) PWS must receive passing field tests before providing continuous service to a water user with a newly installed BPA.

(e) PWS must ensure that BPAs that fail the field test are repaired or replaced within 30 days of notification of the failure. Extensions may be allowed by the PWS if included as part of the Cross-Connection Control Plan.

(f) PWS must require backflow prevention assembly testers to notify the PWS as soon as possible within 24 hours if a backflow incident or an unprotected cross-connection is observed at the BPA or prior to the user premises during field testing. PWS must immediately conduct an investigation and discontinue service to the user premises if a backflow incident is confirmed, and water service must not be restored to that user premises until the PWS receives a confirmation of a passing BPA field test from a backflow prevention assembly tester and the assembly is protecting the PWS.

Article 4 – Backflow Prevention Assembly Testers and Cross-Connection Control Specialists

3.4.1 Backflow Prevention Assembly Tester Certification

(a) A PWS must ensure that each BPA required by this Chapter to protect the public water system is field tested by a person with valid certification from a certifying organization recognized by the State Water Board pursuant to this Article.

(b) A State Water Board-recognized organization certifying backflow prevention assembly testers is one that has a certification process that, at a minimum, includes the following:

(1) A timed and proctored written⁶ exam, using a closed-book, objective grading format, consisting of no less than 100 questions for initial certification and no less than 50 questions for recertification. A passing score must be achieved by an examinee as a requirement for certification.

(A) Written exam proctors must:

1. not provide an examinee any assistance in answering exam questions, verbal or otherwise; and
2. be impartial.

(B) Passing scores for the written exams are to be determined prior to exam sessions, such that passing a written exam demonstrates sufficient knowledge of subjects associated with the proper field testing of BPAs, including but not limited to:

1. the hydraulics and theory of backflow;
2. California's laws, regulations, and requirements related to cross-connection control;
3. types of BPA field test equipment and the need to verify accuracy, at least annually and when otherwise necessary, to ensure accuracy of field test results;
4. field test procedures for an RP, RPDA, RPDA-II, DC, DCDA, DCDA-II, PVB, and SVB using the procedures provided in the *Manual of Cross-Connection Control, Tenth Edition*, published by the University of Southern California Foundation for Cross-Connection Control and Hydraulic Research or equivalent;
5. identification of improperly functioning BPAs (i.e., diagnostics or troubleshooting); and
6. recordkeeping and safety.

⁶ The requirement for a written exam does not preclude using computerized exams.

(2) A performance (i.e., hands-on) exam, using a closed-book, objective grading process and the field test procedures in paragraph (1)(B)(4), designed such that passing the performance exam demonstrates proficiency in accurately determining the operating condition of an RP, DC, PVB, and SVB, when properly or improperly functioning, including but not limited to BPAs with leaks in shutoff valves, and failures in check valves, air inlet valves, or relief valves. A passing score must be achieved by an examinee as a requisite for certification. The performance exam process must include the following:

(A) Performance exam proctors must:

1. be certified as a backflow prevention assembly tester pursuant to this Article;
2. evaluate no more than one examinee at a time;
3. not provide an examinee any assistance in answering exam questions, verbal or otherwise;
4. provide no indication an examinee has erred until completion of a BPA field test, at which time only the fact the examinee has erred may be indicated (i.e., not the nature of the error);
5. be impartial and not affiliated with the certifying organization's preparation of, or preparatory course for (if applicable), the performance exam; and
6. not evaluate an examinee who was trained by the proctor during the six-month period prior to the exam or other conflict of interest.

(B) An examinee is considered to have failed a performance exam if the examinee:

1. makes a field test procedure or recording error that could impact an accurate determination of the operating condition of a BPA,
2. completes the BPA performance exam form with an error,
3. is informed of making an error (see subparagraph (A)(4)) and begins the procedure a second time, and
4. errs a second time and completes the BPA performance exam form accordingly.

(3) recertification requirements of no less frequently than every three years which includes both a written and performance exam;

(4) provisions for revocation of a backflow prevention assembly tester's certification, including but not limited to, revocation for falsifying field test results or field test reports;

(5) a website providing public access to the most recent list of backflow prevention assembly testers:

- (A) who hold a valid certification from the certifying organization. At a minimum, the list is to include each backflow prevention assembly tester's last name, first name, certification number, and the date on which each backflow prevention assembly tester's certification expires; and
- (B) whose certification was revoked, pursuant to paragraph (4), in the three years preceding the date of the list. At a minimum, the list is to include each backflow prevention assembly tester's last name, first name, revoked certification number, the date on which each backflow prevention assembly tester's certification was revoked, and the reason for revocation.

(6) as a prerequisite to sections 3.4.1(b)(1) and (b)(2), completion of an instructional training course accepted by the certifying organization⁷ that covers the subjects in subsection (1)(B) and is no less than 30 hours in length over no fewer than four days for:

- (A) a backflow prevention assembly tester's initial certification;
- (B) a backflow prevention assembly tester's recertification as a result of revocation; or

(7) In lieu of compliance with section 3.4.1(b)(6) a certifying organization may accept two years prior experience in backflow prevention assembly testing.

(c) To be recognized by the State Water Board as a certifying organization for backflow prevention assembly testers, a certifying organization shall:

(1) submit an application with the following information to the State Water Board for review:

- (A) written documentation of a certification program that includes a process that is no less stringent than the criteria in subsection (b);
- (B) evidence that the organization's certification program and exam process has been reviewed, with concerns adequately addressed, by a credentialed psychometrician proficient in the design of objective exams, experienced in the assessment of certification or licensing organizations, and familiar with the application of the requirements of *ISO⁸/IEC⁹ 17024: Conformity Assessment- General Requirements for Bodies Operating Certification of Persons*; and

⁷ But not limited only to training provided by the certifying organization or its affiliates.

⁸ International Organization for Standardization

⁹ International Electrotechnical Commission

(C) a written statement, signed by the certifying organization's representative(s) having the authority and legal responsibility for operation of the certifying organization, attesting that the certifying organization will implement its certification program in a manner meeting or exceeding the criteria in subsection (b) and consistent with the application submitted to the State Water Board.

(2) adequately address each State Water Board comment and/or question concerning the application, and

(3) receive written acknowledgment from the State Water Board that the application is complete.

(d) A certifying organization, accredited either by the American National Standards Institute (ANSI) National Accreditation Board (ANAB) or an organization with which ANAB has entered into a mutual recognition arrangement (MRA) for accreditation to ISO/IEC 17024, in accordance with ISO/IEC 17024, which complies with subsection (b), will be considered to be a State Water Board-recognized certifying organization.

Beginning three years after the effective date of the CCCPH, only those testers with a valid certification from a certifying organization that is accredited by either ANAB or an organization that has entered into an MRA with ANAB shall satisfy subsection (a) and certifications obtained by organizations in accordance with subsection (c) will be invalid.

(e) This Article does not preclude a local health agency from maintaining a backflow prevention assembly tester certification program for the field testing of BPAs within the local health agency's jurisdiction. Accepting a tester certified by a local health agency does not relieve a PWS from meeting the requirements of this Article.

(f) This Article does not preclude a PWS from disallowing the use of an individual tester certified pursuant to this Article if the PWS has reason to believe a certified tester may not be proficient in accurately determining the operating condition of BPA, or for any other reason (e.g., fraud, deceit, negligence, misconduct, etc.). A PWS must report any evidence of a tester falsifying reports to that tester's certifying organization.

(g) This Article is effective July 1, 2026.

3.4.2 Cross-Connection Control Specialist Certification

(a) A PWS must ensure that cross-connection control specialists, used pursuant to the CCCPH, have valid certification from a certifying organization recognized by the State Water Board pursuant to this Article.

(b) A State Water Board-recognized organization certifying cross-connection control specialists is one that has a certification process that, at a minimum, includes the following:

(1) A timed and proctored, written¹⁰ exam, using a closed-book, objective grading format, consisting of no less than 100 questions for certification. A passing score must be achieved by an examinee as a requirement for certification.

(A) Written exam proctors must:

1. not provide an examinee any assistance in answering exam questions, verbal or otherwise; and
2. be impartial.

(B) Passing scores for the exams are to be determined prior to exam sessions, such that passing an exam demonstrates sufficient and comprehensive range of knowledge of the subjects provided in Appendix E, as they may relate to cross-connection control and the causes, effects, and prevention of backflow.

(2) recertification requirements of no less frequently than every three years. Recertification may be done through at least one of the following:

- (A) an exam as required by section 3.4.2 (b)(1),
- (B) through 12 contact hours from continuing education courses covering material in Appendix E or,
- (C) a combination of exam and continuing education contact hours equivalent to (A) or (B);

(3) provisions for revocation of a specialist's certification, including but not limited to, falsifying information or providing negligent recommendations inconsistent with industry-standard cross-connection control guidelines;

(4) a website providing public access to the most recent list of cross-connection control specialists:

- (A) who hold a valid certification from the certifying organization. At a minimum, the list is to include each specialist's last name, first name, certification number, and the date on which each specialist's certification expires; or

¹⁰ The requirement for a written exam does not preclude using computerized exams.

(B) whose certification was revoked, pursuant paragraph (3), in the three years preceding the date of the list. At a minimum, the list is to include each specialist's last name, first name, revoked certification number, the date on which each specialist's certification was revoked, and the reason for revocation.

(5) initial certification requirements:

(A) a valid backflow prevention assembly tester certification from a certification organization recognized by the State Water Board pursuant to section 3.4.1; and

(B) completion of an instructional training course (acceptable to the certifying organization¹¹) that covers the subjects in Appendix E and is no less than 30 hours in length over no fewer than five days (inclusive of an exam, if provided). This paragraph does not preclude a certification organization from providing the instructional training course to the public, including certified specialists.

(C) As an alternative to (A) the certifying organization may accept additional instruction in the subject areas of testing, maintaining and repairing BPAs equivalent in length and scope to the requirements in 3.4.1(b)(6).

(D) As an alternative to (A) the certifying organization may accept a minimum of five (5) years documented experience performing cross-connection control specialist duties, as outlined in Appendix E.

(c) To be recognized by the State Water Board as a certifying organization for cross-connection control specialists, a certifying organization shall:

(1) submit an application with the following information to the State Water Board for review:

(A) Written documentation of a certification program that includes a process that is no less stringent than the criteria in subsection (b);

(B) evidence that the organization's certification program and exam process has been reviewed, with concerns adequately addressed, by a credentialed psychometrician proficient in the design of objective exams, experienced in the assessment of certification or licensing organizations, and familiar with the application of the requirements of *ISO*¹²/*IEC*¹³ 17024: *Conformity Assessment- General Requirements for Bodies Operating Certification of Persons*; and

¹¹ But not limited only to training provided by the certifying organization or its affiliates.

¹² International Organization for Standardization

¹³ International Electrotechnical Commission

(C) a written statement, signed by the certifying organization's representative(s) having the authority and legal responsibility for operation of the certifying organization, attesting that the certifying organization will implement its certification program in a manner meeting or exceeding the criteria in subsection (b) and consistent with the application submitted to the State Water Board.

(2) adequately address each State Water Board comment and question concerning the application, and

(3) receive a written acknowledgment from the State Water Board that the application is complete:

(d) A certifying organization, accredited either by the American National Standards Institute (ANSI) National Accreditation Board (ANAB) or an organization with which ANAB has entered into a mutual recognition arrangement (MRA) for accreditation to ISO/IEC 17024, in accordance with ISO/IEC 17024, which complies with subsection (b), will be considered to be a State Water Board-recognized certifying organization. Beginning three years after the effective date of the CCCPH, only those specialists with a valid certification from a certifying organization that is accredited by either ANAB or an organization that has entered into an MRA with ANAB shall satisfy subsection (a) and certifications obtained by organizations in accordance with subsection (c) will be invalid.

(e) This Article does not preclude a local health agency from maintaining a cross-connection control specialist certification program for specialists within the local health agency's jurisdiction. Using a specialist certified by a local health agency does not relieve a PWS from meeting the requirements of this Article.

(f) This Article does not preclude a PWS from disallowing the use of an individual cross-connection control specialist certified pursuant to this Article if the PWS has reason to believe a certified specialist may not be proficient in their knowledge of cross-connection control and the causes, effects, and prevention of backflow, or for any other reason (e.g., fraud, deceit, negligence, misconduct, etc.). A PWS must report any evidence of a specialist falsifying reports to that specialist's certifying organization.

(g) This Article is effective July 1, 2026.

Article 5 – Recordkeeping, Backflow Incident Response, and Notification

3.5.1 Recordkeeping

(a) Each PWS must maintain the following records:

- (1) The two most recent hazard assessments for each user premise, conducted pursuant to CCCPH section 3.2.1 (Hazard Assessment);
- (2) for each BPA, the associated hazard or application, location, owner, type, manufacturer and model, size, installation date, and serial number;
- (3) for each AG installation, the associated hazard or application and the location, owner, and as-built plans of the AG;
- (4) results of all BPA field testing, AG inspection, and swivel-ell inspections and field tests for the previous three calendar years, including the name, test date, repair date, and certification number of the backflow prevention assembly tester for each BPA field test and AG and swivel-ell;
- (5) repairs made to, or replacement or relocation of, BPAs for the previous three calendar years;
- (6) the most current cross-connection tests (e.g. shutdown test, dye test);
- (7) if a user supervisor is designated for a user premise, the current contact information for the user supervisor and water user, and any applicable training and qualifications as described by CCCPH section 3.2.2(f);
- (8) descriptions and follow-up actions related to all backflow incidents;
- (9) if any portion of the cross-connection control program is carried out under contract or agreement, a copy of the current contract or agreement;
- (10) the current Cross-Connection Control Plan as required in CCCPH section 3.1.4.; and
- (11) any public outreach or education materials issued as required in CCCPH section 3.1.3.(a)(9) for the previous three calendar years.

(b) All information in subsection (a) must be available to the State Water Board upon request.

3.5.2 Backflow Incident Response Procedure

Each PWS must include backflow incident response procedures in the Cross-Connection Control Plan required in CCCPH section 3.1.4. The PWS must describe its procedures for investigating and responding to suspected backflow incidents including, but not limited to, the following:

- (a) Consideration of complaints or reports of changes in water quality as possible incidents of backflow;
- (b) Water quality sampling and pressure recording; and
- (c) Documentation of the investigation, and any response and follow-up activities.

3.5.3 Backflow Incident Notification

(a) Each PWS must notify the State Water Board and local health agencies of any known or suspected incident of backflow within 24 hours of the determination. If required by the State Water Board, a PWS must issue a Tier 1 public notification pursuant to CCR, Title 22, Section 64463.1.

(b) If required by the State Water Board, the PWS must submit, by a date specified by the State Water Board, a written incident report describing the details and affected area of the backflow incident, the actions taken by the PWS in response to the backflow incident, and the follow up actions to prevent future backflow incidents. The written report must contain, at a minimum, the information requested in Appendix F.

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Appendix

Appendix A: Assembly Bill 1671 (2017, Chapter 533) and Assembly Bill 1180 (2019, Chapter 455).

Appendix B: ASME A112.1.2-2012(R2017) Table 1, Minimum Air Gaps for Generally used Plumbing Fixtures, page 4

Appendix C: Backflow Prevention Assembly Diagrams

Appendix D: High Hazard Premises

Appendix E: General Range of Knowledge for Cross-Connection Control Specialists

Appendix F: Example Backflow Incident Reporting Form

Appendix G: Related Statutes and Regulations

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Appendix A

Assembly Bill 1671 (2017, Chapter 533)
Assembly Bill 1180 (2019, Chapter 455)

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PLACEHOLDER – ADD PDFs HERE OF AB 1671 (3 PAGES) AND AB 1180 (3 PAGES) AND DELETE THIS PAGE. NEXT PAGE INTENTIONALLY BLANK.

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Appendix B

ASME A112.1.2-2012(R2017) Table 1,
Minimum Air Gaps for Generally used Plumbing
Fixtures, page 4

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Appendix B
ASME A112.1.2-2012(R2017) Table 1, Minimum Air Gaps for Generally used Plumbing Fixtures,¹ page 4

TABLE 1
Minimum Air Gaps for Generally used Plumbing Fixtures⁴

FIXTURES	WHERE NOT AFFECTED BY SIDEWALLS ¹ (inches)	WHERE AFFECTED BY SIDEWALLS ² (inches)
Effective opening ³ not greater than ½ of an inch in diameter	1	1½
Effective openings ³ not greater than ¾ of an inch in diameter	1½	2¼
Effective openings ³ not greater than 1 inch in diameter	2	3
Effective openings ³ greater than 1 inch in diameter	Two times the diameter of effective opening	Three times the diameter of effective opening

For SI units: 1 inch = 25.4 mm

Notes:

¹ Sidewalls, ribs, or similar obstructions do not affect air gaps where spaced from the inside edge of the spout opening at a distance exceeding three times the diameter of the effective opening for a single wall, or at a distance exceeding four times the effective opening for two intersecting walls.

² Vertical walls, ribs, or similar obstructions extending from the water surface to or above the horizontal plane of the spout opening other than specified in Footnote 1 above. The effect of three or more such vertical walls or ribs has not been determined. In such cases, the air gap shall be measured from the top of the wall.

³ The effective opening shall be the minimum cross-sectional area at the seat of the control valve or the supply pipe or tubing that feeds the device or outlet. Where two or more lines supply one outlet, the effective opening shall be the sum of the cross-sectional areas of the individual supply lines or the area of the single outlet, whichever is smaller.

⁴ Air gaps less than 1 inch (25.4 mm) shall be approved as a permanent part of a listed assembly that has been tested under actual backflow conditions with vacuums of 0 to 25 inches of mercury (85 kPa).

¹ Reprinted from ASME A112.1.2-2012(R2017), by permission of The American Society of Mechanical Engineers. All rights reserved

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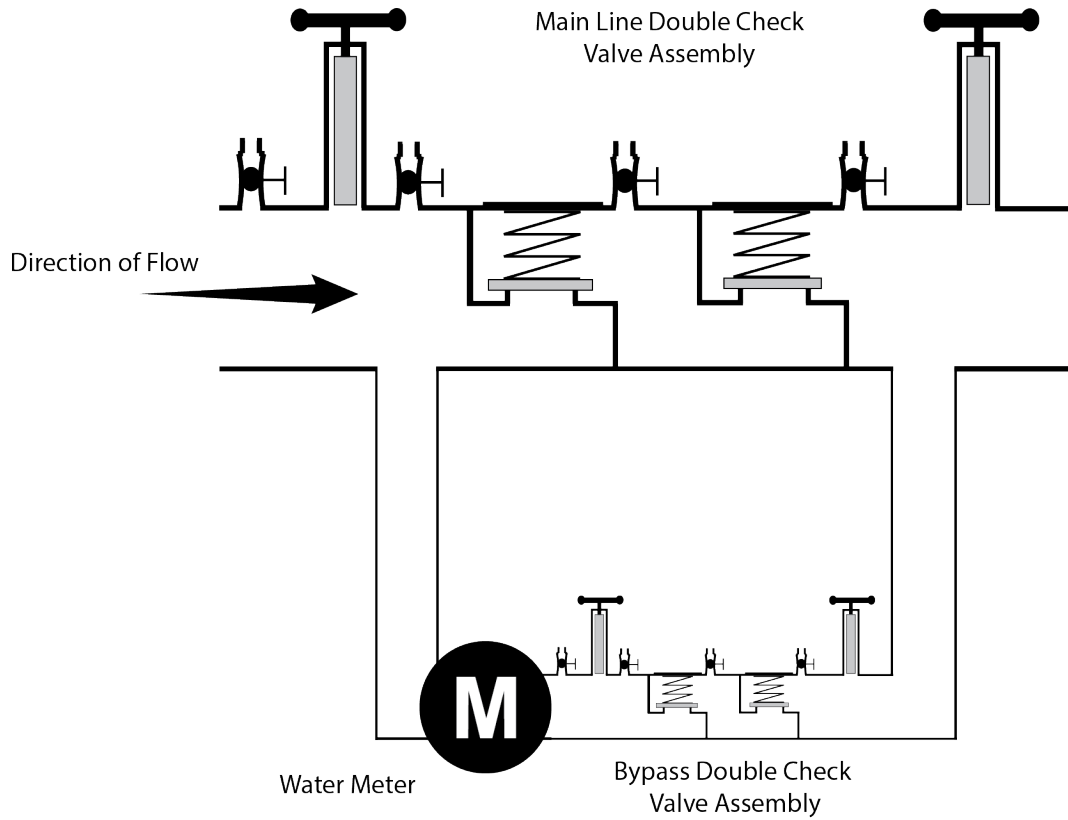
Appendix C

Backflow Prevention Assembly Diagrams

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Appendix C

Diagram 1
Double check detector backflow prevention assembly¹

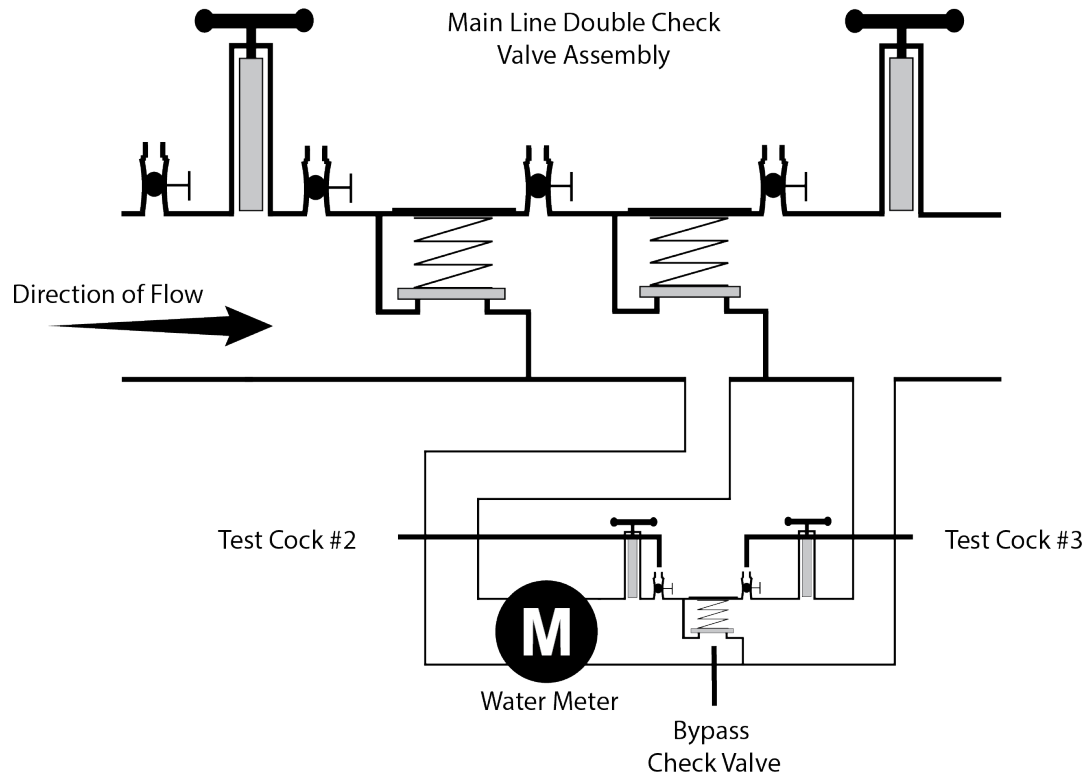


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Appendix C

Diagram 2

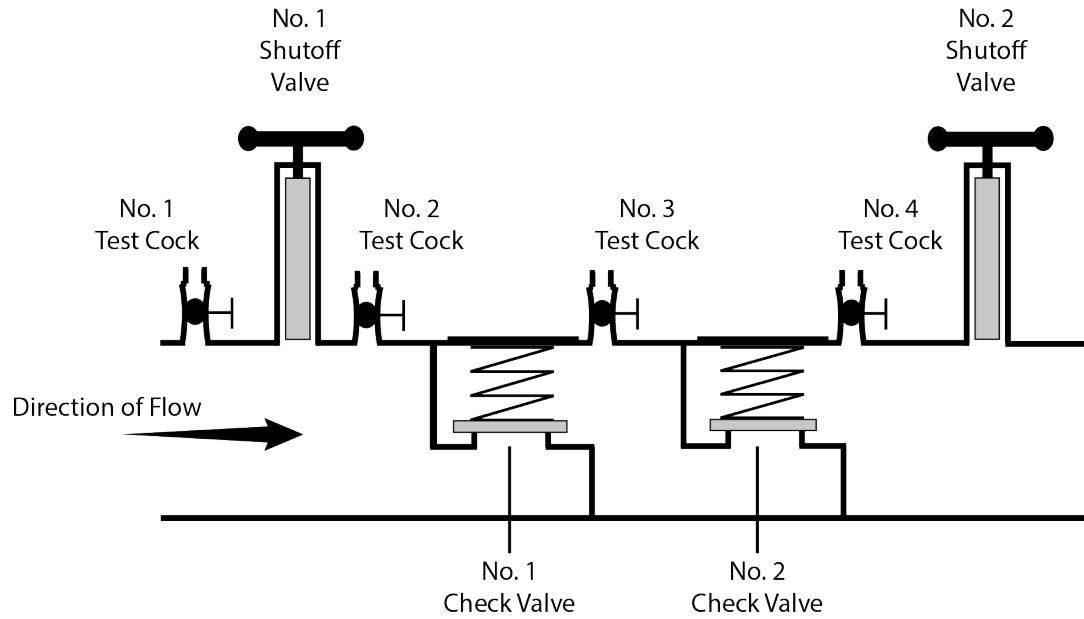
Double check detector backflow prevention assembly – type II ²



² © 2023 University of Southern California. Used with permission.

Appendix C

Diagram 3
Double check valve backflow prevention assembly³

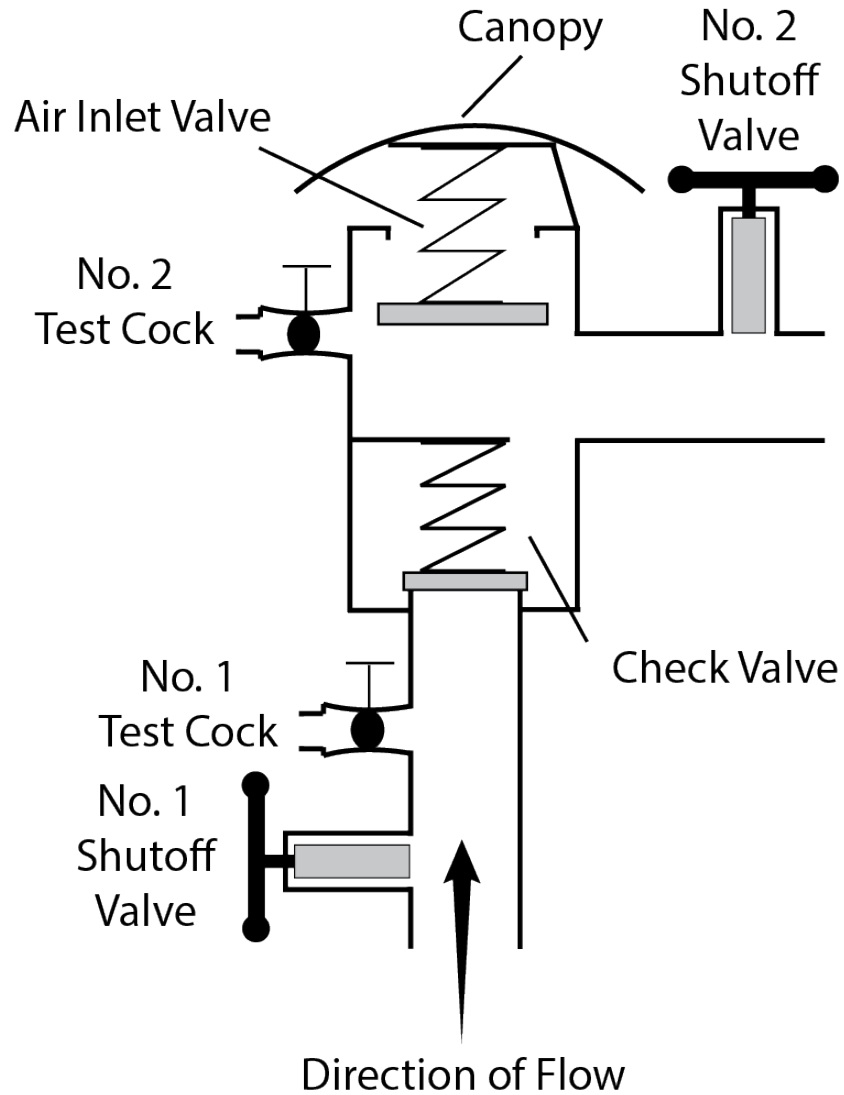


³ © 2023 University of Southern California. Used with permission

Appendix C

Diagram 4

Pressure vacuum breaker backsiphonage prevention assembly⁴

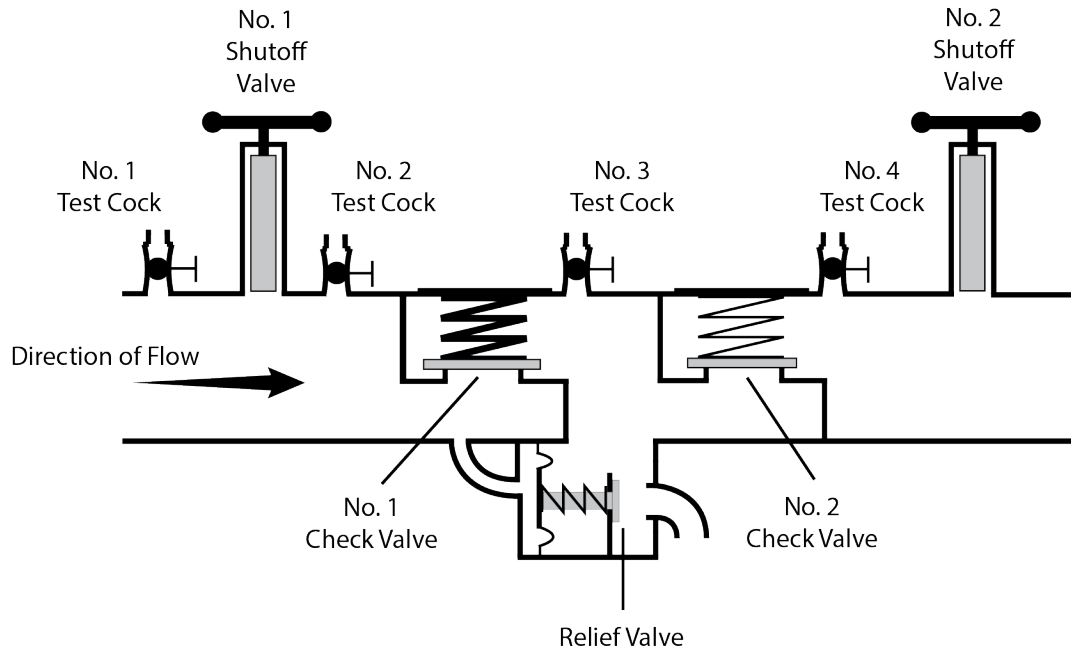


⁴ © 2023 University of Southern California. Used with permission

Appendix C

Diagram 5

Reduced pressure principle backflow prevention assembly⁵

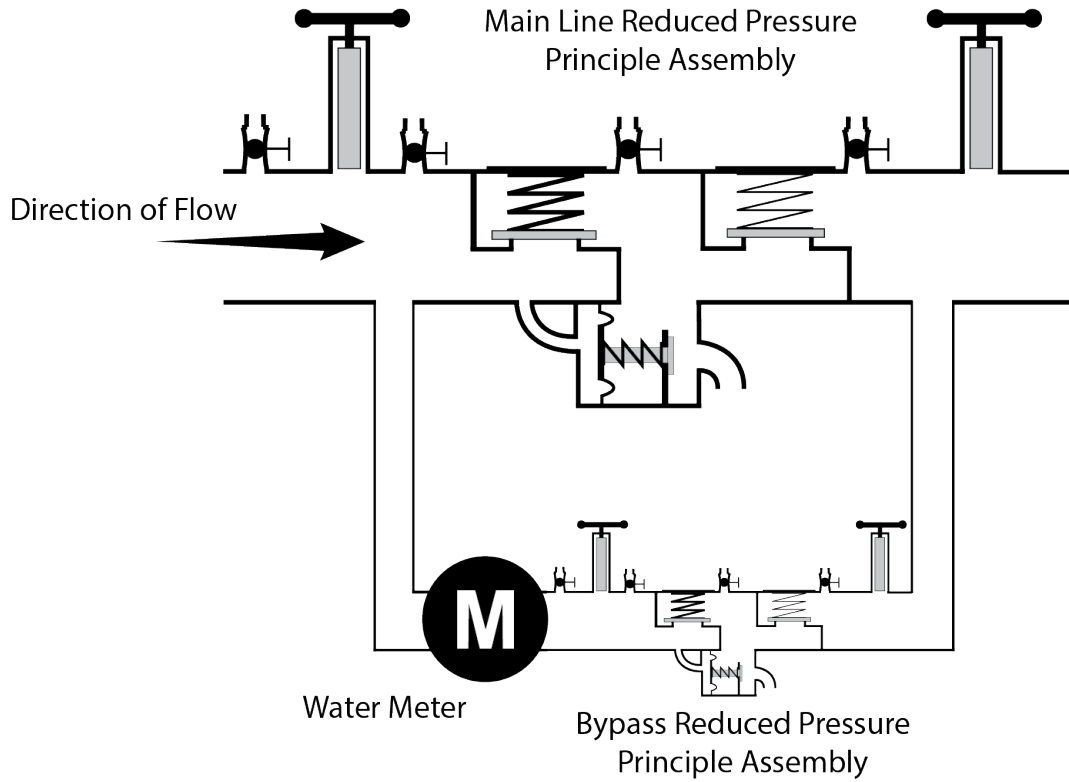


⁵ © 2023 University of Southern California. Used with permission

Appendix C

Diagram 6

Reduced pressure principle detector backflow prevention assembly⁶

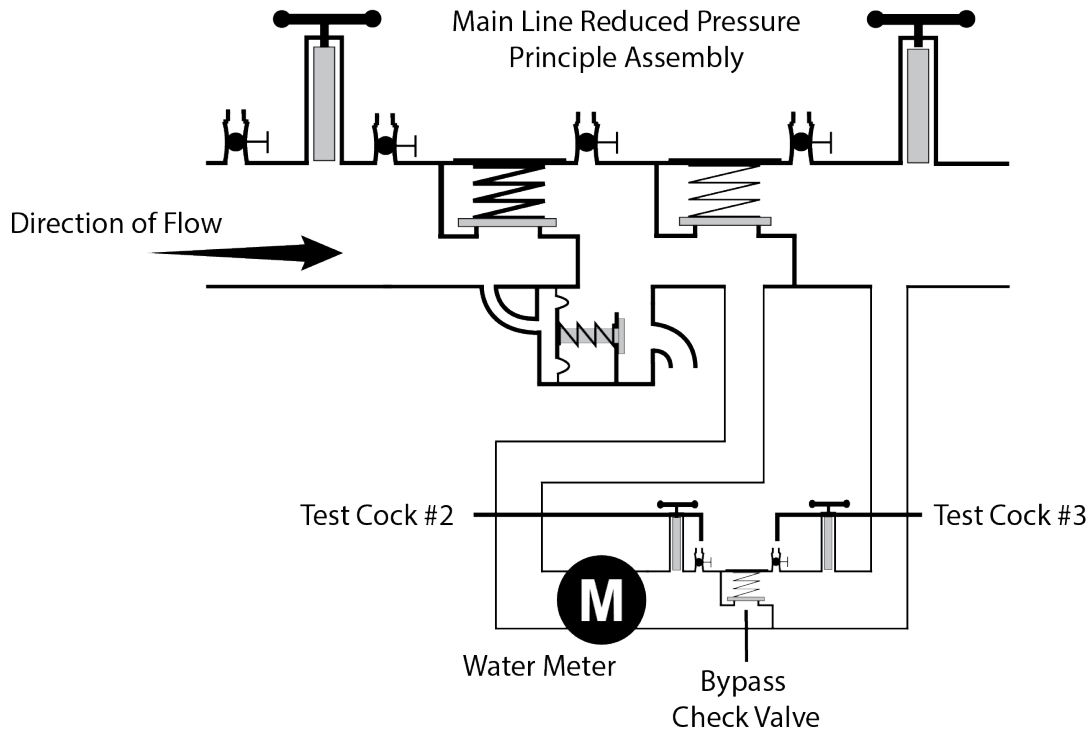


⁶ © 2023 University of Southern California. Used with permission

Appendix C

Diagram 7

Reduced pressure principle detector backflow prevention assembly – type II⁷

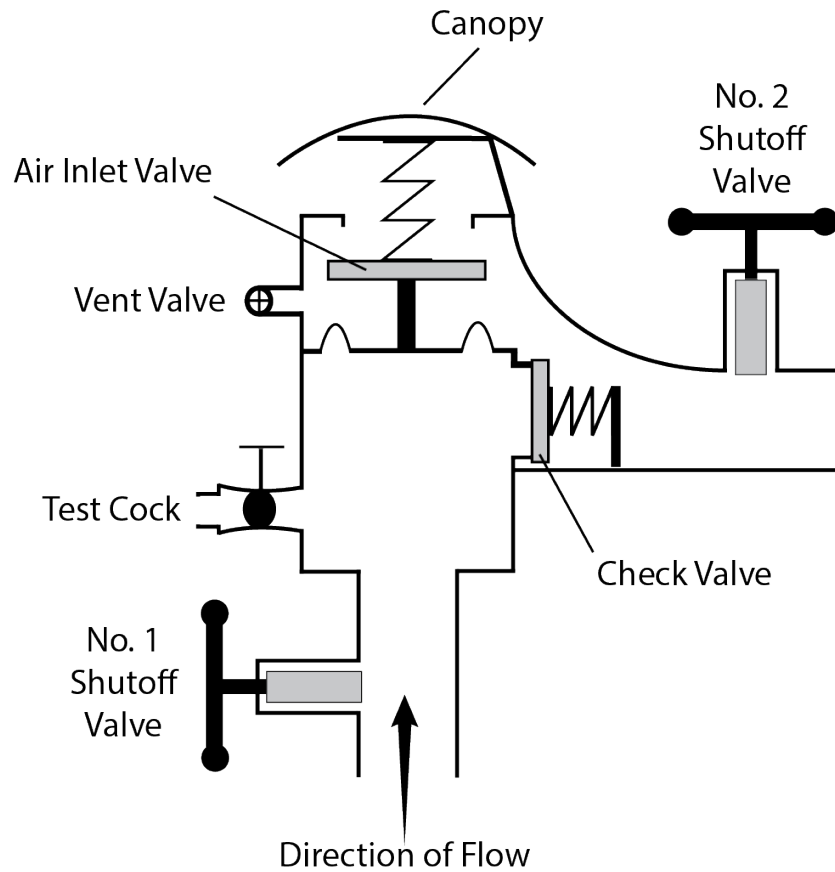


⁷ © 2023 University of Southern California. Used with permission

Appendix C

Diagram 8

Spill-resistant pressure vacuum breaker backsiphonage prevention assembly⁸



⁸ © 2023 University of Southern California. Used with permission

Appendix C

Swivel-Elb Design and Construction Criteria

The criteria below, in conjunction with the swivel-elb diagrams that follow (Diagrams 9a and 9b), are **minimum** acceptable design and construction-related requirements for utilizing a swivel-elb. For restrictions and allowances for utilizing a swivel-elb, see CCCPH section 3.2.2.

A. Prior to operation of a swivel-elb, the PWS will receive approval for the design and construction plans of that swivel-elb from the State Water Board.

B. The drinking water supply must not, under any circumstances, be directly connected to the recycled water supply, nor be designed such that the recycled water use site could be supplied concurrently by a recycled water supply and a drinking water supply.

C. The drinking water supply line and the recycled water supply line must be offset (see Diagram 9b) in a manner that ensures a tee-connection, spool, or other prefabricated mechanical appurtenance(s) could not be readily utilized in lieu of the swivel-elb connection, nor result in the recycled water use site being supplied concurrently by recycled water and drinking water.

D. The recycled water supply line used in conjunction with the swivel-elb must be the only recycled water supply to the recycled water use area.

E. The swivel-elb must be located as close as practical to the public water system service connection, with the swivel-elb connection being located as close as practical to the RP upstream of the swivel-elb.

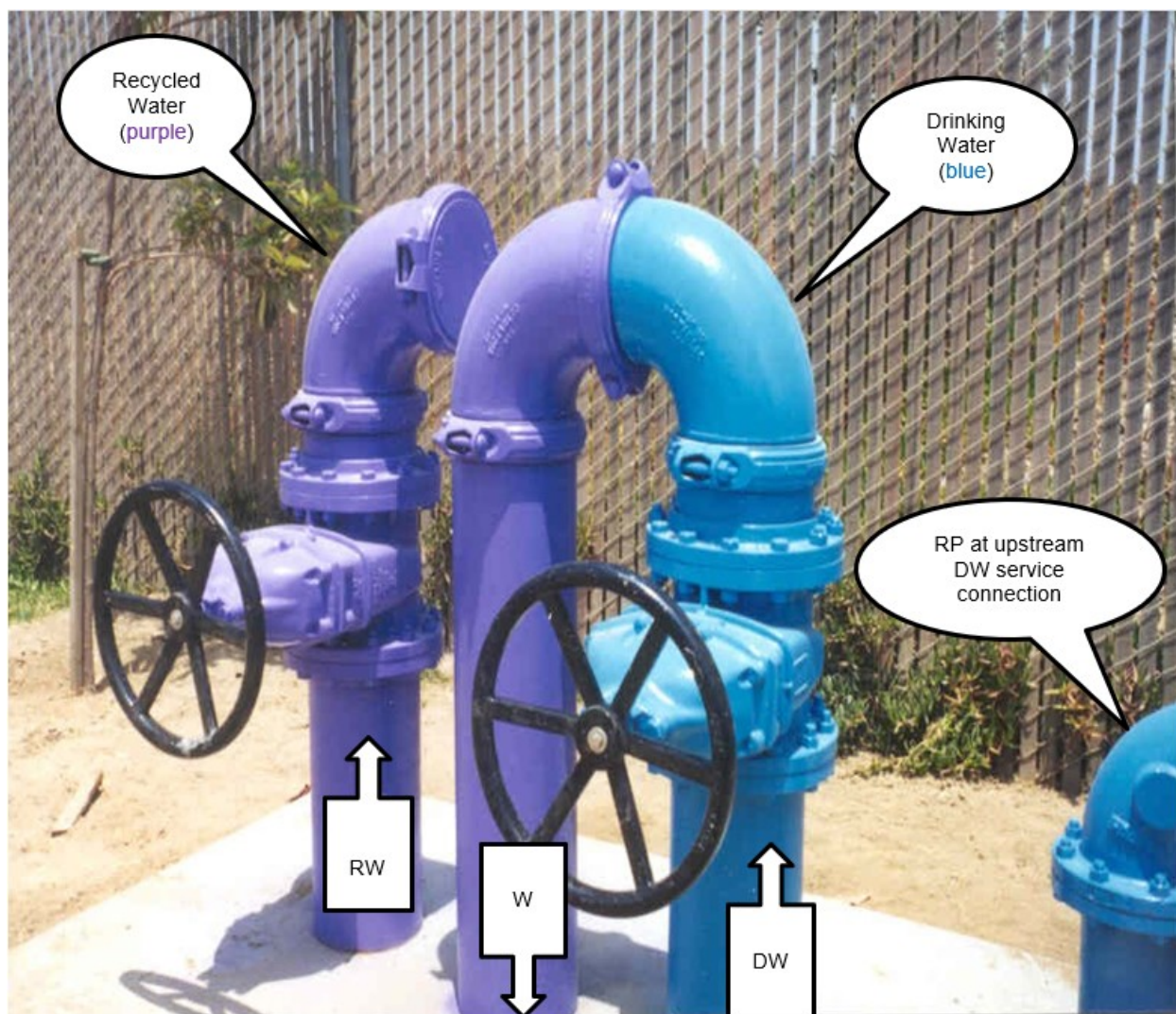
F. The swivel-elb must:

1. be located above ground;
2. be color-coded pursuant to section 116815 of the CHSC and its implementing regulations;
3. include appropriate signage, as required by regulation and the State Water Board;
4. be provided the security necessary to prevent interconnections, vandalism, unauthorized entry, etc.; and
5. be provided with meters on both the recycled water service and drinking water service connections.

Legend for Diagram 9a and 9b (also see next page)

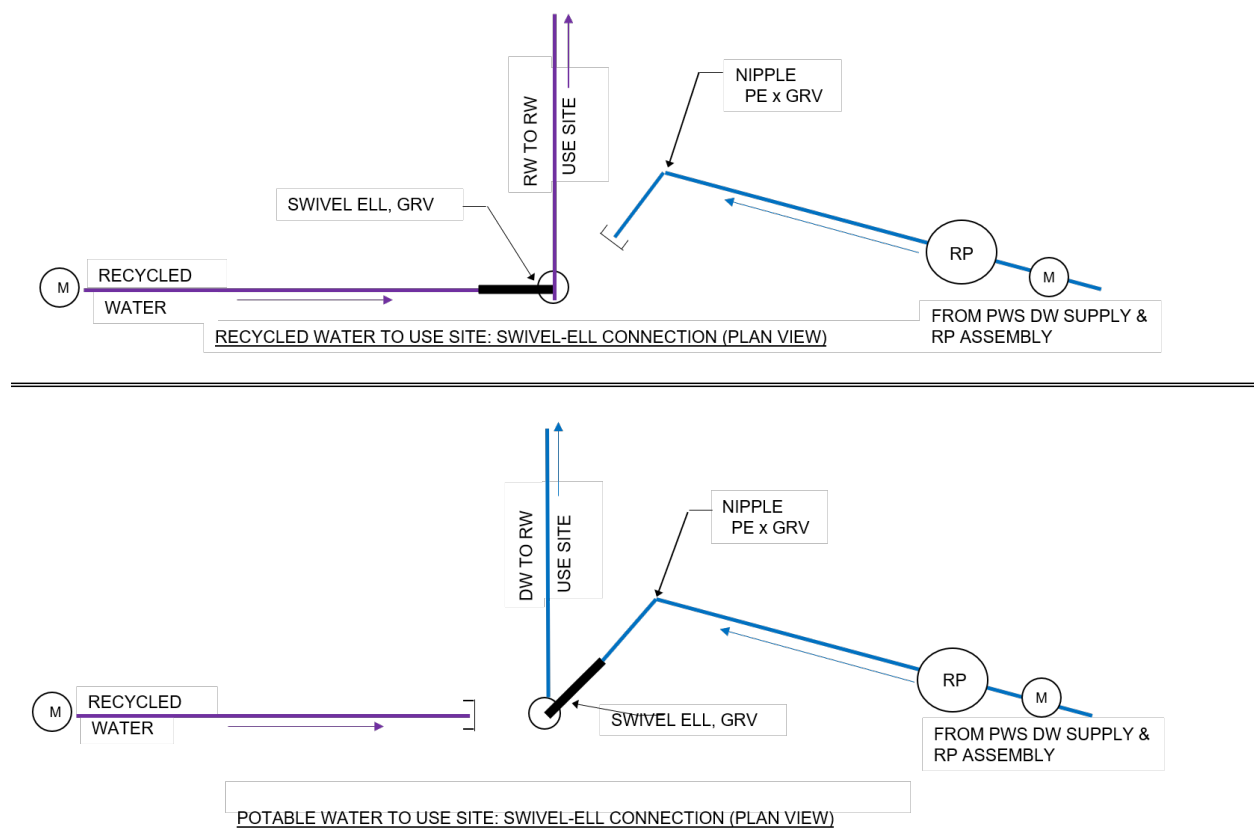
- RP = Reduced pressure principle backflow prevention assembly
RW = Tertiary-treated recycled water originating from wastewater treatment facility
DW = Drinking water originating from a public water system
W = Water (tertiary recycled water or drinking water) to use site. As pictured, configured for supplemental drinking water to the use site.
M = Meter (*next page*)
PE = Plain End (*next page*)
GRV = Groove (*next page*)
PWS = Public Water System (*next page*)

Diagram 9a: Example Swivel-Ell Pictorial (also see Plan View Schematics)



Note: The RP, a required component of an acceptable swivel-ell, is not shown in the picture.

**Diagram 9b: Swivel-ELL Typical Plan View Schematics
(not intended to be an exact portrayal of the pictorial)**



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Appendix D

High Hazard Premises

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APPENDIX D

HIGH HAZARD CROSS-CONNECTION CONTROL PREMISES

The list below identifies premises that require backflow protection provided by an air gap or a reduced pressure principle backflow prevention assembly, unless noted otherwise. The list below is not intended to be all-inclusive. A PWS, State Water Board, or local health agency may require an AG, RP, or both to protect a PWS from other hazards not listed below and identified in premises through the hazard assessment completed in CCCPH Chapter 3, section 3.2.1. A PWS may reduce or increase the minimum protection required for a previously hazard-assessed user premise following a hazard reassessment as described in CCCPH Chapter 3, section 3.2.1.

1. Sewage handling facilities
2. Wastewater lift stations and pumping stations
3. Wastewater treatment processes, handling, or pumping equipment that is interconnected to a piping system connected to a PWS (+)
4. Petroleum processing or storage plants
5. Radioactive material storage, processing plants or nuclear reactors
6. Mortuaries
7. Cemeteries
8. Sites with an auxiliary water supply (+-+)
9. *Deleted*
10. Premises with more than one connection to the PWS (++++)
11. Recycled water (++)(+++)
12. Recycled water interconnected to piping system that contains water received from a PWS (+)
13. Graywater systems, as defined in California Water Code Section 14876, that are interconnected to a piping system that is connected to a PWS
14. Medical facilities
15. Kidney dialysis facilities
16. Dental office with water-connected equipment
17. Veterinarian facilities
18. Chemical plants
19. Laboratories
20. Biotech facilities
21. Electronics manufacture
22. Dry cleaner facilities
23. Industrial or commercial laundry facilities
24. Metal-plating facilities
25. Business park with a single meter serving multiple businesses
26. Marine-port facilities
27. Car wash facilities
28. Mobile home park, RV park, or campgrounds with RV hookups

29. Hotels/motels
30. Gas stations
31. Fire stations
32. Solid waste disposal facilities
33. Pet groomers
34. Agricultural premises
35. Hazard assessment access denied or restricted
36. Railroad maintenance facilities
37. Incarceration facilities (e.g. prisons)
38. Temporary connections to fire hydrants for miscellaneous uses, including construction
39. Private water distribution mains
40. Drinking water storage tank overflow connected to a sump or storm drain (+)
41. Airports

(+) Premise isolated by air gap only except as allowed through CCCPH Section 3.2.2(c)

(++) Dual-plumbed use areas established per CCR Title 22, Section 60313 through 60316.

(+++ Residences using recycled water for landscape irrigation as part of an approved dual plumbed use area established pursuant to CCR Title 22, sections 60313 through 60316 shall use, at a minimum, a DC. If the water supplier is also the supplier of the recycled water, then the recycled water supplier may obtain approval of the local public water supplier or the State Water Board, to utilize an alternative backflow protection plan that includes an annual inspection of both the recycled water and potable water systems and an annual cross-connection test of the recycled water and potable water systems pursuant to subsection 60316(a) in lieu of any BPA.

(++++ All connections must receive at least the same level of protection excluding fire protection when connected to the PWS distribution system (e.g. if one connection requires an RP then all connections must have RPs installed).

(+--) A user premises with an existing DC installed prior to July 1, 2024 may continue to use that existing DC for premises isolation provided that the following conditions are met: a) backflow does not occur at any time at the premises, b) the DC passes all field tests in the assembly testing and repair timeframe described in the PWS's Cross-Connection Control Plan, c) the PWS approves of the use of a DC in writing and identifies the location in the PWS's recordkeeping system, and d) no other high hazard activities are identified during a hazard assessment. An AG, RP, or both is required for all new or replacement assembly installations after July 1, 2024.

Appendix E

General Range of Knowledge for Cross- Connection Control Specialists

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APPENDIX E

General Range of Knowledge for Cross-Connection Control Specialists

To effectively prevent unintended backflow into a PWS's distribution system, it is necessary for a cross-connection control specialist to have an understanding of a range of subjects related to cross-connection control. This appendix provides a list of such subjects.

This appendix is not meant to preclude instruction of additional subjects that may be necessary or beneficial to the goal of a prospective or existing cross-connection control specialist in being proficient in protecting public health from backflow through cross-connection control measures. Emphasis on particular subjects should be in a manner that best achieves that goal.

(a) GENERAL

- (1) Cross-connection control terminology.
- (2) The history leading to the need for cross-connection control, including causes, impacts, including but not limited to:
 - (A) potable water distribution systems;
 - (B) examples of backflow incidents and actual or potential public health impacts; and
 - (C) evolution of methods of cross-connection control and backflow prevention assemblies.
- (3) Hydraulics (general) – An understanding of hydraulic gradients, pressure variations, flow rates, temperature, the properties of water, backsiphonage, backpressure, and other elements necessary to understand the causes for backflow.
- (4) Public outreach – How to appropriately convey the value of cross-connection control to PWS personnel and the public.

(b) LAWS, REGULATIONS, AND GUIDANCE

- (1) Federal – Applicable federal laws, regulations, and guidance.
- (2) State – California laws and regulations, including, but not limited to, the State Water Resources Control Board's most recent edition of its *Cross-Connection Control Policy Handbook* and other requirements related to cross-connection control.
- (3) Local – An understanding of the need to ensure local requirements are considered and how best to find such requirements.

(c) HAZARD ASSESSMENTS AND METHODS TO PREVENT BACKFLOW

A comprehensive understanding of how to conduct cross-connection surveys of water systems for the purpose of identifying cross-connections, assessing hazards, and identifying the most effective and legally appropriate methods for protection from backflow. At a minimum, the following topics should be considered to achieve such an understanding:

(1) Surveys:

- (A) Preparation (e.g., authority, notification, prioritizing customers/premises, coordinating with public water systems, etc.);
- (B) Design and as-built drawings related to water supply and cross-connection control;
- (C) Public water system schematics;
- (D) How to identify existing and new construction, with an understanding of how construction may impact backflow protection;
- (E) How to identify cross-connections (actual and potential);
- (F) How to identify and differentiate between high hazard and low hazard cross-connections; and
- (G) Problems associated with multi-story buildings, multiple service connections at a premises, typical water-use equipment, etc., and varying types of water service, including irrigation, recycled water, gray water, fire prevention systems, and dual plumbed premises.

(2) Assessing Hazards:

- (A) Identifying and differentiating between premises activities leading to high hazard cross-connections and low hazard cross-connections (for examples of high hazard activities, see Appendix D); and
- (B) Understanding potential public health impacts from backflow associated with the problems in section (c)(1)(G) of this appendix.

(3) Assemblies and Methods for Backflow Prevention:

- (A) A comprehensive understanding of approved methods for cross-connection control and preventing backflow with respect to an assessed hazard;
- (B) Identifying unapproved methods for cross-connection control and preventing backflow;
- (C) An understanding of components, design and operation, proper installation and location of backflow prevention assemblies, including air gaps, and backflow prevention assembly field test methods, field test results, and the assessment of air gaps; and
- (D) Identifying unapproved assemblies, as well as those assemblies whose operation and/or state of repair necessitates replacement with an approved assembly.

(d) CROSS-CONNECTION CONTROL PROGRAMS

A comprehensive understanding of the development, elements, and administration of cross-connection control programs, including, but not limited to:

- (1) An ability to assess the federal, state, and local requirements applicable to a public water system's cross-connection control program, such that adherence to the cross-connection control program would result in compliance with the requirements;
- (2) The roles, responsibilities, and authority of individuals and entities involved in the critical elements of a successful plan for cross-connection control (see CCCPH section 3.1.4); and
- (3) The ability to assess the components of a public water system's Cross-Connection Control Plan (see CCCPH section 3.1.4) that best assures the prevention of undesired backflow into the public water system's distribution system, and to communicate deficiencies to public water system personnel.

(e) CROSS-CONNECTION TESTS

A comprehensive understanding of:

- (1) The purpose of a cross-connection test and when a cross-connection test should be performed;
- (2) The ability to develop protocols and make arrangements for cross-connection tests, and subsequently oversee and/or perform such cross-connection tests, in a manner that determines whether interconnections exist between unapproved sources and approved water supplies; and
- (3) Follow-up actions and notifications if a cross-connection test indicates an interconnection.

(f) RECORDKEEPING AND INCIDENT RESPONSE

A comprehensive understanding of:

- (1) The agencies and authorities to be notified in the event of a backflow incident;
- (2) How to determine the cause of a backflow incident and the actions necessary to prevent similar incidents in the future;
- (3) How to properly document a backflow incident, including but not limited to the information in the example backflow incident response form in Appendix F; and
- (4) How to properly document the elements associated with surveys and hazard assessments, including those identified in section (c) of this appendix.

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Appendix F

Example Backflow Incident Reporting Form

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BACKFLOW INCIDENT REPORT FORM

Water System: _____

Water System Number: _____

Incident Date: _____

Incident Time (if known): _____

Incident Location: _____

How was the incident discovered?

Backflow Originated from:

Premise Location: _____

Address: _____

Premise Contact Person: _____ Title: _____

Phone: _____ Email: _____

Connection Type: (please check one)

☐ Industrial ☐ Commercial ☐ Single-Family Residential ☐ Multi-Family Residential

☐ Irrigation ☐ Recycled Water ☐ Water System Facility

☐ Other: _____

Description and source of backflow substance (please be as descriptive as possible):

If available, please attach an MSDS or other chemical description form

Was the backflow fluid contained within the user side? YES ☐ NO ☐

Estimated Number of Affected Persons: _____

Number and description of consumer complaints received:

Did any consumers report illness? Please describe.

If applicable, please describe the consumer notification:

INVESTIGATION

Please describe the water system investigation including time frames:

What was the area system pressure? _____

Is this within typical range: YES ☐ NO ☐ - typical pressure: _____

Was a sample of the water contaminated by the backflow incident collected and stored before flushing? YES ☐ NO ☐

Please describe all sampling:

DDW recommends laboratory or field sampling for the following parameters: total coliform, E. coli, free and total chlorine residual, pH, odor, turbidity, temperature, and color. Additional sampling should be collected at the PWS and regulatory agency's discretion.

CORRECTIVE ACTIONS

Please describe the corrective actions taken by the water system:

Was the chlorine residual increased after discovery of backflow incident? YES ☐ NO ☐

Date of the last cross-connection control hazard assessment of the premise with the backflow incident conducted: _____

Did the premise have backflow prevention assemblies? YES ☐ NO ☐

Date of most recent backflow prevention assembly test(s): _____

When was the Division of Drinking Water or Local County Health office notified?

Date: _____ Time: _____ Contact Person: _____

Was the Division or Local County Health notified within 24 hours? YES ☐ NO ☐

Other agencies or organizations contacted?

CERTIFICATION

Name: _____ Job Title: _____

Certification(s): _____

Please list all cross-connection control related certifications including number and expiration date

I certify that the forgoing information is true and correct to the best of my ability.

Signature: _____ Date: _____

Attach the following applicable documentation

1. Laboratory Test Results
2. Sketch of the cross-connection and modifications
3. MSDS or chemical information forms if chemical hazard is known
4. Applicable backflow assembly test reports including the most recent test before the incident
5. Other relevant supporting documentation

Appendix G

Related Statutes and Regulations

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The following laws and regulations are considered related or tangential to the CCCPH, and are included in a descriptive format to provide additional, relevant background information

California Laws and Regulations

In addition to the California SDWA statutory requirements cited in CCCPH Chapter 1, section 1.3.1, California has statutes addressing certain authorities and requirements that may have influenced the CCCPH or may otherwise be of interest.

- Urban and community water systems must have a written policy on discontinuation of residential service for nonpayment and must not discontinue residential service for nonpayment if certain conditions are met. (CHSC sections 116900 – 116926)
- Senate Bill 1263 (2017) requires that before a person submits an application for a permit for a proposed new public water system, the person shall first submit a preliminary technical report which must include a cost comparison of a new public water system and consolidations with an existing system. (CHSC section 116527)
- Effective June 24, 2015, Senate Bill 88 (SB 88) (Statutes 2015, Chapter 27) added sections 116680-116684 to the CHSC, allowing the State Water Board to require certain water systems that consistently fail to provide safe drinking water to consolidate with, or receive an extension of service from, another public water system. The consolidation can be physical or managerial.
- Local health officers may maintain programs for the control of cross-connections by water users, within water users' premises, where public exposure to backflow may occur. Such programs may include water user premises inspections, collection of fees, certification of backflow prevention assembly¹ (BPA) testers, and other discretionary elements. Local health officer BPA tester certification standards must be consistent with the standards prescribed in the CCCPH. Water users are required to comply with all orders, instructions, regulations, and notices from the local health officer regarding installation, testing, and maintenance of a BPA. (CHSC sections 116800 - 116820).
- Pursuant to the California Building Standards Law (CHSC sections 18901 - 18949.31), the California Building Standards Commission (CBSC) must administer the processes related to the adoption, approval, and publication of regulations referred to as the California Building Standards Code (Title 24, California Code of Regulation). Title 24 serves as the basis for the minimum design and construction

¹ California statutes use a variety of terms when referencing a 'backflow prevention assembly' (e.g., backflow protective device, backflow protection equipment, backflow prevention device, backflow or back siphonage protection device, backflow preventer, or backflow device). For consistency with industry terminology, 'backflow prevention assembly' is used in the CCCPH, unless directly quoted otherwise.

of buildings in California and includes the California Plumbing Code (Part 5 of Title 24), which contains requirements pertaining to cross-connection control and backflow prevention.

- A BPA intended to convey or dispense water for human consumption via drinking or cooking must meet California's "lead free" requirements. (CHSC section 116875)
- Limits are established for the installation of backflow protection equipment where automatic fire sprinkler systems are utilized. (CHSC section 13114.7)²
- Cross-connection control must be addressed in engineering reports that are required (CCR Title 22, section 60323) for recycled water projects. (Wat. Code section 13552.8)
- If a public agency requires the use of recycled water for toilet and urinal flushing in a structure (except certain mental health facilities), the public health agency must prepare an engineering report that addresses cross-connection control. (Wat. Code section 13554)
- Prior to indoor use of recycled water in a condominium project, the entity delivering the recycled water must submit a report, for State Water Board³ approval, and include the following related to cross-connection control (Wat. Code section 13553(d)(1)):
 - The condominium project must be provided with a backflow prevention assembly approved by the State Water Board.
 - The backflow prevention assembly must be inspected and tested annually by a certified tester.
 - The condominium project must be tested by the recycled water agency or local agency at least once every four years for indications of possible cross-connections between the condominium's potable and non-potable systems.
- California's Department of Water Resources was required to convene a task force, known as the 2002 Recycled Water Task Force, to identify constraints, impediments, and opportunities for the increased use of recycled water and report

² CHSC section 13114.7 historically provided potential limits for backflow prevention assemblies on fire sprinklers. Even though current standards differ from the language stated in CHSC section 13114.7, it is still being provided as a historical reference as there may still be installations with the now outdated limits established in section 13114.7

³ The California Department of Public Health's authority and responsibility pertaining to this reference was transferred to the State Water Board via Senate Bill 861 (2014, Chapter 35). As such, applicable statutory mandates that may refer to "California Department of Public Health" or "Department" may be referred to as "State Water Board" in this document.

to the Legislature by July 1, 2003. The task force was also asked to advise and make recommendations concerning cross-connection control, including the applicability of visual inspections instead of pressure tests for cross-connections between potable and non-potable water systems. (Wat. Code section 13578(b)(1). The final report⁴ provided the following recommendations to the State Water Board – Division of Drinking Water (Division):

- Prepare guidance on dual plumbed regulations (22 CCR sections 60313-60316) consistent with Appendix J of plumbing code (Chapter 15 of 2019 California Plumbing Code, formerly Chapter 16A).
- Support thorough assessment of risk associated with cross-connections between disinfection tertiary recycled water and potable water.
- Ensure uniform interpretation of cross-connection control requirement of Title 22 regulations (recycled water) and Title 17 (cross-connection control regulations)
- Recommend stakeholders to review draft Title 17 regulations.
- A person engaged in the salvage, purchase, or sale of scrap metal who knowingly possesses a backflow prevention assembly (or connections to the assembly or any part of the assembly), or who failed to report the possession of such items, which was previously owned by a utility or public agency, is guilty of a crime. (Pen. Code section 496e)
- Junk dealers or recyclers who possess a backflow prevention assembly (or connections to that assembly or any part of the assembly) without a written certification from the agency or utility owning or previously owning the assembly will be liable to the agency or utility for the wrongful possession. (Civ. Code section 3336.5 and, similarly, Bus. & Prof. Code section 21609.1)

Please note that a number of the codes, regulations, and statutes cited above are implemented under the authority of regulatory entities other than the State Water Board and would therefore be beyond the scope of this CCCPH. The intent of providing such citations is to increase general awareness with respect to other potential statutory requirements associated with cross-connection control. The list is not exhaustive and does not include other requirements that may exist, including those via regulations that may have been adopted by an appropriate regulatory entity.

Federal Laws and Regulations

⁴ California Department of Water Resources. (2003). *Water Recycling 2030: Recommendations of California's Recycled Water Task Force*

All suppliers of domestic water to the public are subject to regulations adopted by the U.S. Environmental Protection Agency (EPA) under the U.S. Safe Drinking Water Act (SDWA) of 1974, as amended (42 U.S.C. section 300f et seq.), as well as by the State Board under the California SDWA (Health & Saf. Code, div. 104, pt. 12, ch. 4, section 116270 et seq.). Additionally, the State Water Board has been delegated primacy - the responsibility and authority to administer U.S. EPA's drinking water regulations within California – on the condition that California adopt enforceable requirements no less stringent than U.S. EPA's.

The U.S. EPA currently has no distinct cross-connection control requirements that apply broadly to public water systems (PWS); however, the importance of cross-connection control is evident by the issue papers and guidance documents developed by U.S. EPA and their recognition that cross-connections and backflow represent a significant public health risk (see discussion in Chapter 2). Although U.S. EPA currently has no distinct cross-connection control requirements, the subject of cross-connection or backflow prevention assemblies is included in the U.S. SDWA and the Code of Federal Regulations (C.F.R.) in relation to PWS, including the following:⁵

- If used exclusively for non-potable services, a backflow prevention assembly (BPA) is exempt from the federal lead prohibitions. (42, U.S.C. section 300g)
- Allows increasing disinfectant concentrations in a PWS distribution system in the event of a cross-connection (backflow) event. (40 C.F.R. section 141.130(d))
- Proper maintenance of the distribution system, including cross-connection control, is identified as a best available technology (BAT) for microbial contaminant control. (40 C.F.R. section 141.63(e))
- Under the federal Revised Total Coliform Rule, a PWS having a cross-connection control program is one of the enhancements necessary to reduce monitoring for a PWS that had been under an increased monitoring frequency. (40 C.F.R. section 141.854(h)(2))
- Under the federal Revised Total Coliform Rule, a PWS having a cross-connection control program is a criterion for a state to allow a reduced monitoring frequency (40 C.F.R. section 141.855(d)(1))
- If a state allows the monitoring frequency reductions previously mentioned under the federal Revised Total Coliform Rule, a state is required to include in its primacy package to U.S. EPA how a PWS will be required to demonstrate cross-connection control. (40 C.F.R. section 142.16(q))

⁵ For requirements unrelated to cross-connection control, please consult California's laws and regulations specific to the topic of interest. California may have more stringent requirements (e.g., reduced monitoring allowed via federal regulations may be prohibited in California).



CITY OF SEASIDE STAFF REPORT

Item No.: 9.A.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Kee Hyon Higgins, Recreation Superintendent

DATE: July 16, 2026

SUBJECT: APPROVE THE SEASIDE LIBRARY MURAL

RECOMMENDATION

Approve art selection.

BACKGROUND

In May 2026, the City released a Request for Proposals (RFP) seeking mural design and implementation proposals for a mural to be installed on the staircase leading to the Seaside Public Library at 550 Harcourt Avenue. The mural is intended to celebrate the culture of Seaside and its connection to the library through themes such as literacy, lifelong learning, imagination, cultural diversity, community connection, youth and families, local history, and access to information.

The RFP was open from May 19, 2026 through June 14, 2026, with a project budget not to exceed \$15,000. Submitted proposals were required to include a concept drawing, narrative, artist qualifications, examples of previous work, and a project budget. Proposals were evaluated based on artistic merit, appropriateness for the site, artist qualifications, and originality. Staff received 12 submissions, which included local and international artists. On Tuesday, June 16, 2026, the Art & History Commission selected BEIS (Pedro Gonzalo Garcia) as the recommended artist for the Seaside Library Mural.

BEIS is an internationally recognized muralist and graphic designer from Melbourne, Australia whose work focuses on creating meaningful public art that connects people with their surroundings through visual storytelling. With experience completing large-scale murals, public art installations, and community-based projects across Europe and Australia, his portfolio demonstrates a strong ability to transform public spaces into

engaging cultural landmarks. His original proposal includes a detailed project schedule, completion timeline of approximately four working days, and a project budget of \$11,500, which is within the City's approved project budget.

At the July 2, 2026 City Council Meeting, staff received direction to add additional artwork on the staircase and additional book titles on the concrete columns on the left and right side of the staircase. Staff received the following recommendations for the book titles to be added to the design:

1. "Racial Beachhead" - Carol McKibben
 - A local historian who has written on the history, immigration, and urban development of the Monterey Peninsula; this book documents Seaside's history as one of the nation's earliest racially integrated communities, highlighting the city's diverse cultural heritage and civil rights legacy that continue to shape its identity today.
2. "Images in America" - Carol McKibben
 - Showcases Seaside's history through historic photographs and stories, preserving the people, places, and events that have shaped the community.
3. "Joyful Noise" - Paul Fleischman
 - Seaside resident and Friends of the Library member, won the prestigious Newbery Medal (American Library Association Award for the most distinguished contribution to American literature for children) for this book, thus becoming the only parent-child duo in history to both win the award.
4. "Esperanza Rising" - Pam Munoz
 - Winner of the Pura Belpré Award, which is a recognition presented to a Latino or Latina author and illustrator whose work best portrays the Latino cultural experience in a work of literature for children or youth.
5. "Grandfather's Journey" - Allen Say
 - Winner of the Caldecott Medal (most distinguished American picture book for children) and is often cited as a culturally significant work in its AAPI representation
6. "Big" - Vashti Harrison
 - Winner of the Caldecott Medal, thus becoming the first black woman to win that award in its 86 year old history; also a Coretta Scott King honor book.

Additional book titles will be selected by the City Council.

FISCAL IMPACT

This project is funded through the annual Neighborhood Improvement Commission's allocation of transient occupancy tax, which was approved by the City Council during

the Fiscal Year 2025/2026 budget development project. The mural has an allocation of \$15,000.

STRATEGIC PRIORITY

Diverse and Inclusive Community

ATTACHMENTS

1. 2026 Seaside Library Mural Selection - Updated Rendering
-

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

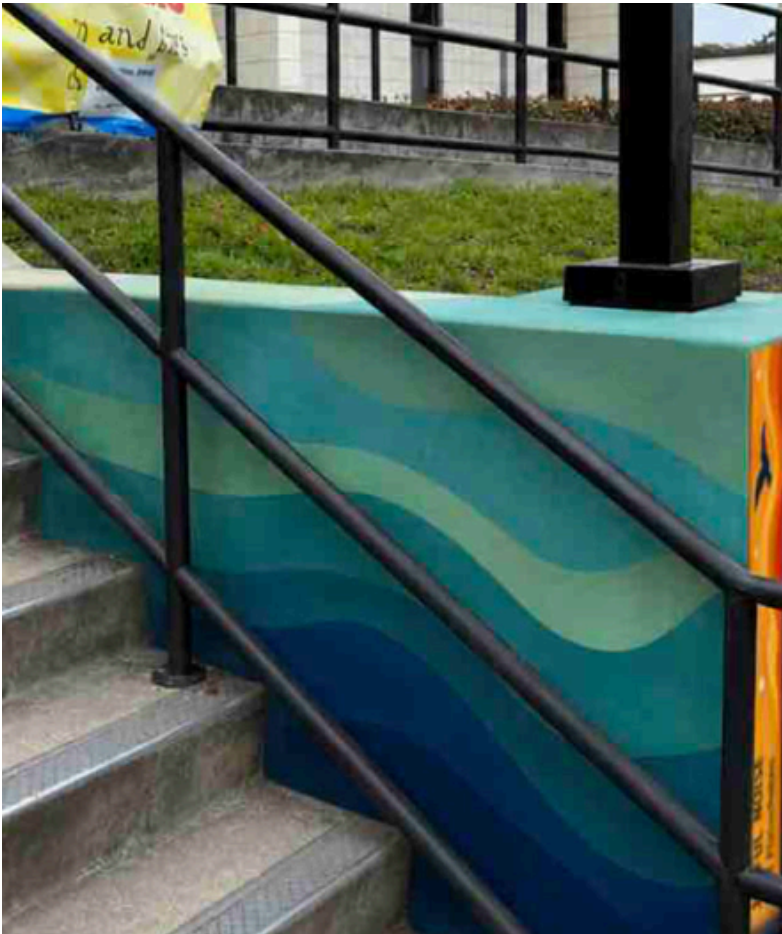
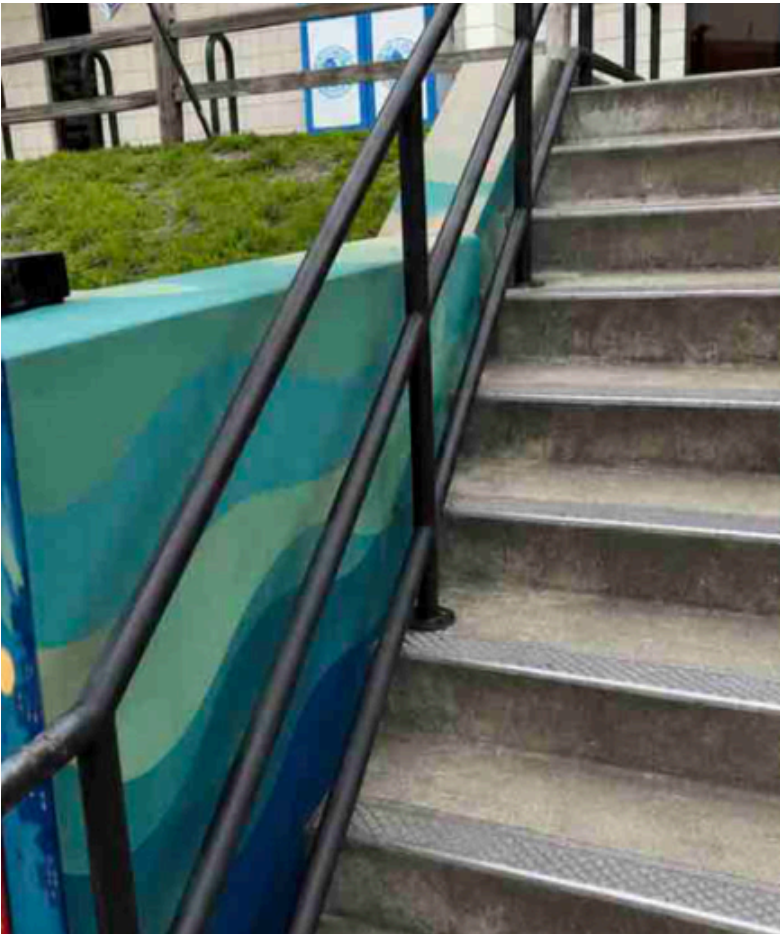
Seaside Library Mural Selection
BEIS (Pedro Gonzalo Garcia)

Original Rendering

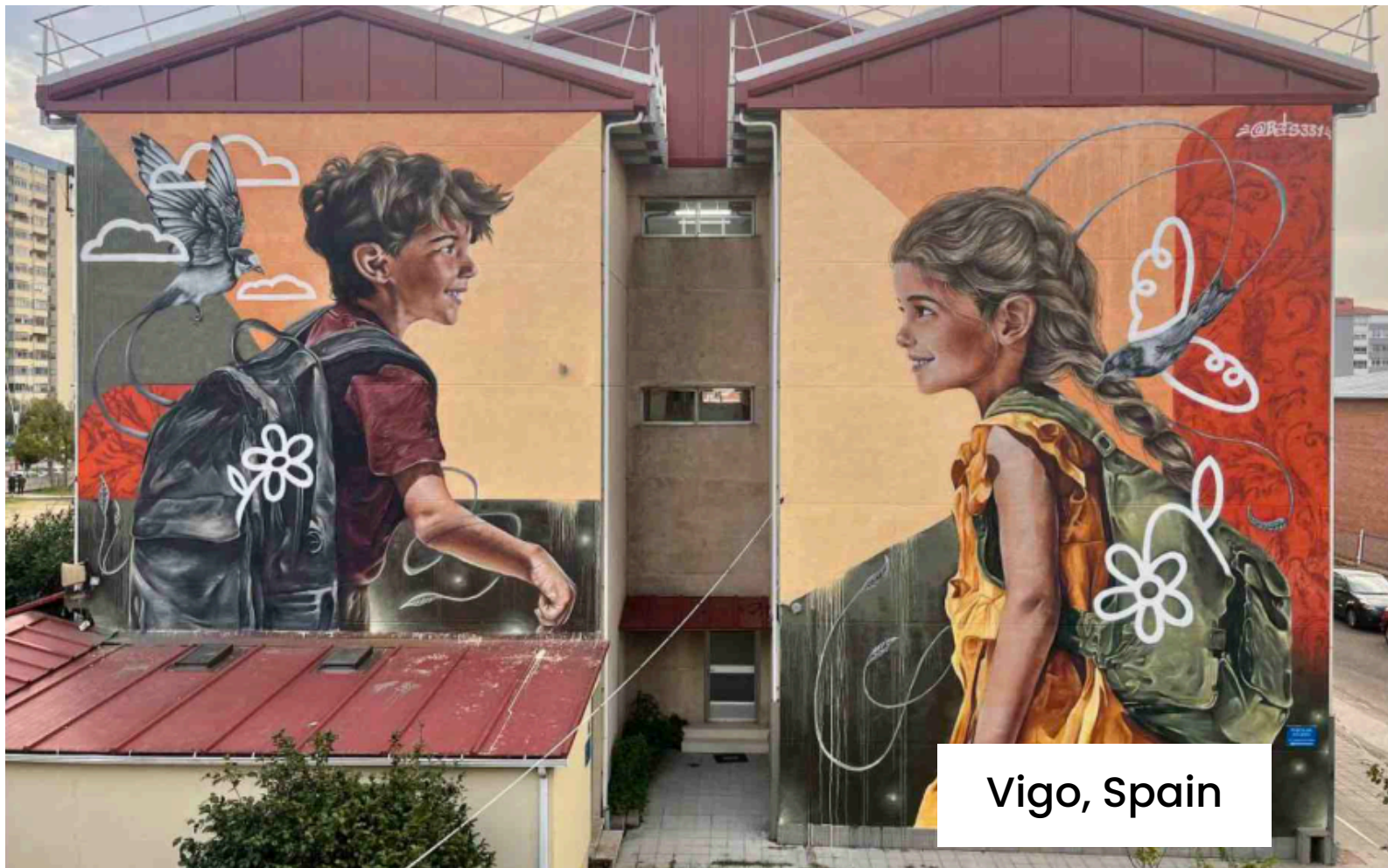


Seaside Library Mural Selection
BEIS (Pedro Gonzalo Garcia)

Updated Rendering



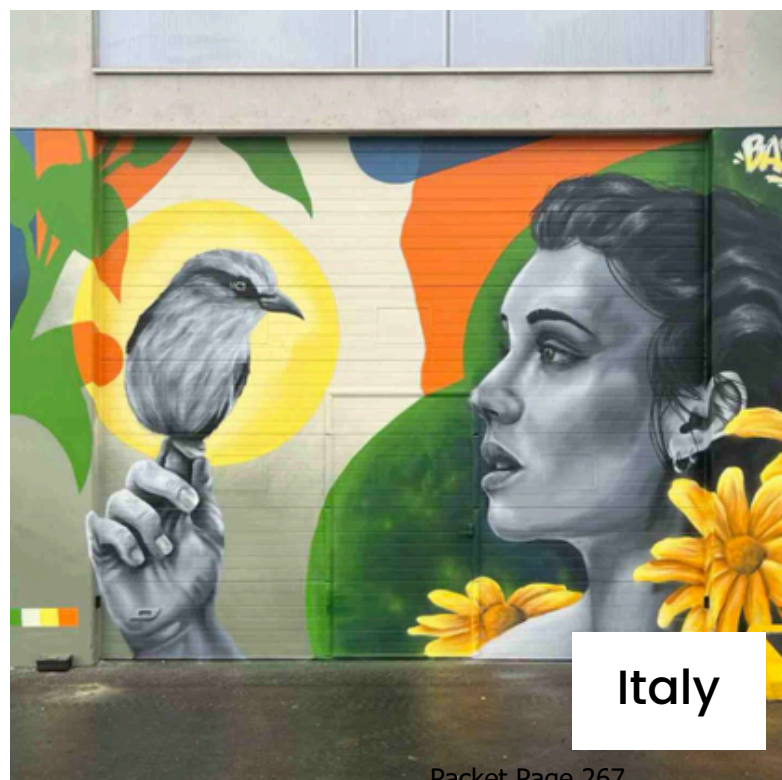
Seaside Library Mural Selection
BEIS (Pedro Gonzalo Garcia)
Past Works



Vigo, Spain



Nigrán, Spain



Italy



CITY OF SEASIDE STAFF REPORT

Item No.: 9.B.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Greg McDanel, City Manager

DATE: July 16, 2026

**SUBJECT: ADOPT A RESOLUTION AUTHORIZING THE SUBMISSION OF
LOCAL AUTHORITY RECOMMENDATIONS TO THE CALIFORNIA
GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC
DEVELOPMENT FOR OPPORTUNITY ZONES 2.0 DESIGNATION
OF CENSUS TRACTS 06053014108 AND 06053014000**

RECOMMENDATION

Adopt the proposed resolution and authorize submission of local authority recommendation forms.

BACKGROUND

The California Governor's Office of Business and Economic Development (GO-Biz) is accepting recommendations from eligible local authorities for census tracts to be considered for designation under the Opportunity Zones 2.0 program. The federal Opportunity Zones program is intended to encourage long-term private investment in eligible census tracts through qualified investment vehicles and related federal tax incentives.

The State's Local Authority Recommendation process allows cities, counties, special districts, regional joint powers authorities, councils of governments, and tribal governments to recommend eligible census tracts for consideration. The form must be submitted by an authorized representative of the recommending entity, and only census tracts appearing on the official eligible tract list published by the United States Department of the Treasury may be recommended.

Completed Local Authority Recommendation Forms are due to GO-Biz by 11:59 p.m. on **July 20, 2026**. The recommendation form also asks whether the governing body has approved the recommendation through a proclamation, record of action taken, resolution, or no action. Adoption of the proposed Resolution would provide clear City Council authorization for the City Manager, or designee, to complete and submit the recommendations for Census Tracts 06053014108 and 06053014000 on behalf of the City of Seaside.

DISCUSSION

Census Tract 06053014108 includes areas that are important to the City's long-term economic development, housing, infrastructure, tourism, workforce, and former Fort Ord reuse objectives. The tract contains significant existing and planned investment opportunities, including areas associated with Main Gate, Campus Town, and the proposed Seaside Grand Hyatt Hotel & Resort. These projects are not the sole basis for the recommendation; rather, they are examples of the type of investment activity that may be supported within the broader census tract if it is designated.

Census Tract 06053014000 lies within both Seaside and Sand City. Within Seaside, the tract includes commercial areas along the Del Monte Boulevard corridor and the West Broadway Urban Village, both of which represent significant opportunities for redevelopment and investment under the City's adopted General Plan. Opportunity Zone designation could help attract long-term private capital to support commercial revitalization, mixed-use development, housing, business activity, and public and private improvements in these areas.

Opportunity Zone designation would not provide a direct grant to the City, nor would it require the City to commit local funding, reduce fees, or provide a subsidy. The potential benefit is that qualifying private investments within either tract may become more attractive to long-term equity investors seeking the federal tax benefits associated with Qualified Opportunity Fund investments. This may help support investment in housing, mixed-use development, hospitality and visitor-serving uses, active retail, commercial corridor and urban village redevelopment, infrastructure, job creation, and business activity within the tracts.

The designation would apply at the census tract level. Census Tract 06053014000 extends into Sand City; however, the City of Seaside's recommendation does not bind Sand City, authorize development outside Seaside, or alter either city's land use authority. More generally, designation does not change zoning, approve any development project, confer any land use entitlement, impose any new tax or assessment, alter public beach access or state-controlled lands, or affect existing

residential or military housing uses. Any future project within either tract would remain subject to all applicable City, State, environmental, land use, and public review requirements.

The recommendation form also allows the City to identify community and regional partners in support of the recommendations. Letters of support are not required for the City's submission, but they are encouraged during the public comment period. Staff may coordinate with relevant institutional, public, and private partners, including the City of Sand City, project proponents, and regional economic development stakeholders, to support the City's recommendations as appropriate.

PROCESS

If the Resolution is adopted, staff will complete and submit the Local Authority Recommendation Forms to GO-Biz prior to the July 20, 2026 deadline. The City Manager, or designee, will be authorized to provide the required information for both census tracts, describe relevant public and private investment opportunities within each tract, identify applicable strategic sectors, list community and regional partners, and submit any supplemental information consistent with the Resolution.

After submission, GO-Biz is expected to continue its review and public comment process before the State advances final recommendations. The City may submit or coordinate additional support materials during the public comment period, if appropriate.

FISCAL IMPACT

There is no direct fiscal impact associated with adopting the Resolution or submitting the Local Authority Recommendation Forms. The action does not commit the City to any funding, subsidy, tax increment financing district, assessment, fee reduction, or public financing mechanism. If either of both tracts are ultimately designated and additional private investment occurs within Seaside, the City may experience indirect long-term fiscal benefits through expanded economic activity, assessed valuation, transient occupancy tax, sales tax, and related local revenue opportunities; however, no such revenue is guaranteed by the designation.

STRATEGIC PRIORITY

Vibrant Local Economy

ATTACHMENTS

1. Opportunity Zone Resolution
 2. OZ-2.0-FAQ-2
 3. Census Tract - 06053014108 - Map
 4. Census Tract - 06053014000 - Map
-

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

RESOLUTION NO. 26-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE
AUTHORIZING THE SUBMISSION OF LOCAL AUTHORITY
RECOMMENDATIONS TO THE CALIFORNIA GOVERNOR'S OFFICE OF
BUSINESS AND ECONOMIC DEVELOPMENT FOR OPPORTUNITY ZONES 2.0
DESIGNATION OF CENSUS TRACT 06053014108 AND 06053014000**

WHEREAS, the City of Seaside is committed to advancing economic development, housing production, job creation, infrastructure investment, visitor-serving opportunities, and the productive reuse of former Fort Ord lands in a manner that benefits the Seaside community and the broader Monterey Bay region; and,

WHEREAS, Opportunity Zones are a federal economic development tool intended to encourage long-term private investment in eligible census tracts through qualified investment vehicles and related federal tax incentives, and the California Governor's Office of Business and Economic Development ("GO-Biz") has invited eligible local authorities to submit recommendations for census tracts to be considered for designation under the Opportunity Zones 2.0 program; and,

WHEREAS, the City has reviewed the Opportunity Zones 2.0 Local Authority Recommendation process and understands that only census tracts appearing on the official eligible tract list published by the United States Department of the Treasury may be recommended for designation; and,

WHEREAS, Census Tract 06053014108 is located within the City of Seaside and includes areas that are important to the City's long-term economic development, housing, infrastructure, tourism, workforce development, regional partnership, and land reuse objectives; and,

WHEREAS, Census Tract 06053014108 includes significant existing and planned investment opportunities, including but not limited to areas associated with Main Gate, Campus Town, and the proposed Seaside Grand Hyatt Hotel & Resort, which may contribute to the City's broader goals for mixed-use development, housing, hospitality, active retail, employment, public improvements, and regional economic vitality; and,

WHEREAS, Census Tract 06053014000 lies within both the City of Seaside and the City of Sand City, and the portion within Seaside includes commercial areas along the Del Monte Boulevard corridor and the West Broadway Urban Village, which represent significant opportunities for redevelopment and investment consistent with the City's adopted General Plan; the City's recommendation does not alter or affect Sand City's land use authority or jurisdiction over the portion of the tract within Sand City; and,

WHEREAS, designation of Census Tracts 06053014108 and 06053014000 as Opportunity Zones may support additional public and private investment in the tracts by improving the ability of qualifying projects, businesses, and investment opportunities to attract long-term equity capital; and,

WHEREAS, the City Council desires to support investment within Census Tracts 06053014108 and 06053014000 in a manner that expands the City's tax base, supports local and regional employment opportunities, strengthens connections with California State University, Monterey Bay, advances former Fort Ord reuse objectives, supports implementation of the City's adopted General Plan and revitalization of commercial corridors and urban village areas, and furthers community-serving economic development; and,

WHEREAS, Opportunity Zone designation does not approve any specific development project, amend the City's General Plan or zoning regulations, confer any land use entitlement, impose any tax or assessment, create any City financial obligation, or alter the City's existing review and approval authority over future development proposals; and,

WHEREAS, any future development project, public investment, financing district, land use entitlement, environmental review, or City funding commitment within Census Tracts 06053014108 and 06053014000 shall remain subject to all applicable federal, state, and local laws and any required future discretionary approvals; and,

WHEREAS, the City Council finds that supporting the submission of a Local Authority Recommendations for Census Tracts 06053014108 and 06053014000 is consistent with the City's economic development objectives and is in the public interest.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Seaside hereby:

1. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. The City Council finds that this Resolution is not a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15378 because the action authorizes the submission of recommendations for potential Opportunity Zones 2.0 designation and does not have the potential to result in a direct or reasonably foreseeable indirect physical change in the environment. In the alternative, the City Council finds that this Resolution is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment.
3. The City Council hereby authorizes and supports the submission of a Local Authority Recommendation Form to GO-Biz recommending Census Tracts 06053014108 and 06053014000 for designation under the Opportunity Zones 2.0 program.

4. The City Council authorizes the City Manager, or the City Manager's designee, to prepare, execute, certify, and submit the Local Authority Recommendation Forms and any related documents, information, or materials necessary or appropriate to complete the City's recommendations for Census Tracts 06053014108 and 06053014000.
5. The City Manager, or the City Manager's designee, is authorized to identify community, regional, institutional, public, and private partners in support of the recommendations; coordinate any support materials or public comment submissions; and make non-substantive revisions or supplemental submissions consistent with the intent of this Resolution.
6. This Resolution does not approve any specific development project, land use entitlement, tax increment financing district, City subsidy, public financing mechanism, or City funding commitment. Any such action shall require separate review and approval by the City Council or other applicable decision-making body.
7. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 16th day of July, 2026 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

Ian N. Oglesby, Mayor

ATTEST:

Dominique Davis, City Clerk

APPROVED AS TO FORM

Sheri L. Damon, City Attorney

Opportunity Zones 2.0 in California

Frequently Asked Questions (FAQ)

How to Use this FAQ Document:

- The first version of this document was uploaded to the [GO-Biz Opportunity Zones 2.0 Web Page](https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/) (<https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/>) on June 4, 2026. This document will continue to be updated as the GO-Biz Regional Economic Development Initiatives team receives questions through the [Question Submission Form](https://forms.cloud.microsoft/g/CNmhbGAKSN) (<https://forms.cloud.microsoft/g/CNmhbGAKSN>) and during webinars (register for upcoming sessions and view recordings [here](https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/) (<https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/>)).
- Submitted questions will be reviewed and incorporated into future FAQ updates, as appropriate. A direct response will not be provided. New content will be added to the end of this document and will be indicated by the date posted.
- Previously answered questions may have updated answers. Answers that have been updated will be indicated with "(UPDATED MONTH-DAY-YEAR)" before the question.
- Please visit the [GO-Biz Opportunity Zones 2.0 Web Page](https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/) (<https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/>) to ensure you have the latest version of this document.

Posted June 4, 2026:

1. What are Opportunity Zones?

Opportunity Zones are economically distressed communities, defined at the individual census tract level, that are nominated by the governors of each state and territory, as well as the Mayor of the District of Columbia, and certified by the U.S. Secretary of the Treasury through a delegation of

authority to the Internal Revenue Service. Under certain conditions, new investments in Opportunity Zones may be eligible for preferential tax incentives.

Opportunity Zones can be a powerful tool for driving private investment into underserved communities. The program was established by the Tax Cuts and Jobs Act (TCJA) on December 22, 2017. Originally created as a temporary initiative, the incentive was later enhanced and made permanent under Public Law 119-21, which was passed by the 119th United States Congress.

To learn more about the program, please visit the [IRS Opportunity Zones FAQ page \(https://www.irs.gov/credits-deductions/opportunity-zones-frequently-asked-questions\)](https://www.irs.gov/credits-deductions/opportunity-zones-frequently-asked-questions).

2. What types of projects can Opportunity Zones finance?

The Opportunity Zone tax incentive can support a wide range of investments, including commercial and industrial real estate, housing, infrastructure, and both existing and start-up businesses. For real estate projects to qualify, the investment must be “original use” or result in the property being “substantially improved.”

3. What entities are considered investors in the program?

Any corporation or individual with realized capital gains may be eligible to invest in Opportunity Zones. Eligible capital must be provided as an equity investment, not debt (though debt may be part of a larger financing package). Additionally, the investment must be made using recently realized capital gains to qualify for the associated tax incentives.

4. What is Opportunity Zones 2.0?

Opportunity Zones 2.0 refers to the permanent renewal and enhancement of the Opportunity Zones program enacted through Public Law 119-21 and signed into law on July 4, 2025. Under the original law, the program was set to expire on December 31, 2026. Section 70421 of the

federal statute makes it a permanent feature of the Internal Revenue Code while updating eligibility criteria, tax incentives, and compliance requirements.

5. When did these changes take effect?

Most major changes—including the new tax benefit structure and redesignated zones—apply to investments made on or after January 1, 2027. However, one provision took effect immediately upon enactment: the reduced substantial improvement requirement for rural investments (lowered from 100% to 50%) became effective July 4, 2025.

6. What happens to existing Opportunity Zone investments made before 2027?

Investments made under the original TCJA Opportunity Zone rules are unaffected by Section 70421. The prior rules continue to govern those earlier investments, and the new regulations do not retroactively alter their tax treatment.

7. Will there be an overlap with Opportunity Zones 1.0 and Opportunity Zones 2.0?

Yes. See timeline below:

- January 1, 2027 – Opportunity Zones 2.0 map and investment rules become effective
- January 1, 2027, through December 31, 2028 – Opportunity Zones 1.0 and Opportunity Zones 2.0 maps remain valid
- December 31, 2028 – Opportunity Zones 1.0 tracts sunset; only Opportunity Zones 2.0 zones remain.

8. How will Opportunity Zones be designated going forward?

The program now operates on a permanent, rolling 10-year cycle. Governors must nominate Qualified Opportunity Zones every decade. The first round of new designations must occur within a 90-day window beginning July 1, 2026, subject to U.S. Treasury approval. New designations take effect for investments made on or after January 1, 2027.

9. How many census tracts can a state designate as Opportunity Zones?

Governors may nominate up to 25% of their state's eligible census tracts as Qualified Opportunity Zones. California has 2,469 eligible census tracts, so the Governor may nominate a maximum of 618 tracts.

10. Have the eligibility criteria for census tracts changed?

Yes. Opportunity Zones 2.0 tightens the income eligibility threshold. Census tracts qualify if they meet one of the following:

- Income does not exceed 70% of the applicable median family income; OR
- Poverty rate is at least 20% and income does not exceed 125% of the applicable median family income.

Note: The U.S. Department of the Treasury determined median family income for each census tract based on the 2020-2024 American Community Survey (ACS) 5-year estimates.

11. How do I find out if a census tract in my jurisdiction is eligible?

The U.S. Department of the Treasury released the official list of eligible census tracts on April 6, 2026. Please see [Qualified Opportunity Zones | U.S. Department of the Treasury \(https://home.treasury.gov/policy-issues/tax-policy/data-transparency/qualified-opportunity-zones\)](#) to see the official list. You may also consult interactive mapping tools provided by organizations such as [Novogradac \(https://www.policymap.com/embed/widget/12163/DNAOEK4MOFUIAGJCCEX7MVRX9IRWBIKG\)](#) and the [Economic Innovation Group \(https://www.arcgis.com/apps/dashboards/c473c71f0704408f934fbd342caf1f1\)](#) to explore eligible tracts. Please contact us if you need assistance identifying eligible tracts in your jurisdiction.

12. Can a tract that is currently an Opportunity Zones 1.0 zone be recommended for Opportunity Zones 2.0?

Yes, if the tract appears on Treasury's official Opportunity Zones 2.0 eligible

tract list. Existing Opportunity Zones 1.0 tracts are not automatically eligible or ineligible — each tract must independently meet the new, updated eligibility criteria under the federal statute. Some Opportunity Zones 1.0 tracts will not qualify under the stricter Opportunity Zones 2.0 standards.

13. Can governors still nominate contiguous census tracts that are not otherwise eligible?

No. Opportunity Zones 2.0 eliminates the contiguous tract designation option. Only tracts that independently meet eligibility criteria may be designated.

Qualified Rural Opportunity Funds

14. What is a Qualified Rural Opportunity Fund?

A Qualified Rural Opportunity Fund is a new investment vehicle targeting rural communities. It is similar to a standard Qualified Opportunity Fund but requires investments to be located entirely within rural areas. A rural area is defined as any area that is **not**:

- a city or town with a population greater than 50,000
- An urbanized area contiguous and adjacent to a city or town with a population greater than 50,000

15. What tax benefit does a Qualified Rural Opportunity Fund provide?

A Qualified Rural Opportunity Fund provides a 30% basis step-up after a five-year holding period, compared to 10% for a standard Qualified

Opportunity Fund in a non-rural area. The permanent exclusion of taxable income on appreciation (new gains) from the Qualified Opportunity Fund investment after a 10-year holding period applies to both rural and non-rural QOFs.

16. Is the substantial improvement threshold different for rural investments?

Yes. For rural opportunity zones, the substantial improvement requirement is reduced from 100% to 50% of the purchase price.

17. Are there new reporting requirements for Qualified Opportunity Funds and Qualified Rural Opportunity Funds?

Yes. Opportunity Zones 2.0 imposes expanded reporting requirements, including annual reporting on property type, residential units, asset value, employment, and specific census tracts of investment.

18. Is the State considering state-level Opportunity Zones 2.0 incentives?

At this time, the state has not had formal discussions about state-level conforming incentives for Opportunity Zones 2.0.

19. How will the State of California select census tracts for nomination?

The state will consider major demographic and other socioeconomic factors, outlined below, alongside local recommendations (see detail on process below) to inform California's proposed census tract nominations. Those proposed nominations may be further refined through a public comment period.

20. What are the State's priorities for census tract nomination?

In evaluating potential census tracts for nomination, California intends to prioritize a range of considerations, including:

- **Poverty** – measures the concentration of residents living below the poverty line and a primary indicator of economic hardship
- **Median family income** - measures how incomes compare to the surrounding area, capturing both economic disadvantage and financial capacity
- **Renter occupancy and rent as a percentage of income** - measures housing cost and availability, based on the share of renter

households spending 35 percent or more of income on gross rent, indicating financial strain

- **Crowding** - reflects constrained housing conditions (more than one person per room), often driven by limited housing supply or affordability pressure, and is associated with housing instability and displacement risk
- **Unemployment**
- **Geographic equity** - considers statewide inclusion of eligible census tracts
- **Statewide and regional economic development objectives** – considers economic development priorities, including regional plans, Jobs First priorities, and business ready sites.

21. (UPDATED 6-15-2026) Will the State of California have a local engagement process for recommending Opportunity Zones 2.0 census tract designations?

Yes. GO-Biz, in coordination with DOF, has initiated a formal process allowing local communities to recommend census tracts for the Governor's consideration. GO-Biz has published the [Local Authority Recommendation Form \(https://forms.cloud.microsoft/g/4ykYDGAjba\)](https://forms.cloud.microsoft/g/4ykYDGAjba) on its [Opportunity Zone webpage \(https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/\)](https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/) requesting local partners to provide responses to specific questions demonstrating how the recommended census tract includes projects or activities aligned with regional and statewide economic development priorities.

There will also be a public comment period following the initial recommendation phase for additional community input.

22. (UPDATED 6-15-2026) How many census tracts can a local partners recommend?

There is no defined limit on the number of eligible tracts a local jurisdictional authority may recommend. However, we encourage local governments to be strategic and prioritize their strongest candidates. The Governor may nominate no more than 25% of the state's total eligible

census tracts to the U.S. Treasury. If a local partner submits multiple census tracts for recommendation, they may list their order of preference in the Local Authority Recommendation Form. Please see the Local Authority Recommendation Form Instructions document for additional information.

23. (UPDATED 6-15-2026) When will the application period for census tract recommendations from local communities take place?

GO-Biz began accepting recommendations via the Local Authority Recommendation Form on June 15, 2026. The closing date for online submittals is July 25, 2026, at 11:59 pm PST. The [Local Authority Recommendation Form \(https://forms.cloud.microsoft/g/4ykYDGAjba\)](https://forms.cloud.microsoft/g/4ykYDGAjba) is posted on the GO-Biz [Opportunity Zone webpage \(https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/\)](https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/).

24. (UPDATED 6-15-2026) Which entities are eligible to recommend census tracts during this initial round of consultation?

Formal census tract recommendations can be submitted by local jurisdictional authorities:

- Cities and municipalities
- Counties
- Special Districts
- Regional Joint Powers Authorities
- Councils of Governments
- Tribal Governments

It is recommended that other interested community-based parties, including chambers of commerce and local economic development organizations, connect and work collaboratively with their local jurisdictional authorities outlined above. Those wishing to weigh in on the designations will also have an opportunity in the subsequent public comment period.

25. (UPDATED 6-15-2026) Are tribal communities eligible to recommend census tracts?

California-based federally and non-federally recognized tribes may also submit census tract recommendations. Equitable treatment of eligible Native American census tracts is a fundamental consideration in this process. If multiple tribal governments are within a single census tract, all respective tribal governments are eligible to recommend the census tract.

Register for June 24, 2026, Webinar: [Opportunity Zones 2.0 - Tribal Communities and Partners \(Opportunity Zones 2.0 - Tribal Communities and Partners \(https://gobiz-ca.gov.zoom.us/webinar/register/WN_arg-DAQVS_2NWFCPfxixFg#/registration\)\)](https://gobiz-ca.gov.zoom.us/webinar/register/WN_arg-DAQVS_2NWFCPfxixFg#/registration).

26. Will the State publish the list of census tracts to be nominated by the Governor?

Yes. DOF, in partnership with GO-Biz, will publish a draft list of selected census tracts for nomination. This list will then be open for public comment in August 2026. Final nominations will be submitted to the U.S. Treasury by September 28, 2026, and the final list of Opportunity Zones will be posted on the GO-Biz and DOF websites.

27. Will the State host information-sharing sessions to provide an overview of the Opportunity Zones 2.0 selection process?

Yes. GO-Biz is hosting a series of informational webinars. Dates and registration details can be found on the GO-Biz website at [Opportunity Zones in California \(https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/\)](https://business.ca.gov/resources/infrastructure-development/opportunity-zones-in-california/).

28. Will the State consider a process for analyzing and nominating census tracts that are not included on the official eligibility list published by the U.S. Treasury (commonly referred to as “off-list” census tracts)? If so, what data or supporting analysis would the State want to see as part of that evaluation?

The U.S. Treasury is expected to publish specific guidance regarding the

type of data and supporting analyses states must provide in order to nominate "off-list" census tracts. Treasury has indicated that this information will be provided directly to Governors.

At this time, GO-Biz and DOF are awaiting to receive that guidance before determining whether it will consider nominations for off-list census tracts as part of the Opportunity Zones 2.0 selection process.

Added June 15, 2026:

29. Does the governing body of the recommending entity need to approve the recommendation of a census tract via a Proclamation, Record of Action Taken, or Resolution?

No. The recommending entity may provide a link to a Proclamation, Record of Action Taken, or Resolution in the Local Authority Recommendation Form, but it is not required.

30. May recommending entities provide supporting attachments to the Local Authority Recommendation Form?

No. Attachments cannot be accepted with the Local Authority Recommendation Form. Supporting documents, such as letters of support, may be provided during the public comment period.

31. How should recommending entities engage with their legislative representatives?

We encourage recommending entities to brief their legislative representatives on their proposed census tracts. Legislative representatives may then provide a letter of support for the proposed census tracts during the public comment period.

32. What if 2 or more recommending entities submit forms for the same census tract?

We encourage local jurisdictional authorities to coordinate their submissions of census tracts for recommendation. Duplicate submissions for census tracts will have no effect on the evaluation of census tracts.

33. Can census tracts not identified on the official Qualified Opportunity Zones Eligible Tract list by the U.S. Department of Treasury submit a recommendation?

The state is not accepting “off-list” census tract recommendations at this time. We will post any updates should the U.S. Department of Treasury provide new instructions.

34. Will the State indicate how many tracts each jurisdiction can expect to be nominated within its borders before the nomination window closes?

There will not be a minimum or maximum number of eligible census tracts that will be nominated for a jurisdiction. Census tracts will be considered for nomination based on their alignment with the State's investment priorities and selection criteria.

Added June 22, 2026:

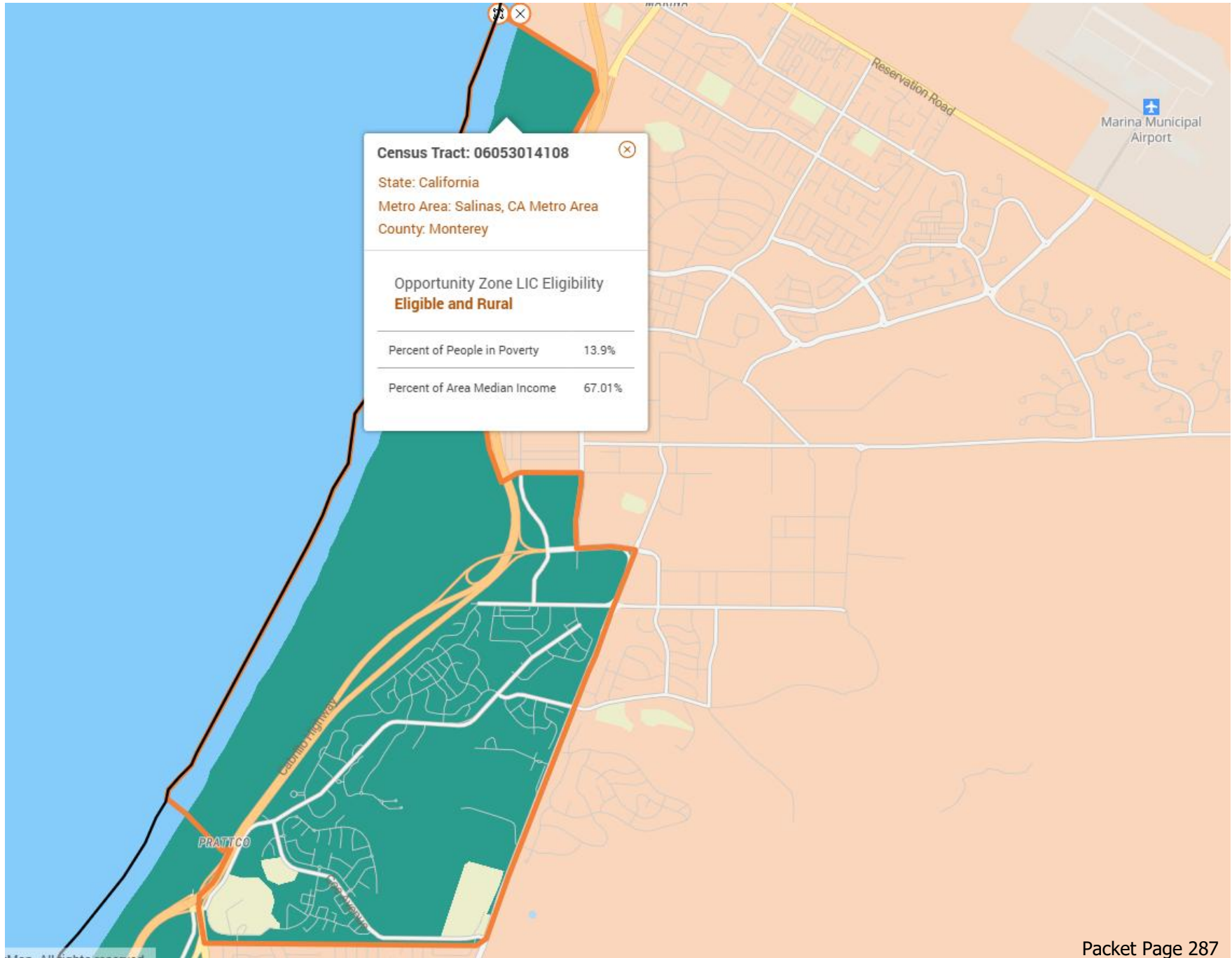
35. Is there a point system for the Local Authority Recommendation Form?

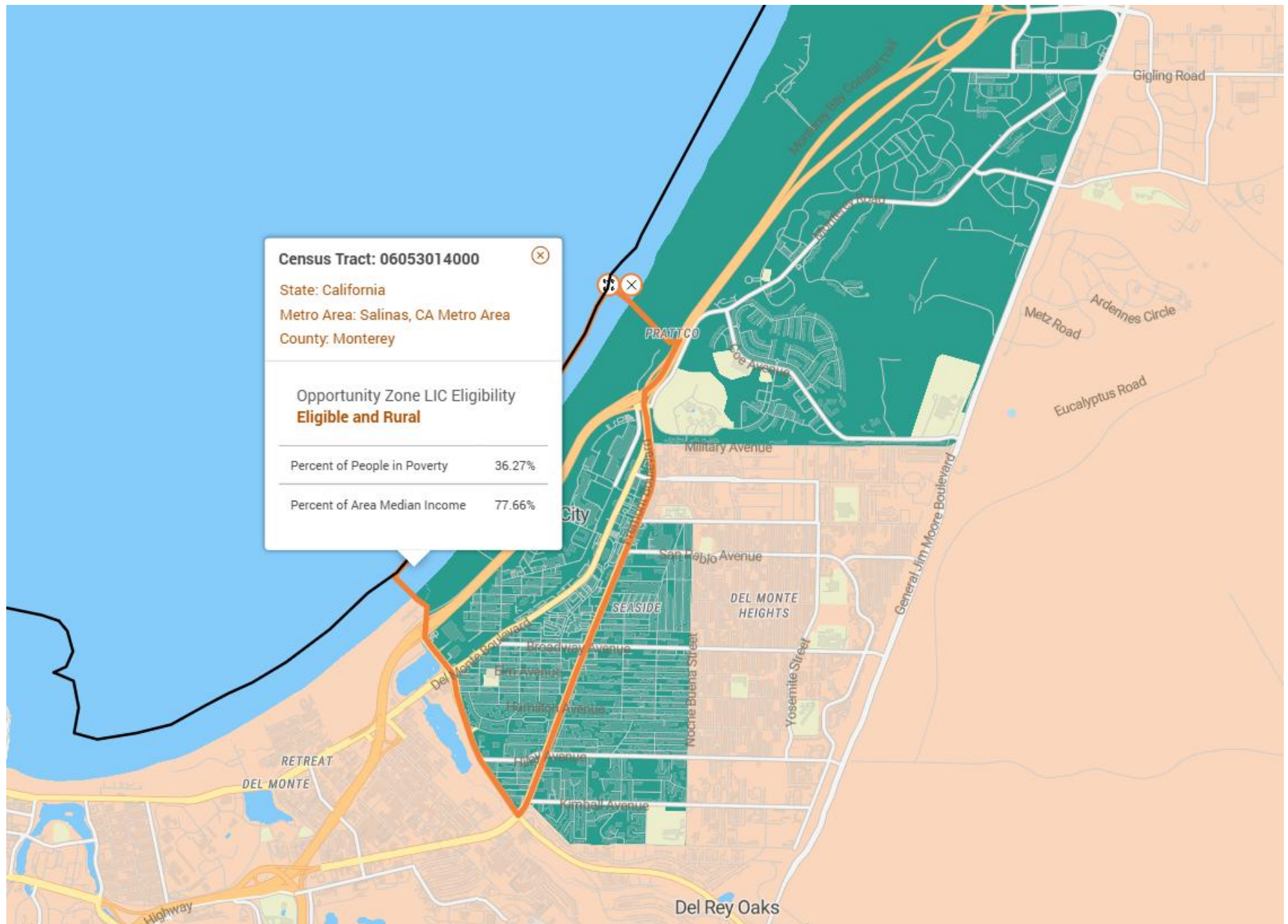
No. The evaluation of recommendations submitted through the Local Authority Recommendation Form encompasses a variety of factors. Recommendations will be evaluated against the State's priorities for census tract nominations (Question 20). GO-Biz and DOF will provide the Governor's office with initial evaluations of all eligible census tracts. In addition to these evaluations, the Governor's office will also consider the public input provided in support of census tracts during the public comment period. The Governor's office will ultimately determine which census tracts will be nominated and submitted to the U.S. Department of the Treasury.

Added June 29, 2026:

36. The Local Authority Recommendation Form does not include a place for recommenders to include data related to the State's priorities for census tract nominations (Question 20). Do authorized submitters need to include this information/relevant data in the form's open-ended question responses?

No. The Department of Finance has all relevant demographic data for each eligible census tract. Please keep open-ended responses specific to the question asked.







CITY OF SEASIDE STAFF REPORT

Item No.: 9.C.

TO: City Council

FROM: Greg McDanel, City Manager

BY: Sheri Damon, City Attorney
Greg McDanel, City Manager

DATE: July 16, 2026

**SUBJECT: ADOPT A RESOLUTION IN SUPPORT OF MODIFICATION OF
STATE WATER BOARD ORDERS WR 2009-0060 AND 2016-0016
TO LIFT THE MORATORIUM ON NEW WATER SERVICE
CONNECTIONS**

RECOMMENDATION

Adopt the proposed resolution.

BACKGROUND

The attached resolution asks the City Council to formally submit support to lift the moratorium on new service connections within California American Water Company's service area by modifying Condition 2 of State Water Resources Control Board Resolutions WR2009-0060 and WR2016-0016. The State Water Board's June 19, 2026 Notice of Hearing identifies that issue as the principal hearing question and sets a written testimony deadline of July 20, 2026, with rebuttal due August 18, 2026, a public comment and policy statement hearing on September 17, 2026, and optional closing briefs due September 21, 2026. Adoption of the resolution would place the City of Seaside on record in support of modifying the cease-and-desist order framework to reflect current regional water supply conditions and to reduce barriers to housing and economic development that depend on new or expanded water service.

In 1995, the State Water Resources Control Board adopted Order 95-10 requiring California American Water to diligently implement measures to terminate illegal diversions from the Carmel River. Order 95-10 was later amended by Order WR 2009-0060, which imposed a moratorium on new service connections for increased use of water at existing service addresses served by Carmel River water, and that the State

Water Board further amended the framework through Order WR 2016-0016.

On October 21, 2025, Monterey Peninsula Water Management District submitted an application under Water Code section 1832 to modify the existing orders so that Cal-Am may set new meters and make new service connections, while also establishing revised reporting and trigger mechanisms for protection of the Carmel River. The resolution states that this request is based on reduced actual water usage since 2009, the absence of a current violation or foreseeable threat of violation of the orders, continued compliance with authorized Carmel River diversion limits, and the additional supply provided by the Pure Water Monterey Expansion project. As summarized in the Notice of Hearing, the application requests rescission of Condition 2, retention of key reporting requirements, and inclusion of a mechanism to reimpose restrictions if future circumstances justify renewed limits. The Notice of Hearing further states that MPWMD contends there is no current violation or threatened future violation of the orders because Carmel River diversions have remained within authorized limits due to conservation and new water supplies, including the Pure Water Monterey Expansion project. The City's November 1, 2025 letter to the State Water Board similarly states that the Pure Water Monterey project came online in 2021, that Cal-Am had not exceeded the legal amount of water available from the Carmel River for the prior four years, and that the Pure Water Monterey Expansion project had further improved supply conditions.

The State Water Board's June 19, 2026 Notice of Hearing identifies the principal hearing question as whether Condition 2 of Order WR 2009-0060 should be modified to lift the moratorium on new service connections and, if so, what trigger should apply to reimpose those restrictions if future circumstances warrant. The Notice further states that written testimony and exhibits are due July 20, 2026, written rebuttal is due August 18, 2026, the hybrid public comment and policy statement hearing day is scheduled for September 17, 2026, and optional closing briefs are due September 21, 2026.

Discussion

The current moratorium has practical land use and economic consequences for Seaside because a substantial portion of the city is served by Cal-Am and many residential, mixed-use, and commercial projects depend on the availability of new or expanded water service. The attached resolution states that the moratorium affects approximately 33,000 Seaside customers and businesses served by Cal-Am and constrains the City's ability to process, approve, and implement projects reliant on water service connections.

The resolution also explains that the moratorium has frustrated implementation of the City's planning and economic development goals, including redevelopment and intensification in the West Broadway downtown area. According to the draft resolution, the City has pursued extraordinary measures to address the restrictions, including an in-lieu water storage program on the City's golf course and a water credit program

created in 2022, but those tools increase costs for the City and for housing and other development projects.

The City's prior support letter to the State Water Board connects modification of the cease-and-desist order to fulfillment of Regional Housing Needs Allocation objectives and expanded affordable housing opportunities for local workforce employees. The draft resolution further identifies direct housing impacts, stating that continuation of the moratorium limits the City's ability to facilitate affordable housing, workforce housing, and market-rate housing production.

The resolution also cites the Ascent project as an example of the burdens created by the current framework, describing a ten-building workforce rental housing project with 106 units that required a special water supply arrangement valued at approximately \$1.5 million to proceed. That example supports the policy conclusion that lifting the moratorium could reduce extraordinary project costs and improve the feasibility of community-serving development.

At the same time, the proposed resolution does not advocate for eliminating safeguards altogether. Instead, it supports a modification that lifts the moratorium only if the State Water Board adopts a clear and administratively workable mechanism to reimpose restrictions if future diversions exceed lawful limits or other objective supply conditions demonstrate renewed restrictions are necessary.

Environmental Review

Adoption of the proposed resolution is not a project under the California Environmental Quality Act because it constitutes an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment, and independently may be characterized as a statement of policy or position regarding a pending regulatory proceeding. Any future development projects or future State Water Board actions affecting water service conditions would remain subject to whatever environmental review is required at that later stage.

Alternatives

- Adopt the resolution as presented, thereby placing the City on record in support of lifting the Condition 2 moratorium with an objective reimposition trigger.
- Adopt the resolution with modifications to refine the City's policy statements or directions for submission to the State Water Board.
- Decline to adopt the resolution, in which case the City would not submit this additional formal expression of support in the pending proceeding.

Conclusion

The pending State Water Board proceeding presents a timely opportunity for the City to advocate for a revised regulatory framework that reflects changed water supply conditions while preserving enforceable protections against future unlawful diversions.

Adoption of the attached resolution would align the City's formal position with its prior correspondence and with its housing, economic development, and land use objectives.

FISCAL IMPACT

Adoption of the resolution does not itself create a direct fiscal obligation for the City beyond the administrative cost of transmitting the City's position to the State Water Board. However, the materials before the Council indicate that continuation of the moratorium can increase development costs, delay investment, and require the City and project applicants to pursue extraordinary water supply arrangements to move projects forward.

STRATEGIC PRIORITY

Vibrant Local Economy, Diverse and Inclusive Community, Enhanced Physical Infrastructure & Abundant Water Supply

ATTACHMENTS

1. Resolution Modifying Moratorium
2. CDO Notice of Hearing re Modification_1
3. 11.6.2025 City of Seaside to SWRCB

Reviewed for Submission to the City Council by:



Greg McDanel, City Manager

RESOLUTION NO. 26-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE IN SUPPORT OF MODIFICATION OF STATE WATER BOARD ORDERS WR 2009-0060 AND WR 2016-0016 TO LIFT THE MORATORIUM ON NEW WATER SERVICE CONNECTIONS

WHEREAS, in 1995 the State Water Resources Control Board (SWRCB) adopted Order 95-10 which required California American Water (Cal Am) to diligently implement measures to terminate its illegal diversions from the Carmel River. Order 95-10 was subsequently amended by WR Order 2009-0060 which imposed a moratorium on new service connections for any increased use of water at existing service addresses that were served by water from the Carmel River. The SWRCB made further amendments to Orders 2009-0060 and 95-10 with its most recent Order 2016-0016. (collectively, these orders are referred to as cease-and-desist orders or “CDO”); and

WHEREAS, on October 21, 2025, the Monterey Peninsula Water Management District submitted an Application for Order Modifying Order 2016-0016 and the prior orders to modify Condition 2 to allow CalAm to set new meters and make new service connections and establishing new reporting and trigger mechanisms for the protection of the Carmel River. The basis for this request stems from the fact that the Monterey Peninsula communities have reduced actual water usage steadily since 2009, that there is no current violation or threat of violation of Orders WR 2009-0060 or WR 2016-0016 in the foreseeable future, that Carmel River diversions have remained within authorized limits, and that the Pure Water Monterey Expansion project provides additional supply sufficient to avoid future violations; and

WHEREAS, on June 19, 2026, the State Water Resources Control Board issued a Notice of Hearing to consider modification of the Cease-and-Desist Orders WR 2009-0060 and WR 2016-0016, in connection with the Monterey Peninsula Water Management District’s October 21, 2025 application under Water Code section 1832; and

WHEREAS, the Notice of Hearing states that the proceeding will occur primarily on the written record, with written testimony and exhibits due July 20, 2026, written rebuttal due August 18, 2026, a hybrid public comment and policy statement hearing day on September 17, 2026, and optional closing briefs due September 21, 2026; and

WHEREAS, the principal hearing question identified by the State Water Resources Control Board is whether Condition 2 of Order WR 2009-0060 should be modified to lift the moratorium on new service connections, and if so, what trigger should apply to reimpose those restrictions if future circumstances warrant; and

WHEREAS, the Notice of Hearing further explains that Order WR 2009-0060, as amended by Order WR 2016-0016, was adopted to address unlawful diversions from the Carmel River and includes Condition 2, which prohibits California American Water Company from creating new water service connections or expanding use at existing service connections except as specified in that order; and

WHEREAS, while the creation of new water supplies is of vital importance, its impact is limited so long as the cease-and-desist orders remain in place, as the orders preclude the development of vacant infill parcels without a water meter and also prevent the intensification of existing development by preventing the installation of larger meters to accommodate more intense development even when existing meters are in place; and

WHEREAS, the moratorium on new water service connections affects approximately 33,000 Seaside customers and businesses served by California American water within the City of Seaside, thereby constraining the City's ability to process, approve, and implement residential, mixed-use, commercial, and other development projects dependent upon new or expanded water service; and

WHEREAS, Order 2009-0060 was issued shortly before the City's approval of a new economic development plan for the West Broadway Urban Village, all of which is served by California American Water, which envisioned intensification of development to create a vibrant downtown corridor on West Broadway; and

WHEREAS, after the implementation of the cease-and-desist provisions prohibited California American from setting new meters to serve new or intensified uses the City's hopes for a vibrant downtown have been put on hold while waiting for the moratorium provisions to be lifted; and

WHEREAS, on or about September 2022, the City of Seaside executed the extraordinary step of creating a water credit program to address the moratorium in order to advance pending housing projects, making water available but also increasing costs to the City, increasing the costs for construction of new housing and other projects; and

WHEREAS, despite these efforts, even with the water credit program in place, the continuation of the moratorium impairs economic activity within the City by delaying or preventing construction employment, private investment, business expansion, occupancy of new commercial space, local spending associated with development activity, and the City's ability to implement land use plans intended to support a stable tax base and community-serving services; and

WHEREAS, continuation of the moratorium also limits the City's ability to facilitate affordable housing, workforce housing, and market-rate housing production by preventing or complicating access to new water service for otherwise entitled or approvable projects; and

WHEREAS, the Sea Grove (formerly Ascent) project in Seaside illustrates the burden imposed by the current moratorium because the project required a special water supply arrangement which increased the costs to the developer by approximately \$1.5 million in order to move forward with housing construction, rather than being able to proceed through ordinary water connection procedures following project approval; and

WHEREAS, the Sea Grove project is a ten-building workforce rental housing development consisting of 106 residential units (including 16 affordable units), supported through a temporary assignment of Seaside's banked water credits until the cease-and-desist order and related moratorium are lifted; and

WHEREAS, lifting the moratorium would reduce extraordinary project costs, improve feasibility for housing development, and allow the City to better advance affordable housing, workforce housing, and economic development objectives consistent with providing a wide range of housing types and a vibrant local economy.

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

Section 1. Recitals.

The foregoing recitals are true and correct and are incorporated herein as though fully set forth.

Section 2. Support for Modification.

The City Council supports modification of State Water Board Orders WR 2009-0060 and WR 2016-0016 to remove or revise Condition 2 so as to lift the moratorium on new water service connections, provided that the State Water Resources Control Board adopts an appropriate and enforceable mechanism to reimpose restrictions if future diversions exceed lawful limits or other objective supply conditions demonstrate that renewed restrictions are necessary.

Section 3. Information Submitted to the State Water Resources Control Board.

The City Council hereby submits the following information and policy considerations to the State Water Resources Control Board for inclusion in the hearing record:

The City of Seaside supports the Monterey Peninsula Water Management District application to modify the existing cease-and-desist order framework in a manner that reflects current water supply conditions.

The City understands from the materials identified in the Notice of Hearing and the Mayor's November 1, 2025 correspondence that recent conservation measures, the

Pure Water Monterey project, and the Pure Water Monterey Expansion project have materially changed the regional supply context.

The continuation of a blanket moratorium on new water service connections adversely affects the City's ability to facilitate housing production, including affordable and workforce housing, and constrains economic development opportunities needed to serve residents and local businesses.

The City encourages the State Water Resources Control Board to consider a modification that preserves compliance with lawful diversion limits while allowing public agencies and the communities they serve to move forward with needed housing and community-serving development.

If the Board determines that a reimposition trigger is necessary, the City supports a clear, objective, and administratively workable standard tied to future exceedance of authorized Carmel River diversion limits or other measurable and legally supportable criteria.

Section 4. Incorporation of Mayor's Letter.

The City Council affirms and incorporates by reference the November 1, 2025 letter submitted by Mayor Ian N. Oglesby on behalf of the City of Seaside as a statement of the City's support for modification of the cease-and-desist order and directs that the letter be included with the City's submission to the State Water Resources Control Board.

Section 5. Authorization.

The City Manager, City Attorney, Mayor, and City Clerk, and each of them acting within their respective authority, are authorized and directed to take such actions as are necessary to transmit this Resolution, together with any accompanying cover letter and supporting materials, to the State Water Resources Control Board for filing in the above-referenced proceeding, including submission to Cal-AmProject@waterboards.ca.gov.

Section 6. Effective Date.

This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by meeting of City of Seaside duly held on the 16th day of July, 2026, by the following vote:

AYES:	COUNCIL MEMBERS
NOES:	COUNCIL MEMBERS
ABSENT:	COUNCIL MEMBERS
ABSTAIN:	COUNCIL MEMBERS

APPROVED:

Ian N. Oglesby, Mayor

ATTEST:

Dominique L. Davis, City Clerk

APPROVED AS TO FORM:

Sheri L. Damon, City Attorney

State Water Resources Control Board

NOTICE OF HEARING TO CONSIDER MODIFICATION OF CALIFORNIA AMERICAN WATER COMPANY CEASE AND DESIST ORDER (STATE WATER BOARD ORDERS WR 2016-0016 AND WR 2009-0060)

COUNTY: Monterey

STREAM SYSTEM: Carmel River

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board or Board), Division of Water Rights (Division) assisted by the Administrative Hearings Office (AHO), will conduct a hearing on the written record, with an opportunity for public comment and oral presentation of policy statements, to inform the State Water Board's consideration of the Monterey Peninsula Water Management District's (MPWMD) October 21, 2025 application under Water Code section 1832 to modify Orders WR 2009-0060 and WR 2016-0016 (Application) that the Board issued to the California American Water Company (Cal-Am).

The Division will accept testimony provided under penalty of perjury and other evidence through written submissions, on the hearing questions identified below. Following the deadline to submit written rebuttal evidence, the Division will conduct a hybrid hearing day, held in-person and virtually on Zoom, for the public to provide oral presentation of policy statements and public comments. Senior Hearing Officer Megan Knize from the AHO will preside over the hearing.

Unless a written objection is submitted by **July 1, 2026, at 11:59 p.m.**, the AHO hearing officer hereby waives any requirements for in-person examination and cross-examination of witnesses, and the requirement that witnesses providing written testimony appear at the hearing, pursuant to her authority under California Code of Regulations, title 23, section 648, subdivision (d), in order to promote the efficient conduct of the proceeding.

HEARING PROCESS AND SCHEDULE

July 20, 2026: Written testimony and exhibits addressing the hearing questions are due by e-mail or mail.

August 18, 2026: Written rebuttal to testimony and exhibits are due by e-mail or mail.

September 17, 2026: Opportunity for public comment and presentation of policy statements. This will be conducted as a hybrid hearing with the opportunity to participate in person at the CalEPA Building in Sacramento or online on the Zoom platform.

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

September 21, 2026: Closing briefs due. Any party may file a closing brief addressing the hearing questions below. The brief should be limited to 10 pages, double-spaced, and written in size 12 font.

Upon receipt of closing briefs, unless the hearing officer issues a different ruling, the hearing will close. State Water Board staff and the hearing officer will prepare a draft order addressing the Application after the close of the hearing. The draft order will be made available for public comment prior to consideration of adoption by the State Water Board at a regular public Board meeting.

Written testimony, exhibits, and closing briefs should be submitted to:
Cal-AmProject@waterboards.ca.gov

OR

State Water Resources Control Board
Division of Water Rights
Attention: Cal-AM Team
P.O. Box 2000
Sacramento, CA 95812-2000

Written testimony and evidence will be posted on the [State Water Board's FTP](#) site¹ as soon as practicable after the deadlines for submittal of evidence.

HEARING QUESTIONS

By July 20, 2026, participants must submit written testimony and other evidence they wish to have considered addressing these questions:

1. Should Condition 2 of State Water Board Order WR 2009-0060² be modified to lift the moratorium on new service connections?

¹ The link for the FTP site, as well as access information, is available at https://www.waterboards.ca.gov/waterrights/water_issues/projects/california_american_water_company/

² Condition 2 of Order WR 2009-0060 states, "Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am's water system prior to that date." (Order WR 2009-0060, p. 57.)

2. If Condition 2 is modified, is the following trigger appropriate for reimposing restrictions currently in Condition 2 such as the moratorium on new service connections?

“Upon Cal-Am reporting diversions exceeding 3,376 acre-feet³ under the water rights described in Order 95-10 in any water year, the moratorium on new water service connections described in Condition 2 shall immediately be reimposed with no further action required by the Board.”

If this trigger is not appropriate, what would be appropriate conditions to reimpose Condition 2?

BACKGROUND

On October 20, 2009, the State Water Board adopted State Water Board Order WR 2009-0060, a cease and desist order for Cal-Am’s unlawful diversions from the Carmel River. Order WR 2009-0060, as amended by State Water Board Order WR 2016-0016, requires Cal-Am to take various actions and to terminate all unlawful diversions from the Carmel River by December 31, 2021. Order WR 2009-0060 also includes language that prohibits Cal-Am from creating new water service connections or expanding use at existing service connections (Condition 2).

On October 21, 2025, Monterey Peninsula Water Management District (MPWMD) filed an application with the State Board pursuant to Water Code section 1832 to modify Orders WR 2009-0060 and WR 2016-0016. Specifically, MPWMD requests that the State Board issue an amended order that rescinds Condition 2, updates reporting requirements, and includes a trigger that would allow the Deputy Director for the Division to reinstate Condition 2 if necessary.

A copy of MPWMD’s Application is available on the [State Water Board’s website](https://ftp.waterboards.ca.gov/). In addition, associated letters are also posted on the Board’s file transfer protocol (ftp) site:

Website: <https://ftp.waterboards.ca.gov/>

Username: Cal-AmProject

Password: AccessCal-Am

MPWMD’s Application claims:

- There is no current violation or threat of violation of Orders WR 2009-0060 or WR 2016-0016 in the foreseeable future.
- Diversions from the Carmel River have remained within the authorized limit for the past three years due to new water supplies and conservation efforts.
- The Pure Water Monterey Expansion project provides an additional water supply sufficient for Cal-Am to avoid future violations.

³ Order 2009-0060 provides that 3,376 acre-feet is Cal-Am’s maximum diversion limit from the Carmel River pursuant to Cal-Am’s pre-1914 rights, riparian rights, and License 11866. (*Id.* at pp. 57, fn. 49 & p. 64, Attachment 1.)

The Application in general does not propose changes to the reporting requirements of Orders WR 2009-0060 and WR 2016-0016. The proposed updates focus on removing requirements that MPWMD claims have been met or are no longer required. Quarterly and annual reports summarizing diversions from the Carmel River, among other data, would still be required under the proposed modifications.

The Application also proposes a mechanism to reimpose Condition 2. Under the proposed methodology, prior year pumping would be evaluated against several water supply metrics. If a defined threshold is reached, the Deputy Director for Water Rights will evaluate submitted reporting data against projected growth in demand estimates from Cal-Am/MPWMD to determine if Condition 2 should be reimposed.

As of the date of this notice, the Division has received 34 letters related to MPWMD's application, including a December 19, 2025 letter from Cal-Am requesting the Board deny the application or hold it in abeyance to provide Cal-Am additional time to "meet with stakeholders and fish agencies to develop appropriate conditions for interim relief from the CDO moratorium" and promising an update by April 1, 2026. The Division has not received further information from Cal-Am. The Division also received from MPWMD four supplements to the application on October 21, 2025, as well as on January 9, April 29, and June 2 of 2026.

PROHIBITION ON EX PARTE COMMUNICATIONS

Any participant submitting evidence by the deadline will be deemed a party to this proceeding. While this proceeding is pending, ex parte communications between any party, party representative or interested person and the hearing officer, any member of the hearing team, or any State Water Board member are prohibited. Ex parte communications include any type of communication regarding this proceeding that occurs between a party or interested person and the hearing officer, a member of the hearing team, or a State Water Board member without notice and an opportunity for all parties to participate. (See Wat. Code, § 1110, subd. (c); Gov. Code, §§ 11430.10–11430.80.) Additional information about ex parte communications is in response number 16 of the AHO's FAQ posted at bit.ly/aho-faq. (See response to FAQ 16.)

If any party wants to communicate with any member of the hearing team, the hearing officer, or any Board member, at any time while this proceeding is pending regarding any potentially controversial procedural or substantive issue, that party shall make such communication in writing (by e-mail or letter) and serve all other parties with copies of the communication and include a proof of service demonstrating such service of the written communication to the hearing officer. A party may provide this proof of service through a formal proof of service or by other verification. For e-mails, the verification shall be a list of the e-mail addresses of the parties or their representatives in an electronic mail "cc" (carbon copy) list. For letters, the verification shall be a list of the names and mailing addresses of the other parties or their representatives in the cc portion of the letter.

If the hearing team receives any substantive or potentially controversial procedural communication regarding this proceeding that is addressed to a Board member, the hearing officer, or any other member of the hearing team, but not copied to the hearing parties, then the hearing team will file a copy of the communication in the "Misc. Correspondence" folder within the State Water Board's FTP folder for this proceeding. Parties should plan to regularly check this folder for such communications. Please do not attempt to communicate by telephone or in person with a Board member or any hearing team member regarding this proceeding, because other parties would not be able to participate in such communications. If oral communications with any members of the hearing team are necessary to discuss any potentially controversial procedural or substantive issue, then the hearing team will set up a conference call in which representatives of all parties may participate. Any party may request such a conference call at any time using the written communications protocols described above.

HEARING DAY FOR PRESENTATION OF PUBLIC COMMENT AND POLICY STATEMENTS

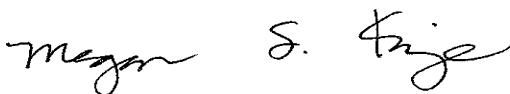
As indicated, the hearing officer will oversee a hybrid-format hearing day to receive public comments and oral presentation of policy statements. Persons who wish to participate in this day of the hearing should join the Service List for this proceeding so they can receive additional instructions about how to participate. Participants will likely be limited to five minutes or less for their presentations. A quorum of the State Water Board members may attend, but will not make any decisions at the hearing day. The Division will provide additional details about hearing logistics closer to the date of the hearing.

Statements presented during the hybrid hearing day will be part of the record of this proceeding but are not made under oath and will not be relied upon by the decisionmakers as evidence when making their determinations.

ADDITIONS AND UPDATES TO SERVICE LIST

The Division has prepared a service list of e-mail addresses using information from the Division's files about the Application and letters it has received so far related to this Application. If anyone wants to be added to the service list or change any of their information, they should submit this information by e-mail to Cal-AmProject@waterboards.ca.gov. The party or interested person does not need to send copies of the e-mail to the service list.

Date of Notice: June 19, 2026



Megan S. Knize
Senior Hearing Officer

Administrative Hearings Office
State Water Resources Control Board



OFFICE OF THE MAYOR

440 Harcourt Avenue
Seaside, CA 93955
www.ci.seaside.ca.us

Telephone 831-899-6703
Fax 831-624-5839

VIA EMAIL

November 1, 2025

SWRCB - DWR
'25 NOV 6 AM 10:20

Dr. Juliet Christian-Smith, Deputy Director Water Rights
State Water Resources Control Board
1001 I Street,
Sacramento CA 95814

RE: Letter of Support for Modifications to the Cease-and-Desist Order WR 2016-0016

Dear Dr. Christian-Smith:

On behalf of **City of Seaside**, we respectfully request the State Water Board to modify the Cease-and-Desist Order (CDO) to allow the Monterey Peninsula to experience an increase in much-needed housing and economic development.

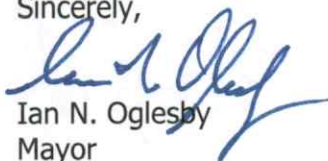
The Pure Water Monterey project, which came online in 2021, coupled with the Monterey Peninsula's longstanding commitment to water-wise conservation strategies for both commercial and residential water consumption, has resulted in California American Water (Cal-Am) not exceeding the legal amount of water available from the Carmel River for the past four years. With the Pure Water Monterey Expansion project now online, there is no threat of Cal-Am exceeding the legal water right limits on the Carmel River in the foreseeable future. This was confirmed by the California Public Utilities Commission (CPUC) in a decision adopted on August 14th, 2025.

The current moratorium on new connections was put in place by the CPUC in response to the 2009 Order WR 2009-0060 by the State Board. This restriction on setting any new water meters in the service area could be lifted if the State Board were able to rescind Condition 2 of the CDO.

Our communities and vested stakeholders are eager to start fulfilling the Regional Housing Needs Allocation (RHNA) in order to have more affordable housing options for local workforce employees. Working to align business and housing element interests for the benefit of our members is a win for all communities on the Monterey Peninsula.

The members of **City Council of the City of Seaside** encourage you and the State Water Board members to modify the Cease-and-Desist Order to allow our area the opportunity to have some independence in developing projects that work for our residents and businesses.

Sincerely,


Ian N. Oglesby
Mayor