

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Regular Meeting
Wednesday, February 18, 2026
2:00 p.m.

Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, CA 92637

Annie McCary
Mayor

Pearl Lee
Mayor Pro Tem

Cynthia Conners
Councilmember

Shari L. Horne
Councilmember

Carol Moore
Councilmember



Welcome to a meeting of the Laguna Woods City Council!

This meeting may be recorded, televised, and made publicly available.

Public Comments/Testimony: Public comments/testimony are accepted in-person and in writing. For more information, please refer to page three of this agenda.

Americans with Disabilities Act (ADA): It is the intention of the City of Laguna Woods to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City of Laguna Woods requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council meets regularly on the third Wednesday of each month at 2 p.m.

AGENDA POSTING AND AVAILABILITY

Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637; on the City of Laguna Woods' website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 24-08, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City of Laguna Woods' website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies except when prohibited by law.

Special and Emergency Meetings: Agenda posting and availability for special and emergency meetings is conducted pursuant to all applicable provisions of California Government Code.

AGENDA DISTRIBUTION LISTS

Electronic Distribution: The City of Laguna Woods provides notification of agenda posting and availability via email. To sign up for email notifications, visit www.cityoflagunawoods.org/email-notifications, email cityhall@cityoflagunawoods.org, or contact the City Clerk's Office at (949) 639-0500. Please note that the City of Laguna Woods is not responsible for, and makes no guaranties or warranties related to, the transmission or receipt of email notifications.

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FOR ADDITIONAL INFORMATION

For additional information regarding this agenda, please contact the City Clerk's Office at (949) 639-0500, cityhall@cityoflagunawoods.org, or 24264 El Toro Road, Laguna Woods, CA 92637.

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, Yolie Trippy, City Clerk, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637; on the City's website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 24-08, pursuant to California Government Code Section 54954.2.

/s/ Yolie Trippy
YOLIE TRIPPY, CMC, City Clerk

2/13/26
Date

OPTIONS FOR PUBLIC COMMENTS/TESTIMONY

1. In Person

Members of the public wishing to address the City Council on items appearing on this agenda are advised to indicate their interest in doing so by submitting a speaker card to City staff or proceeding to the podium, one-by-one, at the time an item is considered.

Members of the public wishing to address the City Council on items *not* appearing on this agenda may do so during Item V.

Each speaker will have the opportunity to speak for up to three minutes once per agenda item, unless otherwise allowed by the City Council.

To ensure each speaker is provided with an uninterrupted opportunity to speak for the full time allotted, members of the City Council and City staff are asked to reserve any responses they wish to make to public comments until after each speaker has completed their comments.

Speakers are requested, but not required, to identify themselves, both on any speaker cards and in comments/testimony. Speakers are advised that their names and any information submitted on speaker cards or otherwise provided in writing to the City may be disclosed or become a matter of public record. No speaker should expect privacy of such information.

2. In Writing

Written public comments/testimony should be clearly marked as such and may be mailed or delivered to Laguna Woods City Hall (24264 El Toro Road, Laguna Woods, CA 92637) or sent via email (cityhall@cityoflagunawoods.org) provided that they are received by the City of Laguna Woods prior to 2:00 p.m. on the day of this meeting.

Written public comments/testimony will be provided to the Laguna Woods City Council and included in the City Clerk's written record of this meeting.

Parties submitting written public comments/testimony are requested, but not required, to identify themselves. Parties are advised that their names, email addresses, and any information submitted in writing to the City of Laguna Woods may be disclosed or become a matter of public record. No party should expect privacy of such information.

REMOTE VIEWING AND/OR LISTENING OPPORTUNITIES

The City of Laguna Woods plans to offer the following remote viewing and/or listening opportunities as a courtesy for this meeting. These opportunities are not guaranteed to be operable, technically feasible, or uninterrupted. The instructions provided are not guaranteed to be correct or all-inclusive as Zoom and YouTube may modify interfaces and interfaces may differ by device or application. Members of the public who wish to ensure that they are able to view and/or listen to this meeting should attend in person.

1. Zoom (on a computer)

The City of Laguna Woods plans to live stream this meeting on Zoom (audio and/or video). ***Public comments/testimony will not be accepted via Zoom.***

- Visit www.zoomgov.com
- Click on “Join” (if given an option select “by meeting ID”)
- Enter the following meeting ID: 161 548 2089
- Click on “Join”
- Open the Zoom application following the on-screen prompts
- Enter the following meeting passcode: 24264
- Follow any additional prompts and enter information as required by Zoom

Parties are advised that information they provide to Zoom may be publicly visible and/or visible to the City of Laguna Woods and others. No party should expect privacy of such information.

2. Zoom (on a telephone)

The City of Laguna Woods plans to live stream this meeting on Zoom (audio and/or video). ***Public comments/testimony will not be accepted via Zoom.***

- Call (669) 216-1590
- Follow the prompts and provide the information required by Zoom
- When prompted for a meeting ID enter 161 548 2089
- There is no participant ID; follow prompts to bypass
- If asked for a passcode enter 24264

Parties are advised that their telephone number and information provided to Zoom may be publicly visible and/or visible to the City of Laguna Woods and others. No party should expect privacy of such information.

3. YouTube

The City of Laguna Woods plans to live stream this meeting on YouTube (audio and/or video). ***Public comments/testimony will not be accepted via YouTube.***

- Visit www.youtube.com/@cityoflagunawoods
- Click on “Live”
- Click on “Laguna Woods Channel 3”

Parties are advised that information they provide to YouTube may be publicly visible and/or visible to the City of Laguna Woods and others. No party should expect privacy of such information.

4. Cable Television

The City of Laguna Woods plans to broadcast this meeting on cable television Channel 3 within Laguna Woods Village (audio and/or video). ***Public comments/testimony will not be accepted via cable television Channel 3.***

I. CALL TO ORDER

Introductory Notes: Members of the public wishing to address the City Council on items appearing on this agenda are advised to indicate their interest in doing so by submitting a speaker card to City staff or proceeding to the podium, one-by-one, at the time an item is considered.

Members of the public wishing to address the City Council on items *not* appearing on this agenda may do so during Item V.

Each speaker will have the opportunity to speak for up to three minutes once per agenda item, unless otherwise allowed by the City Council.

To ensure each speaker is provided with an uninterrupted opportunity to speak for the full time allotted, members of the City Council and City staff are asked to reserve any responses they wish to make to public comments until after each speaker has completed their comments.

Speakers are requested, but not required, to identify themselves, both on any speaker cards and in comments/testimony. Speakers are advised that their names and any information submitted on speaker cards or otherwise provided in writing to the City may be disclosed or become a matter of public record. No speaker should expect privacy of such information.

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 African American History Month – February 2026

Recommendation: Approve and present the proclamation.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

About Public Comments on Non-Agenda Items: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. As a reminder, each speaker will have the opportunity to speak once for up to three minutes, unless otherwise allowed by the City Council.

To ensure each speaker is provided with an uninterrupted opportunity to speak

for the full time allotted, members of the City Council and City staff are asked to reserve any responses they wish to make to public comments until after each speaker has completed their comments.

Please note that, pursuant to state law, the City Council is unable to take action on items not appearing on this agenda, but may ask clarifying questions of the speaker, engage in brief discussion, refer items to City staff, and/or schedule items for consideration at future meetings.

VI. CITY TREASURER'S REPORT

6.1 City Treasurer's Report

Recommendation: Receive and file the City Treasurer's Report for the month of January 2026.

6.2 Quarterly Financial Report

Recommendation: Receive and file the Quarterly Financial Report for the second quarter of Fiscal Year 2025-26.

VII. CONSENT CALENDAR

About the Consent Calendar: All items appearing on the Consent Calendar are considered by the City Manager to be routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council or City staff requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

Members of the public may address the City Council on any item appearing on the Consent Calendar at the time the item is considered, regardless of whether or not the item has been removed from the Consent Calendar.

Items that are removed from the Consent Calendar will be considered after the items remaining on the Consent Calendar.

7.1 City Council Minutes

Recommendation: Approve the City Council meeting minutes for the regular meeting on January 21, 2026 and the special meeting on February 4, 2026.

7.2 Payment Register

Recommendation: Approve the payment register dated February 18, 2026, 2025 in the amount of \$1,135,425.31.

7.3 Statewide Trash Provisions (Orders)

Recommendation: Waive the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding and authorize the City Manager to enter into agreements with consultants to provide professional services related to the City's legal obligations to comply with the State Water Resources Control Board's Statewide Trash Provisions, subject to approval as to form by the City Attorney and the availability of sufficient budgeted funds, through June 30, 2026.

7.4 Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B

Recommendation:

1. Approve the final record plans and specifications reflecting completion of the "Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B" as prepared by the project engineer.

AND

2. Accept project completion of the contract agreement with Hardy & Harper, Inc. for the construction of the "Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B" and authorize the City Manager to execute and record, or cause to be executed and recorded, a notice of completion with the County of Orange.

AND

3. Authorize the City Manager to release the contract retention payment withheld per state law, and exonerate project posted bonds, for the "Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B," 35 days following recordation of the notice of completion with the County of Orange, to the extent allowed by state law.

7.5 Waste Infrastructure System Enterprise Agreement

Recommendation: Approve the Waste Infrastructure System Enterprise Agreement (which establishes solid waste disposal rates and services related to the County of Orange's landfills and solid waste infrastructure) with the County of Orange and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

VIII. **PUBLIC HEARINGS**

8.1 Conditional Use Permit CUP-2025-0005, a request by We Architects Group for approval of a conditional use permit amending Conditional Use Permit CUP00-02 to allow for the establishment of a medical clinic use and alternative provisions to off-street parking regulations resulting in a reduction in available off-street parking stalls at 24301 Paseo De Valencia, Laguna Woods, CA 92637

Recommendation:

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT CUP-2025-0005 TO AMEND CONDITIONAL USE PERMIT CUP00-02 TO ALLOW FOR THE ESTABLISHMENT OF A MEDICAL CLINIC USE AND ALTERNATIVE PROVISIONS TO OFF-STREET PARKING REGULATIONS RESULTING IN A REDUCTION IN AVAILABLE OFF-STREET PARKING

STALLS AT 24301 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING THAT THE CONDITIONAL USE PERMIT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTION 15301 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

8.2 Wildlife Feeding Regulations

Recommendation:

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTION 5.20.070 OF THE LAGUNA WOODS MUNICIPAL CODE PERTAINING TO THE PROHIBITION OF FEEDING OR TAKING ANY OTHER ACTION WHICH IS REASONABLY LIKELY TO PROVIDE SUSTENANCE FOR COYOTES, RODENTS, VERMIN, OR OTHER WILDLIFE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

IX. CITY COUNCIL BUSINESS

9.1 City Council Salary and Expense Reimbursement

Recommendation:

[Note: If the City Council wishes to proceed with this item, the actions staff would recommend are as follows:]

1. Approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 2.02 OF THE LAGUNA WOODS MUNICIPAL CODE INCREASING THE SALARY THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO RECEIVE AND THE EXPENSES INCURRED IN THE PERFORMANCE OF OFFICIAL DUTIES THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO BE REIMBURSED FOR, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2025-27 BUDGET AND WORK PLAN FOR FISCAL YEAR 2025-26 COMMENCING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND FISCAL YEAR 2026-27 COMMENCING JULY 1, 2026 AND ENDING JUNE 30, 2027, INCREASING GENERAL FUND APPROPRIATIONS TO PROVIDE INCREASED SALARIES MEMBERS OF THE CITY COUNCIL ARE ELIGIBLE TO RECEIVE

9.2 Employee Positions, Compensation, and Benefits

Recommendation:

1. Approve a modified job classification for the following City employee position: Assistant to the City Manager.

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 25-31, AND ESTABLISHING AND MODIFYING A COMPENSATION SCHEDULE AND

BENEFITS FOR CITY EMPLOYEES, INCLUDING THE CITY MANAGER AND OTHER LOCAL AGENCY EXECUTIVES AS DEFINED IN CALIFORNIA GOVERNMENT CODE SECTION 3511.1

X. CITY COUNCIL REPORTS AND COMMENTS

About City Council Reports and Comments: This is the time and place for members of the City Council to provide reports on meetings attended including, but not limited to, meetings of regional boards and entities to which they have been appointed to represent the City of Laguna Woods and meetings attended at the expense of the City of Laguna Woods pursuant to California Government Code Section 53232.3. Members of the City Council may also make other comments and announcements.

10.1 Coastal Greenbelt Authority

Mayor McCary, First Alternate: Mayor Pro Tem Lee, Second Alternate: Councilmember Conners

10.2 Orange County Fire Authority

Councilmember Horne

10.3 Orange County Library Advisory Board

Councilmember Moore; Alternate: Mayor McCary

10.4 Orange County Mosquito and Vector Control District

Mayor Pro Tem Lee

10.5 San Joaquin Hills Transportation Corridor Agency

Councilmember Conners; Alternate: Mayor Pro Tem Lee

10.6 South Orange County Watershed Management Area

Councilmember Moore; Alternate: Mayor McCary

10.7 Liaisons to Laguna Woods Community Bridge Builders

Mayor McCary and Councilmember Horne

10.8 Other Comments and Reports

- League of California Cities (Cal Cities) Community Services Policy Committee Meeting, January 22, 2026 – Mayor McCary
- Other Comments and Reports

XI. CLOSED SESSION

Closed Session Note: While members of the public are not permitted to attend closed session, prior to convening in closed session, the City Council will accept public comments on items appearing on the closed session agenda.

XII. CLOSED SESSION REPORT

XIII. ADJOURNMENT

Next Adjourned Regular Meeting: Tuesday, February 24, 2026 at 12:30 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, CA 92637

Next Regular Meeting: Wednesday, March 18, 2026 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, CA 92637

4.1

AFRICAN AMERICAN HISTORY MONTH

– FEBRUARY 2026

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City of Laguna Woods

African American History Month

February 2026

Proclamation

WHEREAS, African Americans have played a critical role in the social, economic, and political development of the United States; and

WHEREAS, African Americans have a proud legacy of service and dedication to our community, state, and country; and

WHEREAS, African American History Month is a time for all Americans to remember the stories and teachings of African Americans who have helped to combat prejudice, further the cause of civil rights, and build, serve, and enrich our nation; and

WHEREAS, the Laguna Woods African American Heritage Club provides residents with opportunities to celebrate and recognize African American culture through social, educational, and historical events unique to African American life; and

WHEREAS, the City of Laguna Woods is committed to embracing diversity.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim February 2026 as "African American History Month" in the City of Laguna Woods and encourages reflection on the contributions that African Americans have made and continue to make, both locally and throughout our nation.

Dated this 18th day of February 2026

Annie McCary
Mayor

Attest: Yolie Trippy
City Clerk

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6.1

CITY TREASURER'S REPORT

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City Treasurer's Report

Monthly Financial Snapshot

Financial Assets IN THE BANK as of January 31, 2026

BY FUND

General Fund (Operating)	\$6,912,176
General Fund (Reserves)	\$4,651,600

The General Fund is the City of Laguna Woods' primary operating fund and is used to account for the proceeds of revenue sources that are not legally restricted or committed to expenditures for specified purposes. Reserves for paid leave, self-insurance, and general contingencies are also included in the General Fund.

Special Revenue Funds	\$3,169,462
<i>These funds are used to account for the proceeds of revenue sources that are legally restricted or committed to expenditures for specified purposes. Most of these funds are legally restricted for public street purposes.</i>	
Total (All Funds)	\$14,733,238

BY INVESTMENT TYPE

Cash and Cash Equivalents	\$882,140
	5.98% of portfolio
Pooled Money Investment Accounts	\$7,536,863
	51.16% of portfolio
<i>This includes investments in a state government investment pool and in the California Asset Management Program pool.</i>	
Investments - Earning	\$6,314,235
	42.86% of portfolio
<i>This includes certificates of deposit.</i>	
Total (All Funds)	\$14,733,238

Financial Assets HELD IN TRUST FUNDS as of January 31, 2026

California Employers' Pension Prefunding Trust Fund (CEPPT)	\$589,605
• New Contributions	\$0
• Gain/(Loss) from Month Prior	\$10,687

The CEPPT is used to prefund employee pension obligations.

California Employers' Retiree Benefit Trust Fund (CERBT)	\$162,282
• New Contributions	\$0
• Gain/(Loss) from Month Prior	\$2,692

The CERBT is used to prefund statutorily required retiree medical benefits.

Notes: The City of Laguna Woods uses a modified accrual basis of accounting, which generally means that revenues are recognized when a transaction occurs, and expenditures are recognized when obligations are created. As such, this monthly financial snapshot reflects only revenue known and expenditures paid for the month referenced as of the date prepared. In some cases, financial statements from financial dealers, depositories, and institutions may not have been received as of the date prepared and, therefore, some revenue and expenditures may not be reflected. Certificates of deposit may also have accrued interest that is not reflected because it is not yet vested. For more information on the specific information included in this monthly financial snapshot, please refer to the full City Treasurer's Report.

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City of Laguna Woods
City Treasurer's Report
For the Month Ended January 31, 2026

ITEM 6.1

CASH AND INVESTMENTS

	Beginning Balances As of 12/31/25	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 01/31/26	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
Cash and Cash Equivalents							
Analyzed Checking Account (Note 1)	\$ 806,981	\$ 2,453,411	\$ (1,135,425)	\$ (1,300,000)	\$ 824,967	5.60%	
Money Market Funds, Multi-Bank Securities (MBS) Account (Note 4)	\$ 27,798	\$ 18,803	\$ (28,711)	\$ -	\$ 17,890	0.12%	
Earned Interest in Transit and Accrued Interest, MBS Account (Note 4)	\$ 33,323	\$ 22,549	\$ (18,803)	\$ -	\$ 37,069	0.25%	
Petty Cash	\$ 730	\$ 70	\$ -	\$ -	\$ 800	0.01%	
Laguna Woods Civic Support Fund Checking Account	\$ 1,414	\$ -	\$ -	\$ -	\$ 1,414	0.01%	
Total Cash and Cash Equivalents	\$ 870,246	\$ 2,494,832	\$ (1,182,939)	\$ (1,300,000)	\$ 882,140	5.99%	100.00%
Pooled Money Investment Accounts							
Local Agency Investment Fund (LAIF - fair value) (Notes 2 and 3)	\$ 2,548,634	\$ 30,378	\$ -	\$ 1,300,000	\$ 3,879,013	26.33%	
California Asset Management Program (CAMP - fair value) (Notes 2 and 3)	\$ 3,645,925	\$ 11,926	\$ -	\$ -	\$ 3,657,851	24.83%	
Total Pooled Money Investment Accounts	\$ 6,194,559	\$ 42,304	\$ -	\$ 1,300,000	\$ 7,536,863	51.16%	90.00%
Investments - Interest and Income Bearing							
Certificates of Deposit - non-negotiable (fair value) (Note 2)	\$ 6,324,985	\$ -	\$ -	\$ (10,750)	\$ 6,314,235	42.86%	
Total Investments - Interest and Income Bearing	\$ 6,324,985	\$ -	\$ -	\$ (10,750)	\$ 6,314,235	42.86%	90.00%
TOTAL	\$ 13,389,791	\$ 2,537,136	\$ (1,182,939)	\$ (10,750)	\$ 14,733,238	100.00%	

Summary of Total Cash, Cash Equivalents, and Investments:

	General Fund	Special Revenue Funds	Totals
Analyzed Checking Account	\$ (2,343,081)	\$ 3,168,048	\$ 824,967
Money Market Funds, MBS Account	\$ 17,890	\$ -	\$ 17,890
Earned Interest in Transit and Accrued Interest, MBS Account	\$ 37,069	\$ -	\$ 37,069
Petty Cash	\$ 800	\$ -	\$ 800
LAIF	\$ 3,879,013	\$ -	\$ 3,879,013
CAMP	\$ 3,657,851	\$ -	\$ 3,657,851
Certificates of Deposit	\$ 6,314,235	\$ -	\$ 6,314,235
Laguna Woods Civic Support Fund Checking Account	\$ -	\$ 1,414	\$ 1,414
Totals	\$ 11,563,776	\$ 3,169,462	\$ 14,733,238

(See NOTES on Page 4 of 4)



City of Laguna Woods

City Treasurer's Report

For the Month Ended January 31, 2026

ITEM 6.1

CASH AND INVESTMENTS

CUSIP	Investment #	Issuer	Term	Purchase Date	Settlement Date	Par Value	Market Value	Book Value	Stated Rate (Note 4)	Coupon Type	1st Coupon Date	Rating or Rank (*)	Yield to Maturity 365 Days	Maturity Date
Certificate of Deposits (CDs, Federal Deposit Insurance Corporation [FDIC] Insured)														
59524LAA4	2023-1	MID CAROLINA CR UN	36 months	03/07/23	03/13/23	200,000	200,262	200,000	4.850	Monthly	04/13/23	Green***	4.850	03/13/26
23204HNV6	2023-4	CUSTOMERS BK	36 months	03/30/23	03/31/23	245,000	245,404	245,000	5.000	Semi-Annual	09/30/23	Green**	5.000	03/31/26
87868YAQ6	2023-7	TECHNOLOGY CR UN	36 months	05/19/23	05/30/23	245,000	245,968	245,000	5.000	Monthly	07/01/23	Green***	5.000	05/29/26
32022RRG4	2022-4	1ST FINL BK USA	48 months	06/15/22	06/24/22	245,000	244,356	245,000	3.150	Monthly	07/24/22	Green*	3.150	06/24/26
15643VAH5	2025-9	CENTRIS FED CR UN	12 months	09/26/25	10/03/25	245,000	245,130	245,000	3.900	Monthly	11/03/25	Green*	3.900	10/05/26
2546733P9	2023-5	CAPITAL ONE NATL ASSN (Note 4)	48 months	03/30/23	04/05/23	245,000	247,842	245,000	4.800	Semi-Annual	10/05/23	Green***	4.800	04/05/27
06051XSZ6	2025-2	BANK OF AMERICA NA	24 months	04/04/25	04/10/25	245,000	245,671	245,000	4.000	Semi-Annual	10/10/25	Green*	4.000	04/12/27
84464PCD7	2025-4	SOUTHPOINT BK	24 months	04/24/25	04/29/25	235,000	235,679	235,000	4.000	Monthly	05/29/25	Green***	4.000	04/29/27
50625LBN2	2022-3	LAFAYETTE FED CR	60 months	05/24/22	06/15/22	245,000	243,275	245,000	3.250	Monthly	07/15/22	Green***	3.250	06/15/27
33715LFS4	2024-7	FIRST TECHNOLOGY FED CR UN	36 months	08/13/24	08/21/24	245,000	246,191	245,000	4.100	Monthly	09/21/24	Green***	4.100	08/21/27
05612LED0	2025-3	BMW BK NORTH AMERICA	30 months	04/04/25	04/11/25	245,000	245,872	245,000	4.000	Semi-Annual	10/11/25	Green***	4.000	10/12/27
14042RUX7	2022-5	CAPITAL ONE NATL ASSN	60 months	10/06/22	10/13/22	245,000	247,788	245,000	4.500	Semi-Annual	04/13/23	Green*	4.500	10/13/27
22282XAB6	2024-1	COVANTAGE CR UN	48 months	01/12/24	01/24/24	245,000	246,169	245,000	4.050	Quarterly	04/24/24	Green***	4.050	01/24/28
90355GCE4	2023-2	UBS BANK USA	60 months	03/07/23	03/08/23	200,000	203,212	200,000	4.600	Monthly	04/08/23	Green*	4.600	03/08/28
919853QJ3	2025-5	VALLEY NATL BK	36 months	05/08/25	05/13/25	245,000	246,078	245,000	4.000	Semi-Annual	11/13/25	Green***	4.000	05/15/28
89854LAD5	2023-8	TTCU FED CR UN	60 months	07/19/23	07/26/23	245,000	251,946	245,000	5.000	Monthly	08/26/23	Green***	5.000	07/26/28
01882MAH5	2023-10	ALLIANT CR UN	60 months	11/07/23	11/15/23	245,000	255,016	245,000	5.350	Monthly	12/15/23	Green***	5.350	11/15/28
61690DMB1	2024-2	MORGAN STANLEY BANK NA	60 months	03/14/24	03/18/24	245,000	248,445	245,000	4.300	Semi-Annual	09/13/24	Green***	4.300	03/13/29
88241TVY3	2025-7	TEXAS EXCHANGE BK	48 months	05/08/25	05/16/25	245,000	246,264	245,000	4.000	Monthly	06/16/25	Green*	4.000	05/23/29
89235MPP0	2024-4	TOYOTA FINL SVGS BK	60 months	06/04/24	06/13/24	245,000	251,172	245,000	4.650	Semi-Annual	12/13/24	Green*	4.650	06/13/29
52171MAN5	2024-8	LEADERS CR UN	60 months	08/13/24	08/30/24	245,000	246,156	245,000	4.000	Monthly	09/30/24	Green***	4.000	08/30/29
02589AGD8	2025-1	AMERICAN EXPRESS NATL BK	60 months	01/23/25	01/29/25	245,000	247,671	245,000	4.200	Semi-Annual	07/29/25	Green***	4.200	01/29/30
05584CXB7	2025-6	BNY MELLON NATL ASSN	60 months	05/08/25	05/14/25	245,000	244,963	245,000	3.900	Semi-Annual	11/14/25	Green***	3.900	05/14/30
58404DXQ9	2025-8	MEDALLION BK	60 months	05/12/25	05/22/25	245,000	246,428	245,000	4.050	Monthly	06/22/25	Green***	4.050	05/22/30
38151PAL5	2025-10	GOLDMAN SACHS BK	60 months	09/30/25	10/08/25	245,000	243,378	245,000	3.750	Semi-Annual	04/08/26	Green*	3.750	10/08/30
61776NE82	2025-11	MORGAN STANLEY PRIVATE BANK	60 months	11/13/25	11/19/25	245,000	243,900	245,000	3.800	Semi-Annual	05/19/25	Green***	3.800	11/19/30
Accrued Interest - Month End												37,069		
Total CDs												6,270,000	6,351,304	6,270,000

(*) CDs are ranked using the Veribanc Rating System, a two-part color code and star classification system which tests the present standing and future outlook by reviewing an institution's capital strength, asset quality, management ability, earnings sufficiency, liquidity, and sensitivity to market risk. The table below summarizes the Veribanc color rankings. Veribanc star ratings of one to three, with three being best, are used to help review a possible future trend of an institutions health based on metrics from ten prior quarters. A rating of one, two, or three, are not necessarily an indicator of risk or an undesirable investment. The City reviews other rating systems and issuer financials before choosing any investment.

Veribanc Rating System

Veribanc Rank	Color Meaning
Green	Highest rating, exceeds qualifications in equity and income tests
Yellow	Merits attention, meets minimal qualifications in equity and income tests
Red	Merits close attention, does not meet minimal qualifications for equity and has incurred significant losses

Government Pooled Money Investment Accounts (PMIA) (Notes 2 and 3)

N/A	N/A	Local Agency Investment Fund (LAIF)	N/A	Various	Various	3,869,739	3,879,013	3,869,739	Note 3	Quarterly	N/A	N/A	N/A	N/A
N/A	N/A	California Asset Management Program (CAMP)	N/A	Various	Various	3,657,851	3,657,851	3,657,851	Note 3	Monthly	N/A	N/A	N/A	N/A
Total PMIA						7,527,589	7,536,863	7,527,589						

(See NOTES on Page 4 of 4)



City of Laguna Woods
City Treasurer's Report
For the Month Ended January 31, 2026

ITEM 6.1

CASH AND INVESTMENTS

	Beginning Balances As of 12/31/25	Contributions / (Withdrawals)	Administrative Fees & Investment Expense	Unrealized Gain / (Loss)	Ending Balances As of 01/31/26	
Other Post-Employment Benefits (OPEB) Trust						
CalPERS California Employers' Retiree Benefit Trust (CERBT) (Note 2) (CERBT holds all assets and administers the OPEB Trust)	\$ 159,590	\$ -	\$ (10)	\$ 2,701	\$ 162,282	
Employer Pension Contributions Trust						
CalPERS California Employers' Pension Prefunding Trust (CEPPT) (Note 2) (CEPPT holds all assets and administers the Employer Pension Contributions Trust)	\$ 578,918	\$ -	\$ (114)	\$ 10,801	\$ 589,605	
Total Other Funds - Held in Trust	<u>\$ 738,509</u>	<u>\$ -</u>	<u>\$ (124)</u>	<u>\$ 13,502</u>	<u>\$ 751,887</u>	

(See **NOTES** on Page 4 of 4)



City of Laguna Woods
City Treasurer's Report
For the Month Ended January 31, 2026

ITEM 6.1

CASH AND INVESTMENTS

Notes:

Note 1 - Analyzed Checking Account / Monthly activity reported does not reflect January 2026 vendor invoicing processed after the date of this report.

Note 2 - During January 2026, transaction activity in pooled money investment accounts, investment accounts and fiduciary trusts included:

LAIF / The City transferred \$1,300,000 to LAIF and made no withdrawals from the LAIF account. The balance includes an adjustment in the amount of \$9,273.96 to reflect fair market value of the investment at June 30, 2025.

CAMP / The City made no deposits to or withdrawals from the CAMP account. Interest earned and posted in January 2026 was \$11,925.75.

Investments / There were no maturities of investments. Investments were adjusted in the amount of (\$10,749.95) to report balances at fair market value as of January 31, 2026.

OPEB Trust / The City made no contributions to or withdrawals from the OPEB Trust. The OPEB Trust experienced a net gain of \$2,691.58 in January 2026.

Employer Pension Contributions Trust / The City made no contributions to or withdrawals from the CEPPT account. The Trust experienced a net gain of \$10,686.76 in January 2026.

Note 3 - Investment earnings on pooled money investment accounts deposited and reported in January 2026 net of related fees were:

Pool	Earnings Post	Prior Period Earnings Deposited	Deposit for Period Ended	Current Month Gross Yield	Current Month / Quarter Earnings Will Post	Notes
LAIF	Quarterly	\$30,378.38	October 1, 2025 thru December 31, 2025	3.931%	April 2026	The pool interest yield for January 2026 was 3.931% and the City's yield will be slightly lower based on allocation ratios and administrative fees to be deducted.
CAMP	Monthly	\$11,925.75	January 31, 2026	3.850%	February 2026	The monthly distribution yield for January 2026 was 3.850%. Earnings are paid on a monthly basis.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest of \$18,802.80 and transferred out \$28,710.85 in Money Market Funds balances to the City's checking account in January 2026. Money Market Funds to be invested or paid out are classified separately on page 1 of 4. The Money Market Funds 30-day yield at January 31, 2026 was 2.76%. The City's portfolio also has \$37,068.54 in accrued interest, not yet vested.

The Capital One Certificate of Deposit with CUSIP #2546733P9 was originally purchased from Discover Bank, however, in Fiscal Year 2024-25 both companies merged. This CD will remain fully insured by the FDIC, separately from other Capital One CD investments.

City Treasurer's Certification

I, Elizabeth Torres, City Treasurer, do hereby certify:

- That all investment actions executed since the last report have been made in full compliance with the City's Investment of Financial Assets Policy; and
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

A handwritten signature in black ink, appearing to read "Elizabeth Torres". To the left of the signature is a small, stylized red mark or logo.

Digitally signed by

Elizabeth Torres

Date: 2026.02.12
20:10:04 -08'00'

Elizabeth Torres, City Treasurer

6.2

QUARTERLY FINANCIAL REPORT

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City of Laguna Woods
Fiscal Year 2025-26 Second Quarter Financial Report
Quarter Ended December 31, 2025
(50% of Year Elapsed - Unaudited Amounts)

As required by Administrative Policy 2.9, "the Administrative Services Director/City Treasurer shall prepare and submit a quarterly budget report to the City Council within 60 days of the end of each quarter. The report shall include actual year-to-date revenue projections or anticipated expenditures by fund; information regarding any change in revenue projections or anticipated expenditures that is likely to impact the ability to carry out budgeted activities; and, notification of all expenditures made from the Paid Leave Contingency Fund and Self-Insurance Contingency Fund during the subject quarter."

General Fund					
	Amended Budget	YTD Actual @ 12/31/25	Actual % of Budget	Variance Explanation	
Revenues:					
Property Tax	\$ 3,705,800	\$ 233,589	6%	Note 1	
Property Transfer Tax	130,000	49,746	38%	Note 2	
Sales Tax	1,239,000	476,262	38%	Note 3	
Cannabis Business Tax	1,200,000	706,179	59%		
Franchise Fees	883,200	116,748	13%	Note 4	
Transient Occupancy Tax	597,900	251,269	42%		
Development Processing Fees	887,000	434,587	49%		
Interest	395,000	167,822	42%		
Miscellaneous	265,300	119,042	45%		
Total Revenues	<u>9,303,200</u>	<u>2,555,244</u>	27%		
Expenditures:					
City Council	22,167	11,570	52%		
General Government	1,591,864	622,162	39%		
Administrative Services	593,935	290,968	49%		
Engineering & Infrastructure Services	470,600	141,579	30%		
Planning & Environmental Services	2,263,799	902,318	40%		
Public Safety Services	3,907,119	1,755,857	45%		
Information Technology & Cyber Security	42,869	3,002	7%		
Total Expenditures	<u>8,892,353</u>	<u>3,727,456</u>	42%		
Transfers from Other Funds	153,767	153,767	100%		
Transfers to Other Funds	2,266,052	2,266,052	100%		
Net Change in Fund Balance	(1,701,438)	(3,284,497)			
Beginning Fund Balance	11,070,164	11,070,164			
Ending Fund Balance	<u>\$ 9,368,726</u>	<u>\$ 7,785,667</u>			
Fund Balance Detail:					
	June 30, 2025	June 30, 2026			
Nonspendable - Prepaid Items	\$ 31,869	\$ -			
Restricted					
Employee Benefits	298,114	298,114			
SMIP 5%	2,942	2,942			
SB1473 10%	1,921	1,921			
SB1473 10%	24	24			
Committed					
Waste Diversion	63,083	63,083			
Assigned					
Paid Leave Contingency	147,189	147,189	No change during quarter		
Self Insurance Contingency	50,000	500,000	Note 10		
General Fund Contingency	3,556,511	4,004,411	Equals 50% of budgeted revenues (Three contingency accounts combined)		
Unassigned					
	6,918,511	2,767,983			
Total	<u>\$ 11,070,164</u>	<u>\$ 7,785,667</u>			



City of Laguna Woods
Fiscal Year 2025-26 Second Quarter Financial Report
Quarter Ended December 31, 2025
(50% of Year Elapsed - Unaudited Amounts)

Other Funds				
	Amended Budget	YTD Actual @ 12/31/25	Actual % of Budget	Variance Explanation
<u>Fuel Tax</u>				
Revenues	\$ 529,000	\$ 228,898	43%	
Expenditures	<u>404,557</u>	<u>122,221</u>	30%	
Net Change	124,443	106,677		
Beginning Fund Balance	572,737	572,737		
Ending Fund Balance	<u>\$ 697,180</u>	<u>\$ 679,414</u>		
<u>Road Maintenance & Rehabilitation Program</u>				
Revenues	\$ 510,600	\$ 176,116	34%	
Expenditures	<u>530,817</u>	<u>58,557</u>	11%	
Net Change	(20,217)	117,559		
Beginning Fund Balance	1,398,055	1,398,055		
Ending Fund Balance	<u>\$ 1,377,838</u>	<u>\$ 1,515,614</u>		
<u>Measure M2 (OC Go)</u>				
Revenues	\$ 332,600	\$ 113,156	34%	
Expenditures	<u>267,780</u>	<u>129,789</u>	48%	
Net Change	64,820	(16,633)		
Beginning Fund Balance	296,758	296,758		
Ending Fund Balance	<u>\$ 361,578</u>	<u>\$ 280,125</u>		
<u>Service Authority for Abandoned Vehicles (SAAV)</u>				
Revenues	\$ 1,000	\$ 395	40%	
Expenditures	<u>-</u>	<u>-</u>	-	
Net Change	1,000	395		
Beginning Fund Balance	42,209	42,209		
Ending Fund Balance	<u>\$ 43,209</u>	<u>\$ 42,604</u>		
<u>Supplemental Law Enforcement Services Act (SLESA)</u>				
Revenues	\$ 200,400	\$ 166,829	83%	
Expenditures	<u>231,600</u>	<u>115,800</u>	50%	
Net Change	(31,200)	51,029		
Beginning Fund Balance	56,672	56,672		
Ending Fund Balance	<u>\$ 25,472</u>	<u>\$ 107,701</u>		
<u>Mobile Source Reduction</u>				
Revenues	\$ 28,000	\$ 13,136	47%	
Expenditures	<u>10,000</u>	<u>290</u>	3%	
Net Change	18,000	12,846		
Beginning Fund Balance	138,757	138,757		
Ending Fund Balance	<u>\$ 156,757</u>	<u>\$ 151,603</u>		



City of Laguna Woods
Fiscal Year 2025-26 Second Quarter Financial Report
Quarter Ended December 31, 2025
(50% of Year Elapsed - Unaudited Amounts)

	Amended Budget	YTD Actual @ 12/31/25	Actual % of Budget	Variance Explanation
<u>PEG/Cable Television</u>				
Revenues	\$ 16,400	\$ 1,584	10%	Note 7
Expenditures	<u>15,000</u>	<u>-</u>	0%	
Net Change	1,400	1,584		
Beginning Fund Balance	86,417	86,417		
Ending Fund Balance	<u>\$ 87,817</u>	<u>\$ 88,001</u>		
<u>Senior Mobility</u>				
Revenues	\$ 424,900	\$ 35,250	8%	Note 6
Expenditures	<u>652,598</u>	<u>181,762</u>	28%	
Transfer In from General Fund	406,052	406,052	100%	
Net Change	178,354	259,540		
Beginning Fund Balance	24,021	24,021		
Ending Fund Balance	<u>\$ 202,375</u>	<u>\$ 283,561</u>		
<u>Community Development Block Grant (CDBG)</u>				
Revenues	\$ 500,000	\$ -	0%	Note 8
Expenditures	<u>500,000</u>	<u>72,568</u>	15%	
Net Change	-	(72,568)		
Beginning Fund Balance	-	-		
Ending Fund Balance	<u>\$ -</u>	<u>\$ (72,568)</u>		
<u>Federal Grants Programs Fund</u>				
Revenues	\$ 277,000	\$ 233,233	84%	Note 9
Expenditures	<u>233,233</u>	<u>233,233</u>	100%	Note 9
Net Change	43,767	-		
Beginning Fund Balance	-	-		
Ending Fund Balance	<u>\$ 43,767</u>	<u>\$ -</u>		
<u>State of California Grants</u>				
Revenues	\$ 388,000	\$ 200,427	52%	
Expenditures	<u>274,924</u>	<u>46,713</u>	17%	
Net Change	113,076	153,714		
Beginning Fund Balance	(200,374)	(200,374)		
Ending Fund Balance	<u>\$ (87,298)</u>	<u>\$ (46,660)</u>		
<u>Miscellaneous Special Revenue Fund</u>				
Revenues	\$ 400	\$ 76	-	
Expenditures	<u>-</u>	<u>-</u>	-	
Net Change	400	76		
Beginning Fund Balance	362	362		
Ending Fund Balance	<u>\$ 762</u>	<u>\$ 438</u>		



City of Laguna Woods
Fiscal Year 2025-26 Second Quarter Financial Report
Quarter Ended December 31, 2025
(50% of Year Elapsed - Unaudited Amounts)

	Amended Budget	YTD Actual @ 12/31/25	Actual % of Budget	Variance Explanation
Capital Projects				
Revenues	\$ 85,000	\$ 28,783	-	
Expenditures	2,886,407	297,856	10%	
Transfer In from General Fund	1,860,000	1,860,000	100%	
Transfer Out to General Fund	153,767	153,767	100%	
Net Change	(1,095,174)	1,437,160		
Beginning Fund Balance	1,224,372	1,224,372		
Ending Fund Balance	<u><u>\$ 129,198</u></u>	<u><u>\$ 2,661,532</u></u>		

Capital Projects Expenditure Detail:

City Centre Park Enhancement Project	\$ 66,936	\$ 41,484	62%
Circulation Improvement Project	25,838	9,607	37%
CIP - Woods End Wilderness Trail Drainage and Improvement Project	365,280	6,735	2%
Transit Shelter & Street Furniture Project	75,000	-	0%
CIP - Paseo De Valencia-Moulton Parkway Confluence Bypass Corridor Project	109,946	1,442	1%
Pavement Management Plan Project FY 25-26	93,700	1,504	2%
Public Works Warehouse Project	50,000	-	0%
City Hall Refurb Safety: Ph 4	445,360	207,136	47%
City Hall Refurb Safety: Ph 5	1,604,347	29,947	2%
City Hall Complex Parking Lot Improvement Project	<u><u>\$ 50,000</u></u>	<u><u>-\$ 297,855</u></u>	0%
	<u><u>\$ 2,886,407</u></u>	<u><u>\$ 297,855</u></u>	10%

Notes:

1. The first substantial revenue from property tax was received in January
2. Represents July through November revenue; the December distribution was received in January
3. Represents July through October revenue; November and December revenue was received in January and February, respectively
4. Represents 1st quarter solid waste and cable television franchise fees; 2nd quarter solid waste and cable television franchise fees were received in January and February, respectively
5. Represents July through November revenue; December revenue was received in January
6. Represents July through October Measure M2 revenue and 1st quarter interest allocation; November and December Measure M2 revenue was received in January
7. Represents 1st quarter interest income and PEG fees; 2nd quarter revenue and PEG fees are expected to be received in February
8. Reimbursable grant; revenues are received after expenditures are incurred and submitted for reimbursement
9. ARPA funds were fully spent and recognized as revenue
10. Reserve amount was increased with City Council approval on August 20, 2025 (Resolution No. 25-25)

7.0

CONSENT CALENDAR SUMMARY

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the February 18, 2026 Consent Calendar by single motion and City Council action.

Background

All items appearing on the Consent Calendar are considered by the City Manager to be routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council or City staff requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

Members of the public may address the City Council on any item appearing on the Consent Calendar at the time the item is considered, regardless of whether or not the item has been removed from the Consent Calendar.

Items that are removed from the Consent Calendar will be considered after the items remaining on the Consent Calendar.

Summary

The February 18, 2026 Consent Calendar contains the following items:

7.1 City Council Minutes

Approval of the City Council meeting minutes for the regular meeting on January 21, 2026 (Attachment A) and the special meeting on February 4, 2026 (Attachment B).

7.2 Payment Register

Approval of the payment register dated February 18, 2026 in the amount of \$1,135,425.31. A list of payments is included in the agenda packet; detailed information about individual payments is available at or from City Hall.

7.3 Statewide Trash Provisions (Orders)

Waiver of the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding and authorization for the City Manager to enter into agreements with consultants to provide professional services related to the City's legal obligations to comply with the State Water Resources Control Board's Statewide Trash Provisions, subject to approval as to form by the City Attorney and the availability of sufficient budgeted funds, through June 30, 2026. The City is actively engaged in developing a plan to comply with the State Water Resources Control Board's Statewide Trash Provisions, which require local governments to take steps to reduce trash in waterbodies. This planning effort is included as a significant work plan item in the Fiscal Years 2025-27 Budget & Work Plan ("Statewide Trash Orders Compliance"). As the Statewide Trash Provisions are extremely technical in nature and non-compliance could lead to significant fines and penalties, the City Manager has entered into consultant agreements to support the planning effort. The proposed action would allow for those consultant services to continue until the planning effort is completed, which would avoid delays and allow for the continued support of consultants familiar with the planning efforts to date. The Fiscal Years 2025-27 Budget & Work Plan includes sufficient funds to support the proposed action. No new or increased appropriations are sought as part of this item.

7.4 Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B

[1] Approval of the final record plans and specifications reflecting completion of the "Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B" as prepared by the project engineer.

AND

[2] Acceptance of project completion of the contract agreement with Hardy & Harper, Inc. for the construction of the "Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B" and authorization for the City Manager to execute and record, or cause to be executed and recorded, a notice of completion with the County of Orange.

AND

[3] Authorization for the City Manager to release the contract retention payment withheld per state law, and exonerate project posted bonds, for the “Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B,” 35 days following recordation of the notice of completion with the County of Orange, to the extent allowed by state law.

An agenda report is included with additional information.

7.5 Waste Infrastructure System Enterprise Agreement

Approval of the Waste Infrastructure System Enterprise Agreement (which establishes solid waste disposal rates and services related to the County of Orange’s landfills and solid waste infrastructure) with the County of Orange and authorization for the Mayor to execute the agreement, subject to approval as to form by the City Attorney. The proposed agreement (the “WISE Agreement”) would be the successor to the existing Waste Disposal Agreement (“WDA Agreement) between the City and County of Orange. Like the WDA Agreement, the WISE Agreement would provide the City with priority use of the County of Orange’s landfills, a solid waste disposal rate at least 10% lower than the public disposal rate, and sharing of revenue generated by the County of Orange’s waste importation agreements, in exchange for directing all non-recycled waste that the franchise hauler (CR&R Incorporated) collects to the County of Orange’s landfills. The WISE Agreement would also provide the City with a solid waste disposal rate equal to or lower than rates included in future waste importation agreements the County of Orange enters into with other parties. The solid waste disposal rates included in the WISE Agreement are significantly higher than the current rate, but remain the best available for in-county disposal. Out-of-county disposal rates may be lower for certain landfills, but would result in other costs such as increased driver labor and transportation. Staff is working with CR&R Incorporated to determine how the WISE Agreement rates would impact customer rates. Staff anticipates agendizing consideration of associated customer rate increases for the City Council’s regular meeting on March 18, 2026. The term of the WISE Agreement would run through June 30, 2036.

Table 1: Solid Waste Disposal Rates for County of Orange Landfills

Fiscal Year	WISE Agreement Rate	Non-WISE Agreement Rate
Current	\$43.76/ton	\$67.76/ton
2026-27	\$67.00/ton	\$92.70/ton
2027-28	\$74.00/ton	\$100.40/ton
2028-29	\$81.00/ton	\$108.10/ton
2029-30*	\$81.00/ton + CPI increase	\$110.77/ton (estimate)

* The WISE Agreement Rate will annually increase by CPI, beginning in Fiscal Year 2029-30.

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7.1

CITY COUNCIL MINUTES

**For additional information on this item,
please refer to Item 7.0 (Consent Calendar Summary).**

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CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
January 21, 2026
2:00 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637

I. CALL TO ORDER

Mayor McCary called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:01 p.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: Conners, Horne, Moore, Lee, McCary
ABSENT: -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT: City Manager Macon, City Attorney Patterson, Administrative Services Director/City Treasurer Torres, City Clerk Trippy

All staff participated in-person at the meeting location.

III. PLEDGE OF ALLEGIANCE

Councilmember Horne led the pledge of allegiance.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 International Holocaust Remembrance Day – January 27, 2026

The following members of the public made comments:

1. Unidentified member of the public
2. Alana Silverberg, resident
3. Unidentified member of the public
4. Dalia Bromberg, resident
5. David Cohen, resident

Councilmembers made comments.

Mayor McCary called for a moment of silence in observance of International Holocaust

Remembrance Day.

A moment of silence was observed.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Mayor McCary commented on coyote activity.

The following individuals expressed concerns regarding coyote activity and the City's response to the same:

1. Frank Yturrarde, resident
2. Diane Duray, resident
3. Zosia, resident
4. Nick Papageorges, resident (also submitted written public comments, which were provided to the City Council)
5. Gay Page, resident (also submitted written public comments, which were provided to the City Council)
6. Marie Collins, resident
7. David Cohen, resident
8. Ronald Drauden, resident (also commented on the Laguna Woods Dog Club's dog licensing/vaccination event and submitted a flyer for the event, which was provided to the City Council)
9. Dianne Campell, resident
10. Cate Kennedy, resident
11. Robert Helfand, resident
12. Ellie, resident
13. Shanna Hermann, resident
14. Pam Thomas, resident
15. Robyn Rose, resident
16. Unidentified member of the public
17. William Nuesse, resident
18. Jan Rand, resident
19. Mark Spooler, resident

City Manager Macon noted that written public comments were received from Donna Karbach ahead of today's meeting. Those comments were provided to the City Council and express concerns regarding coyote activity and the City's response to the same.

Councilmembers and City Manager Macon briefly responded to the public comments.

Mayor McCary called for a brief recess.

The meeting was called back to order at 3:56 p.m.

VI. CITY TREASURER'S REPORT

6.1 City Treasurer's Report

Administrative Services Director/City Treasurer Torres made a presentation.

Moved by Councilmember Moore, seconded by Councilmember Conners, and carried unanimously on a 5-0 vote, to receive and file the City Treasurer's Report for the month of December 2025.

VII. CONSENT CALENDAR

Moved by Councilmember Moore, seconded by Councilmember Conners, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 7.1-7.2.

7.1 City Council Minutes

Approved the City Council meeting minutes for the regular meeting on December 17, 2025 and the adjourned regular meeting on December 22, 2025.

7.2 Payment Register

Approved the payment register dated January 21, 2026, in the amount of \$1,165,968.58.

VIII. PUBLIC HEARINGS

8.1 Conditional Use Permit CUP-2025-0003, a request by the Camino School/St. Nicholas Catholic Church for approval of a conditional use permit amending Conditional Use Permit CUP-291 to allow for the establishment of an educational institution use, alternative provisions to off-street parking regulations resulting in a reduction in available off-street parking stalls during certain hours, and installation of an outdoor shed at the property located at 24252 El Toro Road, Laguna Woods, CA 92637

City Manager Macon made a presentation.

Mayor McCary opened the public hearing.

With no requests to speak, the public hearing was closed.

Councilmembers discussed the item and the applicant and staff responded to questions.

Moved by Councilmember Moore, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT CUP-2025-0003 TO AMEND CONDITIONAL USE PERMIT CUP-291 TO ALLOW FOR THE ESTABLISHMENT OF AN EDUCATIONAL

INSTITUTION USE, ALTERNATIVE PROVISIONS TO OFF-STREET PARKING REGULATIONS RESULTING IN A REDUCTION IN AVAILABLE OFF-STREET PARKING STALLS DURING CERTAIN HOURS, AND INSTALLATION OF AN OUTDOOR SHED AT THE PROPERTY LOCATED AT 24252 EL TORO ROAD, LAGUNA WOODS, CA 92637, AND DETERMINING THAT THE CONDITIONAL USE PERMIT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTION 15301 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

8.2 City Council Salary and Expense Reimbursement

City Manager Macon introduced the item.

Mayor McCary opened the public hearing.

With no requests to speak, the public hearing was closed.

Councilmembers discussed the item.

Moved by Councilmember Conners, seconded by Mayor Pro Tem Lee, and carried on a 4-1 vote, with Councilmember Moore opposed, to approve the introduction and first reading of an ordinance – ready by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 2.02 OF THE LAGUNA WOODS MUNICIPAL CODE INCREASING THE SALARY THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO RECEIVE AND THE EXPENSES INCURRED IN THE PERFORMANCE OF OFFICIAL DUTIES THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO BE REIMBURSED FOR, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

with the salary amount set at \$500 per month and added in place of each instance of “[INSERT AMOUNT HERE]” in the proposed ordinance.

IX. CITY COUNCIL BUSINESS

9.1 Southern California Association of Governments 2026 General Assembly Delegate and Alternate Delegate

City Manager Macon made a presentation.

Councilmembers discussed the item and staff responded to questions.

Moved by Councilmember Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to appoint Councilmember Moore as the delegate at the Southern California Association of Governments' 2026 General Assembly on May 7, 2026 in Palm Desert, California.

9.2 City Council Term Limits
(agendized by Mayor Pro Tem Lee)

Mayor Pro Tem Lee introduced the item.

The following members of the public expressed support for term limits:

1. Allison Bok, resident
2. Micki Nozaki, resident
3. Steve Torres, resident
4. Nancy Carlson, resident

Kathryn Freshley, resident, commented on the importance of tenure for regional boards.

City Clerk Trippy noted that written public comments were received from Walter Valencia at today's meeting. Those comments were provided to the City Council after the meeting and express support for term limits.

Councilmembers discussed the item and staff responded to questions.

Moved by Mayor Pro Tem Lee to direct staff to draft an ordinance for future consideration by the City Council that would – if placed on a future ballot by the City Council and subsequently approved by registered voters – enact term limits of two terms totaling eight years of service for members of the City Council. The motion died for a lack of a second.

X. CITY COUNCIL REPORTS AND COMMENTS

10.1 Coastal Greenbelt Authority

Mayor McCary provided a report, including a PowerPoint presentation.

10.2 Orange County Fire Authority

Councilmember Horne provided a report and responded to a question from Councilmember Moore.

10.3 Orange County Library Advisory Board

Councilmember Moore provided a report.

10.4 Orange County Mosquito and Vector Control District

Mayor Pro Tem Lee provided a report and responded to a question from Councilmember Moore.

10.5 San Joaquin Hills Transportation Corridor Agency

Councilmember Conners provided a report and responded to a question from Mayor McCary.

10.6 South Orange County Watershed Management Area

Councilmember Moore provided a report.

City Manager Macon responded to a question from Councilmember Moore.

10.7 Liaisons to Community Bridge Builders

No report

10.8 Other Comments and Reports – None

XI. CLOSED SESSION – None

XII. CLOSED SESSION REPORT – None

XIII. ADJOURNMENT

The meeting was adjourned at 5:29 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, February 18, 2026 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: February 18, 2026

ANNIE MCCARY, Mayor

CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
SPECIAL MEETING
February 4, 2026
11:00 A.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637

I. CALL TO ORDER

Mayor McCary called the Special Meeting of the City Council of the City of Laguna Woods to order at 11:04 a.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: McCary, Lee, Conners, Horne, Moore
ABSENT: -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT: City Manager Macon, City Attorney Patterson, City Clerk Trippy

All staff participated in-person at the meeting location.

III. PLEDGE OF ALLEGIANCE

Councilmember Horne led the pledge of allegiance.

IV. PRESENTATIONS AND CEREMONIAL MATTERS – None

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

David Cohen, resident, made comments regarding coyote activity and information provided by Laguna Beach Animal Services. He denied allegations of having a financial interest in potential coyote sterilization.

City Clerk Trippy read written public comments that were received from Jay Laessi, resident, ahead of today's meeting. Those comments were also provided to the City Council and related to the Commercial Design Standards Project.

VI. CITY TREASURER'S REPORT – None; the monthly City Treasurer's Report was provided at the regular meeting on January 21, 2026

VII. CONSENT CALENDAR – None

VIII. PUBLIC HEARINGS – None

IX. CITY COUNCIL BUSINESS – None

X. CITY COUNCIL REPORTS AND COMMENTS – None

XI. CLOSED SESSION

City Attorney Patterson introduced the closed session and noted that Item 11.1 does not pertain to coyotes.

Prior to convening in closed session, an opportunity was provided for public comments on items appearing on the closed session agenda. No such public comments were received.

11.1 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of California Government Code Section 54956.9: one potential case

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of California Government Code Section 54956.9: same potential case

The City Council convened in closed session on Item 11.1.

XII. CLOSED SESSION REPORT

The City Council reconvened in open session at 11:41 a.m. City Attorney Patterson stated that there was no reportable action.

XIII. ADJOURNMENT

The meeting was adjourned at 11:41 a.m. The next regular meeting will be at 2:00 p.m. on Wednesday, February 18, 2026, at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: February 18, 2026

ANNIE MCCARY, Mayor

7.2 PAYMENT REGISTER

**For additional information on this item,
please refer to Item 7.0 (Consent Calendar Summary).**

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CITY OF LAGUNA WOODS
PAYMENT REGISTER
February 18, 2026

ITEM 7.2

This Report Covers the Period 01/01/2026 through 01/31/2026

	Date	Vendor Name	Description	Amount
Debit			Automatic Bank Debits:	
Debit	01/02/2026	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 12/26/2025	2,553.00
Debit	01/02/2026	NAVIA BENEFIT SOLUTIONS, INC	Employee Benefit Program / December 2025 & January 2026	86.33
Debit	01/02/2026	GLOBAL PAYMENTS / OPEN EDGE	Credit Card Processing Fees / December 2025	1,131.32
Debit	01/08/2026	NAVIA BENEFIT SOLUTIONS, INC	Employee Benefit Program / December 2025 & January 2026	3,320.00
Debit	01/09/2026	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Period Ending 12/12/25 & 12/26/25	587.78
Debit	01/09/2026	NAVIA BENEFIT SOLUTIONS, INC	125 Cafeteria Plan Administration / December 2025	200.00
Debit	01/12/2026	CALPERS - HEALTH	Employee Benefit Program / January 2026	24,132.63
Debit	01/13/2026	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 12/12/25	8,097.37
Debit	01/13/2026	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 12/12/25	4,568.53
Debit	01/14/2026	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 01/09/2026	53,205.73
Debit	01/15/2026	ADP TAX	Payroll Taxes / Pay Period Ended 01/09/2026	27,422.83
Debit	01/15/2026	NAVIA BENEFIT SOLUTIONS, INC	Employee Benefit Program / December 2025	671.99
Debit	01/15/2026	U.S. BANK	Bank Service Charges / December 2025	99.25
Debit	01/16/2026	ADP PAYROLL SERVICES	Payroll Processing Fees / December 2025	100.70
Debit	01/16/2026	COUNTY OF ORANGE - SHERIFF	Law Enforcement Services / January 2026	298,335.20
Debit	01/16/2026	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 01/09/26	4,428.00
Debit	01/22/2026	NAVIA BENEFIT SOLUTIONS, INC	Employee Benefit Program / January 2026	1,065.96
Debit	01/23/2026	NAVIA BENEFIT SOLUTIONS, INC	Employee Benefit Program / January 2026	790.30
Debit	01/26/2026	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 12/26/25	8,094.26
Debit	01/26/2026	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 12/26/25	4,568.53
Debit	01/29/2026	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 01/23/2026	44,929.69
Debit	01/29/2026	ADP TAX	Payroll Taxes / Pay Period Ended 01/23/2026	24,142.43
Debit	01/30/2026	NAVIA BENEFIT SOLUTIONS, INC	Employee Benefit Program / January 2026	195.98
Debit	01/30/2026	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 01/23/26	2,878.00
Debit	01/30/2026	DELTA DENTAL OF CALIFORNIA	Employee Benefit Program / February 2026	1,020.43
Check				
Number			Checks:	
9051	01/09/2026	AT&T	Telephone / 458-3487 / December 2025	62.21
9052	01/09/2026	AXON ENTERPRISE, INC.	Computer Software Subscription / January 2026	900.00
9053	01/09/2026	BEAR ELECTRICAL SOLUTIONS, INC.	Circulation Improvement Project	6,221.09
9054	01/09/2026	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / October 2025	7,263.60
9055	01/09/2026	BUREAU VERITAS NORTH AMERICA INC	Building Plan Review Services / November 2025	3,875.00
9056	01/09/2026	DATA TICKET, INC	Citation Processing / November 2025	0.83
9057	01/09/2026	EPIC IO TECHNOLOGIES, INC.	City Hall Internet Service / January 2026	201.45
9058	01/09/2026	FIRST AMERICAN TITLE COMPANY	Survey Document Report	750.00
9059	01/09/2026	INTERNATIONAL CODE COUNCIL	Building Code Publications	1,755.16
9060	01/09/2026	LSA ASSOCIATES, INC.	Planning Services / September 2025	4,082.50
9061	01/09/2026	ORKIN	City Hall Maintenance	134.00
9062	01/09/2026	PETTY CASH	Replenish Petty Cash / December 2025	-
9063	01/09/2026	PSR ENVIRONMENTAL CONSULTING SERVICES, INC	City Hall Refurbishment & Safety Project: Phase 5	1,750.00
9064	01/09/2026	RINGCENTRAL, INC.	Telephone Services / January 2026	847.89
9065	01/09/2026	RJM DESIGN GROUP	Landscape Architectural Services / November 2025	9,550.33
9066	01/09/2026	SECURE LIVE SCAN, LLC	Fingerprinting Services	70.00
9067	01/09/2026	SOUTHERN CALIFORNIA EDISON	Street Lighting - Residential / November 2025	3,140.82

CITY OF LAGUNA WOODS
PAYMENT REGISTER
February 18, 2026

ITEM 7.2

This Report Covers the Period 01/01/2026 through 01/31/2026

Date	Vendor Name	Description	Amount
9068 01/09/2026	TRIPEPI, SMITH AND ASSOCIATES, INC.	Broadcasting Services / December 2025	628.64
9069 01/09/2026	VERIZON COMMUNICATIONS INC.	Fleet Software / December 2025	199.63
9070 01/09/2026	VISION SERVICE PLAN OF AMERICA	Employee Benefit Program / January 2026	254.94
9071 01/09/2026	WM CURBSIDE, LLC	HHW & Sharps Program / December 2025	3,340.17
9072 01/15/2026	JAMES HASTON	Payroll / Pay Period Ended 01/09/2026	5,195.46
9073 01/20/2026	AETNA BEHAVIORAL HEALTH, LLC	Employee Benefit Program / December 2025 & January - February 2026	102.66
9074 01/20/2026	AIRESPRING INC	City Hall Internet Service / November - December 2025 & January 2026	1,850.24
9075 01/20/2026	ALLIANCE BUILDING MAINTENANCE, LLC	Janitorial Services / December 2025	3,827.00
9076 01/20/2026	AT&T	White Pages / January 2026	4.33
9077 01/20/2026	BOUTWELL FAY LLP	Legal Services / December 2025	477.00
9078 01/20/2026	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / December 2025	16,819.93
9079 01/20/2026	CALBO	Job Posting	285.00
9080 01/20/2026	CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS	Membership Dues	100.00
9081 01/20/2026	CALIFORNIA BUILDING STANDARDS COMMISSION	Building Permit Fee Assessment / October - December 2025	622.80
9082 01/20/2026	CAPTIONING UNLIMITED	Closed Captioning / December 2025	400.00
9083 01/20/2026	CHECKERED FLAG LAKE FOREST LAP	Fleet Vehicle Washing / December 2025	135.00
9084 01/20/2026	CITY OF LAGUNA BEACH	Animal Control & Shelter Services / December 2025	10,366.00
9085 01/20/2026	CIVICPLUS, LLC	Codification Of Ordinances	1,163.86
9086 01/20/2026	COUNTY OF ORANGE	800MHz Comm Charges-Cost Allocation / January - March 2026	1,778.89
9087 01/20/2026	CT&T CONCRETE PAVING INC	ADA Pedestrian Accessibility Improvement Project: Phase 9	48,260.00
9088 01/20/2026	DEPARTMENT OF CONSERVATION	Strong Motion Instrumentation & Seismic Hazard Mapping Fee / October - December 2025	1,264.44
9089 01/20/2026	DIVISION OF THE STATE ARCHITECT	Disability Access & Education Fee / October - December 2025	6.00
9090 01/20/2026	GEOSYNTEC CONSULTANTS, INC	Engineering Services	22,645.64
9091 01/20/2026	GOVERNMENT FINANCE OFFICERS	ACFR Award Program Application / Fiscal Year 2024-2025	590.00
9092 01/20/2026	HARDY & HARPER, INC	ADA Pedestrian Accessibility Improvement Project: Phase 9B	58,206.50
9093 01/20/2026	ITERIS, INC	Traffic Engineering / December 2025	3,720.72
9094 01/20/2026	JAM SERVICES	Illuminated Street Name Signs	25,558.30
9095 01/20/2026	KONE INC.	City Hall Elevator Maintenance / January 2026	239.86
9096 01/20/2026	LAGUNA CANYON FOUNDATION	Engineering Services	1,735.00
9097 01/20/2026	LEAGUE OF CALIFORNIA CITIES	Membership Dues	8,237.00
9098 01/20/2026	MILLSTEN ENTERPRISES, INC.	Woods End Wilderness Preserve Trail Drainage & Improvement Project	69,269.82
9099 01/20/2026	NV5, INC.	Engineering Services / November 2025	16,230.75
9100 01/20/2026	OCY MANAGEMENT, LLC	Senior Mobility Program Services / November 2025	35,303.40
9101 01/20/2026	PARK CONSULTING GROUP, INC	Software Consulting Services / December 2025	925.00
9102 01/20/2026	PIPE TEC, INC.	Water Quality Services	3,300.00
9103 01/20/2026	PV MAINTENANCE INC	Street, City Hall & Park Maintenance / December 2025	17,453.44
9104 01/20/2026	RICOH USA, INC.	Copier Usage / October - December 2025	1,094.75
9105 01/20/2026	SAFEGUARD BUSINESS SYSTEMS	Printing Services	513.99
9106 01/20/2026	SMITH ARCHITECTS	City Hall Refurbishment & Safety Project: Phase 5	7,000.00
9107 01/20/2026	SOUTH COAST IT	IT Consulting Services / November - December 2025	825.00
9108 01/20/2026	SOUTHERN CALIFORNIA EDISON	Electric Service / November - December 2025	8,662.23
9109 01/20/2026	SOUTHERN CALIFORNIA GAS COMPANY	Gas Service - City Hall / December 2025	180.53
9110 01/20/2026	SOUTHERN CALIFORNIA SHREDDING,	Shredding Services / December 2025	460.00
9111 01/20/2026	SWEEPING CORPORATION OF AMERICA	Street Sweeping Services / December 2025	4,350.00
9112 01/20/2026	VERIZON WIRELESS	Building & Code Enforcement iPads Data Plans / December 2025	140.06

CITY OF LAGUNA WOODS
PAYMENT REGISTER
February 18, 2026

This Report Covers the Period 01/01/2026 through 01/31/2026

Date	Vendor Name	Description	Amount
9113 01/26/2026	AT&T	Telephone / 583-1105 / December 2025	31.88
9114 01/26/2026	AT&T	Telephone / 581-9821 / December 2025	139.68
9115 01/26/2026	BEAR ELECTRICAL SOLUTIONS, INC.	Traffic Signal Maintenance / December 2025	4,885.00
9116 01/26/2026	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / June & September 2025	14,729.71
9117 01/26/2026	CHASE DESIGN, INC.	Website Design / December 2025	975.00
9118 01/26/2026	COUNTY OF ORANGE	Automated Fingerprint ID System / December 2025	514.00
9119 01/26/2026	ECONOLITE SYSTEMS	Software Subscription	4,982.00
9120 01/26/2026	EL TORO WATER DISTRICT	Water Service / October - November 2025	10,078.42
9121 01/26/2026	FAZE 3 GRAPHIX	Waste Enclosure Signage	68.88
9122 01/26/2026	ITERIS, INC	Traffic Engineering / October 2025	7,143.69
9123 01/26/2026	KIMLEY HORN & ASSOCIATES, INC	Traffic Engineering Services	2,780.00
9124 01/26/2026	LEAGUE OF CALIFORNIA CITIES	Membership Dues	300.00
9125 01/26/2026	MARC DONOHUE	Administrative Services / December 2025	250.00
9126 01/26/2026	NV5, INC.	Engineering Services / December 2025	29,686.08
9127 01/26/2026	OCY MANAGEMENT, LLC	Senior Mobility Program Services / December 2025	40,261.70
9128 01/26/2026	ORANGE COUNTY REGISTER-NOTICES	Public Notices / December 2025	1,048.12
9129 01/26/2026	PSOMAS	GIS Services / December 2025	6,223.75
9130 01/26/2026	RJM DESIGN GROUP	Landscape Architectural Services / December 2025	6,342.22
9131 01/26/2026	RUTAN & TUCKER, LLP	Legal Services / December 2025	7,300.00
9132 01/26/2026	U.S. BANK	Credit Card Charges / December 2025	3,877.62
9133 01/26/2026	VOID	VOID	-
9134 01/26/2026	UNITED STORM WATER, INC	Catch Basin Cleaning / November 2025	7,832.00
9135 01/26/2026	WILLDAN ENGINEERING	Code Enforcement Services / November 2025	7,000.00
9136 01/30/2026	CAPTIONING UNLIMITED	Closed Captioning / January 2026	400.00
9137 01/30/2026	GEOSYNTEC CONSULTANTS, INC	Engineering Services / December 2025	14,500.00
9138 01/30/2026	KARDENT	City Hall Refurbishment & Safety Project: Phase 5	2,800.00
9139 01/30/2026	LSA ASSOCIATES, INC.	Planning Services / December 2025	342.50
9140 01/30/2026	PRACTICAL DATA SOLUTIONS	IT Support Services / October - December 2025	14,704.38
9141 01/30/2026	RICOH USA, INC.	Copier Lease / February 2026	246.57
9142 01/30/2026	SOUTHERN CALIFORNIA EDISON	Street Lighting - Residential / December 2025	3,134.33
9143 01/30/2026	UNITED STORM WATER, INC	Catch Basin Cleaning / December 2025	1,262.68
9144 01/30/2026	WILLDAN ENGINEERING	Code Enforcement Services / December 2025	560.00

Total Bank Debits and Checks: \$ 1,135,355.31

Petty Cash Expenditures Paid Out (See Note 2)

Julie Kropa Notary Renewal Reimbursement

\$70.00

Total Petty Cash: \$70.00

TOTAL \$ 1,135,425.31

CITY OF LAGUNA WOODS
PAYMENT REGISTER
February 18, 2026

This Report Covers the Period 01/01/2026 through 01/31/2026

Date	Vendor Name	Description	Amount																																										
NOTES:																																													
Note 1 - City Councilmembers are eligible to receive either a salary or vehicle reimbursement allowance in the amount of \$300 per month (\$3,600 per year). Such compensation is included in the City's regular payroll (see "ADP Payroll Services" under "Automatic Bank Debits"), unless waived by the Councilmember. For the month of January 2026, the following Councilmembers received compensation in the amount of \$300: Conners, Horne, Lee, and McCary.																																													
Note 2 - Petty cash is reported as cash is paid out, not when the fund is replenished.																																													
Note 3 - The table below summarizes credit card expenditures paid via Check #9132 to U.S. Bank totaling \$3,877.62:																																													
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">Microsoft</td> <td style="width: 90%;">Office 365 Online Subscription / December 2025</td> <td style="width: 10%; text-align: right;">\$141.75</td> </tr> <tr> <td>Sinch Mailgun</td> <td>Computer Software</td> <td style="text-align: right;">\$35.00</td> </tr> <tr> <td>Zoom</td> <td>Video Conferencing</td> <td style="text-align: right;">\$31.98</td> </tr> <tr> <td>Hightail</td> <td>Computer Software</td> <td style="text-align: right;">\$15.00</td> </tr> <tr> <td>WP Engine</td> <td>Website Hosting Subscription</td> <td style="text-align: right;">\$1,684.38</td> </tr> <tr> <td>GovernmentJobs.com</td> <td>Job Posting</td> <td style="text-align: right;">\$199.00</td> </tr> <tr> <td>ChargePoint</td> <td>Fleet Vehicle Charging Fees</td> <td style="text-align: right;">\$110.00</td> </tr> <tr> <td>Stamps.com</td> <td>Postage</td> <td style="text-align: right;">\$80.99</td> </tr> <tr> <td>Sabrosada</td> <td>Staff Luncheon</td> <td style="text-align: right;">\$399.67</td> </tr> <tr> <td>Smart n' Final</td> <td>Staff Luncheon</td> <td style="text-align: right;">\$60.06</td> </tr> <tr> <td>Phresh</td> <td>Office Supplies</td> <td style="text-align: right;">\$90.42</td> </tr> <tr> <td>Amazon</td> <td>Office Supplies</td> <td style="text-align: right;">\$592.41</td> </tr> <tr> <td>League of California Cities</td> <td>Quarterly Meeting Registration / Lee, McCary, Moore</td> <td style="text-align: right;">\$120.00</td> </tr> <tr> <td>Southwest Airlines</td> <td>Travel for League of California Cities Policy Committee Meeting / A. McCary</td> <td style="text-align: right;">\$316.96</td> </tr> </table>				Microsoft	Office 365 Online Subscription / December 2025	\$141.75	Sinch Mailgun	Computer Software	\$35.00	Zoom	Video Conferencing	\$31.98	Hightail	Computer Software	\$15.00	WP Engine	Website Hosting Subscription	\$1,684.38	GovernmentJobs.com	Job Posting	\$199.00	ChargePoint	Fleet Vehicle Charging Fees	\$110.00	Stamps.com	Postage	\$80.99	Sabrosada	Staff Luncheon	\$399.67	Smart n' Final	Staff Luncheon	\$60.06	Phresh	Office Supplies	\$90.42	Amazon	Office Supplies	\$592.41	League of California Cities	Quarterly Meeting Registration / Lee, McCary, Moore	\$120.00	Southwest Airlines	Travel for League of California Cities Policy Committee Meeting / A. McCary	\$316.96
Microsoft	Office 365 Online Subscription / December 2025	\$141.75																																											
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Smart n' Final	Staff Luncheon	\$60.06																																											
Phresh	Office Supplies	\$90.42																																											
Amazon	Office Supplies	\$592.41																																											
League of California Cities	Quarterly Meeting Registration / Lee, McCary, Moore	\$120.00																																											
Southwest Airlines	Travel for League of California Cities Policy Committee Meeting / A. McCary	\$316.96																																											
Total Credit Card Reimbursement:			\$3,877.62																																										

Administrative Services Director/City Treasurer's Certification

I, Elizabeth Torres, Administrative Services Director / City Treasurer, do hereby certify:

In accordance with California Government Code Section 37202, I hereby certify to the accuracy of the demands on cash summarized within;
 That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months; and
 That the City is in compliance with California Government Code Section 27108.



Digitally signed by Elizabeth Torres
 Date: 2026.02.12 20:14:53 -08'00'

Elizabeth Torres, Administrative Services Director/City Treasurer

7.3 STATEWIDE TRASH PROVISIONS (ORDERS)

**For additional information on this item,
please refer to Item 7.0 (Consent Calendar Summary).**

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: Statewide Trash Provisions (Orders)

Recommendation

Waive the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding and authorize the City Manager to enter into agreements with consultants to provide professional services related to the City's legal obligations to comply with the State Water Resources Control Board's Statewide Trash Provisions, subject to approval as to form by the City Attorney and the availability of sufficient budgeted funds, through June 30, 2026.

For Additional Information

Please refer to Item 7.0 (Consent Calendar Summary).

Report Prepared With: Nadia Cook, Planning & Environmental Services Director

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7.4

AMERICANS WITH DISABILITIES ACT (ADA)

PEDESTRIAN ACCESSIBILITY IMPROVEMENT

PROJECT: PHASE 9B

**For additional information on this item,
please refer to Item 7.0 (Consent Calendar Summary).**

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B

Recommendation

1. Approve the final record plans and specifications reflecting completion of the “Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B” as prepared by the project engineer.

AND

2. Accept project completion of the contract agreement with Hardy & Harper, Inc. for the construction of the “Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B” and authorize the City Manager to execute and record, or cause to be executed and recorded, a notice of completion with the County of Orange.

AND

3. Authorize the City Manager to release the contract retention payment withheld per state law, and exonerate project posted bonds, for the “Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B,” 35 days following recordation of the notice of completion with the County of Orange, to the extent allowed by state law.

Summary

The Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9 (“base project”) is included in the Fiscal Years 2025-36 Capital Improvement Program. Due to lower than anticipated costs and the City receiving funding for its

waitlist/expanded scope project, the base project has been split into three phases – 9, 9B, and Expanded Scope – all funded by a federal grant.

- Phase 9 involves the reconstruction of the following driveway crossings: (1) El Toro Road adjacent to the Lutheran Church of the Cross and (2) Santa Maria Avenue adjacent to Polly's Pies Restaurant & Bakery.
- Phase 9B involves removing and constructing concrete sidewalk panels, as well as traffic control, adjusting utility manholes and water valves to grade, re-establishing survey monuments, and replacing impacted existing pavement, painted striping, and pavement markings.
- Expanded Scope involves installing push button assemblies, Accessible Pedestrian Signals (“APS”), and conduit, as well as removing and constructing concrete sidewalk panels.

The City Council awarded the construction contract agreement for Phase 9B to Hardy & Harper, Inc. on November 19, 2025. Construction is now complete.

Documents Available for Review

The final record plans and specifications reflecting completion of the Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9B as prepared by the project engineer (NV5, Inc.) are available for public review at City Hall during normal working hours.

Report Prepared With: April Baumgarten, Public Works Administrator

7.5

WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT

**For additional information on this item,
please refer to Item 7.0 (Consent Calendar Summary).**

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WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT
("WISE AGREEMENT")

Between

THE COUNTY OF ORANGE, CALIFORNIA

and
the

CITY OF LAGUNA WOODS

Dated February 18, 2026

County Authorization Date:

City Authorization Date:

February 18, 2026

County Notice Address:

City Notice Address:

Director
OC Waste & Recycling
601 N. Ross Street 5th Floor
Santa Ana, CA 92701

City Manager
City of Laguna Woods
24264 El Toro Road
Laguna Woods, CA 92637

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FRANCHISE HAULER ACKNOWLEDGEMENT

APPENDIX 5

ORGANIC SERVICES AGREEMENT

WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT

THIS WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT (“WISE Agreement” or “Agreement” are used interchangeably) is made and dated as of the date indicated on the cover page hereof between the County of Orange, a political subdivision of the State of California (the “County”), and the city, special district, or sanitary district designated on the cover page of this Agreement (the “City”). County and City may hereinafter be referred to singularly as “Party” or collectively as “Parties.”.

RECITALS

The County owns, manages and operates a Waste Infrastructure System to manage municipal and solid waste generated within the County of Orange or imported from outside the County pursuant to contractual agreements. The Waste Infrastructure System collectively includes active Class III sanitary landfills (“County Landfills”), resource recovery, recycling and organics programs, infrastructure and operations, closed landfills, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

The County is also responsible for the long-term management of twenty (20) closed landfills as required under Applicable Law.

County Landfills are used for the management of municipal solid waste pursuant to legislation including but not limited to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) (the “Act”) and the Short-lived Climate Pollutants Reduction Act (“SB 1383”). County Landfills are also subject to other State and federal regulations designed to ensure that landfill operations minimize the impacts to public health and safety and the environment.

Pursuant to Resolution, the County established the Waste Management Enterprise Fund pursuant to Government Code §25261 to ensure that all costs associated with the operation and management of the Waste Infrastructure System are financed by charges imposed for services provided by the Department and are not funded by tax revenue or the County General Fund.

The City, in the exercise of its police power, its powers under the Act, and other Applicable Law, has entered into a franchise or other agreement with or issued permits or licenses to one or more private haulers for the collection, recycling, diversion and disposal of municipal solid waste generated within the City.

A significant portion of municipal solid waste generated within the City historically has been and currently is delivered by such hauler or haulers to the County for disposal in the Disposal System.

Since 1997, the City and the County have provided for the management of municipal solid waste through Waste Disposal Agreements (“WDAs”), wherein the County agreed to provide disposal capacity for waste generated in the City, and the City agreed to deliver or cause the delivery of waste generated in the City to the Disposal System, as more specifically set forth in, and subject to the terms and conditions of the WDAs.

Starting in approximately 2014, the Legislature of the State of California passed several pieces of legislation (“Organics Legislation”) that require significant reductions in the disposal of Organic Waste. The purpose of the Organics Legislation is to mandate organics recycling and curtail the impacts of climate change by reducing greenhouse gas emissions such as methane. In this regard, the decomposition of organic material in the State’s landfills was identified as a significant source of methane that could be reduced.

On April 23, 2019, the Orange County Board of Supervisors passed Resolution 19-031 to respond to the State’s increasing landfill diversion requirements and identified the need for additional organic processing infrastructure in the County and directed the Department to develop additional organics recycling infrastructure to support the region in meeting State organic recycling mandates.

The County has developed an Organics Infrastructure that is comprised of organic processing facilities to receive and process Organic Waste to support the State’s Organic Legislation goals, promote local recycling, assist local jurisdictions in meeting their organic diversion requirements and correspondingly conserve capacity in the

Disposal System and is offering interested Cities the option of participating in the County provided Organic Processing Services pursuant to a separate Organic Services Agreement (“OSA”) as provided in Appendix 5.

In their effort to continue the concepts and purposes outlined in the WDAs and respond to Organics Legislation, the City and the County desire to enter into this Waste Infrastructure System Enterprise Agreement (“WISE Agreement” or “Agreement”), on the terms and conditions set forth herein. The County and City acknowledge that the currently operative WDA shall remain in full force and effect until its expiration or the WISE Agreement Commencement Date, whichever comes first.

The City has determined that the execution of this Agreement by the City will serve the public health, safety and welfare of the City by providing disposal rate stability, predictable and reliable long-term disposal service, and the continuation of sound environmental management.

The County has determined that the execution by the County of this Agreement will serve the public health, safety and welfare by providing a stable, predictable and reliable supply of municipal solid waste and the resulting service payment revenue to the Waste Infrastructure System, thereby enabling the County to plan, manage, operate and finance improvements to the Waste Infrastructure System on a prudent and sound long term, businesslike basis consistent with its legal and regulatory obligations to the State and Federal government.

Official action approving this Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the County on the County authorization date indicated on the cover page hereof.

Official action approving this Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the City on the City authorization date indicated on the cover page hereof.

It is, therefore, agreed as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.1 DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below.

“Acceptable Waste” means all garbage, refuse, rubbish, Organic Waste and other materials and substances discarded or rejected as being spent, useless, worthless or in excess to the owners at the time of such discard or rejection and which are normally disposed of by or collected from residential (single family and multi-family), commercial, industrial, governmental and institutional establishments and which are acceptable at Class III landfills under Applicable Law.

“Act” means AB 939 the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded and replaced from time to time.

“Agreement” means this Waste Infrastructure System Enterprise Agreement (“WISE Agreement”) between the County and the City as the same may be amended or modified from time to time in accordance herewith.

“Appendix” means an appendix to this Agreement, as the same may be amended or modified from time to time in accordance with the terms hereof

“Applicable Law” means the Act, Organics Legislation, the Orange County Code of Ordinances, CERCLA, RCRA, CEQA, any Legal Entitlement and any federal or State rule, regulation, requirement, guideline, permit, action, determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the Waste Infrastructure System, and the transfer, handling, transportation and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes).

“CalRecycle” means the California Department of Resources Recycling and Recovery, which is a branch of the California Environmental Protection Agency, and any agency, department or other Governmental Body which succeeds to the duties and powers thereof. CalRecycle oversees the State’s waste management and waste reduction programs. CalRecycle was established in 2010 to replace the California Integrated Waste Management Board and is responsible for the enforcement of legislation and regulations and diversion requirements applicable to the Waste Infrastructure System.

“Capital Costs” means all costs of the Waste Infrastructure System that are classified as capital costs for purposes of the budget of the Department in accordance with procedures established by the County of Orange Auditor-Controller in compliance with the California State Controller’s Manual, including but not limited to all of the categories of costs of the Waste Infrastructure System including but not limited to “Buildings and Improvements, and Infrastructure” (Object Code 4200), “Equipment” (Object Code 4000-4040) and “Intangible” (Object Code 4250-4299) in the County of Orange – Chart of Accounts, or any successor accounting or reporting system utilized by the County.

“CEQA” means the California Environmental Quality Act, codified in California Public Resources. Code Section 21000 *et seq.* as amended or superseded, and the regulations promulgated thereunder.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the parties of their respective obligations under this Agreement (except for payment obligations), or on the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the Waste Infrastructure System or other matters to which Applicable Law applies:

- (1) the enactment, adoption, promulgation, issuance, material modification or written change in administrative or judicial interpretation on or after the Commencement Date of any Applicable Law (other than Applicable Law enacted by the County); or
- (2) the order or judgment of any Governmental Body (other than the County), on or after the Commencement Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the City, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or
- (3) the denial of an application for, delay in the review, issuance or renewal of, or suspension, termination, interruption, imposition of a new or more stringent condition in connection with the issuance, renewal or failure of issuance or renewal on or after the Commencement Date of any Legal Entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Agreement, if and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the County or of the City, whichever is asserting the occurrence of a Change in Law; provided, however that the contesting in good faith or the failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or
- (4) any new or revised requirements or fees relating to the funding or provision of Waste Infrastructure Services, including but not limited to, Integrated Waste Management Act Fees, Host Fees, regulations for disposal operations, organics processing and diversion, recycling initiatives or activities associated with the remediation, closure, funding or monitoring of closed landfills with respect to facilities comprising the Waste Infrastructure System, or facilities which the County previously utilized to provide waste disposal, transfer, recycling, processing or other waste related activities.

“City” means, as applicable, the City (general law, charter or other), Special District or Sanitary District designated on the cover page of this Agreement and party to this Agreement.

“City Acceptable Waste” means all Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the City, and Residue from the foregoing wherever produced, whether within or outside the City (or Tonnage equivalencies of such Residues, as and to the extent provided in subsection 3.1(D) hereof).

“Consumer Price Index” or “CPI” means a blend of the following two indexes based on the following percentage of each: 60% of the CPI shall be comprised of the Consumer Price Index published by the Bureau of Labor Statistics for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average (CUSR0000EHG); and, 40% of the CPI shall be comprised of the Consumer Price Index for All Urban Consumers, not seasonally adjusted, all items index (CPI-U) – All items in Los Angeles-Long Beach-Anaheim (CUURS49ASA0). In the event either of the forgoing indexes is no longer published during the term of this Agreement, such other index identified by the Bureau of Labor Statistics as a replacement or otherwise generally accepted as a replacement shall be used for purposes of this Agreement; and, in the absence thereof, the Orange County Board of Supervisors shall select an index that it determines most closely reflects the forgoing and best implements the intent of this Agreement.

“Commencement Date” means the date on which the obligations of the parties hereto commence, established as provided in Section 6.2(B) hereof.

“Contract Date” means the first date on which this Agreement has been executed by both parties hereto.

“Contract Rate” has the meaning specified in Section 4.2 hereof

“Contract Year” means the fiscal year commencing on July 1 in any year and ending on June 30 of the following year.

“Controllable Waste” means all City Acceptable Waste with respect to which the City has the legal or contractual ability to determine the disposal location therefor and which is:

- (1) Non-Recycled City Acceptable Waste;
- (2) not generated from the operations of the Governmental Bodies which, under Applicable Law, have the independent power to arrange for the disposal of the waste they generate; and
- (3) collected and hauled by Franchise Haulers.

“County” means the County of Orange, a political subdivision of the State of California and party to this Agreement.

“County Landfills” means all active Class III sanitary landfills located within the County of Orange and operated by the Department. At the time of execution, County Landfills consist of the Olinda Alpha Landfill located in Brea, California, the Frank R. Bowerman Landfill located in Irvine, California, and the Prima Deshecha Landfill located in San Juan Capistrano, California. (Note: The current estimated closure date for the Olinda Alpha Landfill is 2036 as specified in its Solid Waste Facility Permit. Throughout the term of this Agreement, County reserves the right to reduce, continue, expand, or cease all operation at the Olinda Alpha Landfill at its sole discretion.)

“County Plan” means the integrated waste management plan of the County approved by CalRecycle pursuant to the Act as in effect from time to time.

“County Acceptable Waste” means Acceptable Waste generated in the County.

“County-wide Recycling Services” has the meaning set forth in subsection 3.7(A) hereof.

“Cumulative Tonnage Target” for any given Contract Year means the amount specified in Appendix 2 hereto with respect to such Contract Year.

“Department” means OC Waste & Recycling, and any agency, department or other Governmental Body

which succeeds to the duties and powers thereof.

“Designated Facility” means the landfill or other County facility that the Department directs or assigns City Franchise Haulers to deliver City Acceptable Waste.

“Director” means the Director of OC Waste & Recycling.

“Disposal Services” means the solid waste disposal and other services to be provided by the County pursuant to the Service Covenant and as otherwise provided in this Agreement.

“Disposal System” means the Waste Infrastructure System which includes solid waste disposal operations at active landfills; Organics Infrastructure; regional Household Hazardous Waste Collection Centers; and other waste management related systems deemed necessary by the County, as well as services, such as post-closure maintenance and other activities, at closed landfills formerly operated by the County, as appropriate under Applicable Law.

“Environmental Fund” means the fund or funds held by the County to pay unanticipated costs of environmental mitigation, remediation or liability.

“Franchise Hauler” means any hauler or collector who provides Acceptable Waste collection services within the City pursuant to, or under authority granted by, a permit, contract, franchise or other agreement with the City. The term Franchise Hauler includes the City itself if Acceptable Waste collection and transportation services are provided directly by City operated municipal collection service.

“Full Cost Recovery” means all facets of Department costs and responsibilities including, but not limited to; operation, maintenance and management of the Waste Infrastructure System, labor and equipment, capital projects, environmental monitoring and mitigation, site closure, legal and regulatory compliance, long-term post-closure maintenance, remediation costs, planning for contingencies associated with the County’s long-term liability and maintaining adequate financial reserves.

“Governmental Body” means any federal, State, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of his or her authority.

“Hazardous Material” or “Hazardous Substance” has the meaning given such term in CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Section §78000 *et seq.*), and Titles 26 and 27 of the California Code of Regulations and other regulations promulgated thereunder.

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do either of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in 40 CFR Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in 10 CFR Part 40. The terms Hazardous Waste, Hazardous Material or Hazardous Substance shall be used interchangeably in this Agreement when not referring to specific Applicable Law.

“Host Fee” means the amount paid pursuant to Cooperative Agreements, referred to in Section 1.2 (I) of this Agreement, to compensate the cities identified in Section 1.2(I) (“Host Cities”) for costs or impacts incurred by Host Cities which might be associated with County Landfills due to their location within Host City boundaries, and not already substantially avoided or mitigated through the identification and adoption of Project Design Feature and Mitigation Measures.

“Imported Acceptable Waste” means Acceptable Waste that is generated outside of the geographical boundaries

of the County and delivered to the Waste Infrastructure System.

“Importation Agreement” means an agreement between the County and any public or private entity for the delivery and acceptance of Imported Acceptable Waste pursuant to contract.

“Independent Haulers” means those waste collection/hauler companies primarily engaged as a principal business in the collection and transportation of municipal solid waste generated in the County of Orange which are not obligated to deliver County Acceptable Waste to the Waste Infrastructure System pursuant to a franchise, contract, permit or other authorization with a City in the County.

“Initial Term” has the meaning specified in Section 6.1(A) hereof.

“Legal Entitlement” means all permits, licenses, approvals, authorizations, consents and entitlements of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Waste Infrastructure System or the performance of any obligation under this Agreement or the matters covered hereby.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative or regulatory proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

“Loss-and-Expense” means any and all loss, liability, obligation, damage, delay, penalty, judgment, deposit, cost, expense, claim, demand, charge, tax, or expense, including all fees and costs.

“MRF Fines” mean undersized or pulverized material consisting of small fractions of waste that are created during the recycling process as Material Recovery Facilities.

“Net Import Revenues” has the meaning ascribed thereto in Section 3.6(F).

“Non-Recycled City Acceptable Waste” means all City Acceptable Waste other than Recycled City Acceptable Waste.

“OC Waste & Recycling Enterprise Fund” means the waste management enterprise fund established and managed by the County pursuant to Section 25261 of the Government Code separate from its other funds and accounts for receipts and disbursements in connection with the Waste Infrastructure System.

“Organics Infrastructure” means organic processing facilities designed to receive and process Organic Waste to support the State’s Organic Legislation goals, promote local recycling, and/or assist local jurisdictions in meeting their organic diversion requirements which are utilized by interested Cities in connection with their participating in County-provided Organic Processing Services pursuant to a separate Organic Services Agreement.

“Organics Legislation” means organics recycling legislation including AB 1594, AB 1826, SB 1383 and any future legislation pertaining to the management and diversion of Organic Waste.

“Organics Processing Services” means the services provided by County to Cities that choose to enter into the Organic Services Agreement provided in Appendix 5.

“Organics Services Agreement” (“OSA”) means that separate agreement (as provided in Appendix 5) between County and interested Cities, whereby the County agrees to provide Organic Processing Services to interested Cities pursuant to the terms of the OSA.

“Organic Waste” means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges as defined in Title 14 of the California Code of Regulations, Section 18982(a)(46).

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the prime rate established from time to time by the Bank of America, N.A. or its successors and assigns, plus 2%, whichever is lower.

“Participating City” means any City executing a WISE Agreement in accordance with Section 3.6(A) hereof and meeting all requisite conditions to the Commencement Date thereof.

“Participation Threshold” means the point at which the percentage of the County’s Acceptable Waste attributable to Participating Cities which have executed and delivered Agreements shall exceed 50% percent (using the percentage rates attributed to such Participating Cities in Appendix 1).

“Posted Disposal Rate” means the per ton tipping fee charged by the County for the disposal of solid waste at the Disposal System by parties which are not entitled to disposal service at the Contract Rate pursuant to this Agreement or other contractual arrangement.

“Prohibited Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the Disposal System.

“Qualified Household Hazardous Waste” means waste materials determined by local, State, and federal regulation to be:

- (1) Of a nature that they must be listed as hazardous in State statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic;

which are discarded from households as opposed to businesses. Qualified Household Hazardous Waste shall not include Unacceptable Waste.

“Recycled City Acceptable Waste” means any otherwise Controllable Waste which is separated from Acceptable Waste by the generator thereof or by processing and which is “recycled” within the meaning of Section 40180 of the Public Resources Code.

“Renewal Term” has the meaning specified in Subsection 6.1(C) hereof.

“Residue” means any material remaining from the processing, by any means and to any extent, of City Acceptable Waste or Recycled City Acceptable Waste; provided, however, that Residue shall not include minimal amounts of material remaining after such processing (which minimal amounts shall in no event exceed 10% of the amount of such City Acceptable Waste or Recycled City Acceptable Waste prior to processing).

“Resource Conservation and Recovery Act” or “RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*, as amended and superseded.

“Restricted Reserves” has the meaning specified in Section 4.5.

“Sanitary Districts” means the sanitary districts in the County formed pursuant to the Sanitary District Act of 1923, codified in California Health & Safety Code Section 6400 *et seq.*, as amended, supplemented, superseded and replaced from time to time.

“Self-Hauled Waste” means City Acceptable Waste and City Acceptable Organic Waste collected and hauled by Self-Haulers.

“Self-Hauler” means any person not engaged commercially in waste haulage who collects and hauls Acceptable Waste generated from residential or business activities conducted by such person.

“Service Coordinator” means the service coordinator for either party designated pursuant to subsection 3.5(C) hereof.

“Service Covenant” means the covenants and agreements of the County set forth in Sections 3.2 and 3.3 hereof.

“Special District” means public agencies created by a Governmental Body to provide one or more specific services to a community, such as but not limited to water, sewer, refuse, parks and recreation, fire protection, pest abatement, etc.

“Source-Separated Household Hazardous Waste” means Qualified Household Hazardous Waste which has been segregated from Acceptable Waste originating or generated within the geographical jurisdiction of the City at the source or location of generation.

“Source-Separated Household Hazardous Waste Disposal System” means the collection centers, facilities, contracts and other arrangements owned or administered by the County for the receipt, handling and disposal of Source-Separated Household Hazardous Waste.

“State” means the State of California.

“Term” shall mean the term of this Agreement.

“Ton” means a “short ton” of two thousand (2,000) pounds.

“Transfer Station” means any materials recovery facility, composting facility, intermediate processing facility, recycling center, transfer station or other waste handling or management facility to which solid waste collected for the City is delivered for processing before receipt in the Waste Infrastructure System.

“Unacceptable Waste” means Hazardous Material; Hazardous Waste; Hazardous Substances; Prohibited Medical Waste; Qualified Household Hazardous Waste separated from Acceptable Waste; explosives, ordnance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities); drums and closed containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the Waste Infrastructure System is prohibited from receiving under Applicable Law.

“Uncontrollable Circumstance” means any act, event or condition affecting the Waste Infrastructure System, the County, the City, or any of their Franchise Haulers, contractors or suppliers to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement (except for payment obligations), if such act, event or condition is beyond the reasonable control of and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the Agreement; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party. Examples of Uncontrollable Circumstances are:

- (1) an act of God, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, epidemic; and
- (2) a Change in Law.

“Unincorporated Area” means those portions of the County which are not contained within the jurisdictional boundaries of incorporated cities.

“Unincorporated Area Acceptable Waste” means Acceptable Waste originating from or generated within the Unincorporated Area.

“Unrestricted Reserves” means cash and other reserves of the Waste Infrastructure System which are not Restricted Reserves.

“Waste Disposal Covenant” means the covenants and agreements of the City set forth in Section 3.1 hereof.

“Waste Infrastructure System” or “Disposal System” means County owned or operated waste management

related facilities, including active Class III sanitary landfills (“County Landfills”), closed landfills managed by the County, resource recovery operations, Organics Infrastructure, recycling and organics programs, infrastructure and operations, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

“WISE” means Waste Infrastructure System Enterprise.

“WISE Agreements” means each of the WISE agreements entered into between the County and any City within the County, Special District, Sanitary District, Jurisdiction, or operator of any Franchise Hauler located in the County in accordance with the terms herewith.

SECTION 1.2 INTERPRETATION. In this Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder”, “herewith”, and any similar terms refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the Contract Date.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(E) No Third Party Beneficiaries. Nothing in this Agreement is intended to confer on haulers or any other person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

(F) Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

(G) Applicable Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

(H) Severability. If any clause, provision, subsection, Section or Article of this Agreement shall be ruled invalid by any court of jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, subsection, Section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist, unless such invalidity frustrates the underlying primary purpose of the Agreement.

(I) Integration; Preservation of Certain Agreements. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall completely and fully supersede all prior understandings and agreements between the Parties with respect to such transactions; provided; however, that this Agreement shall not supersede the following Cooperative Agreements as they currently

exist or as they may be amended in the future:

- 1) Cooperative Agreement between the City of Brea and the County of Orange regarding the Olinda Alpha Landfill.
- 2) Cooperative Agreement between the City of Irvine and the County of Orange regarding the Frank R. Bowerman Landfill.
- 3) Cooperative Agreement between the City of San Juan Capistrano and the County of Orange regarding the Prima Deshecha Landfill.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1 REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants that:

(A) Existence. The City is a general law or charter city or a Special District or Sanitary District validly existing under the Constitution and laws of the State.

(B) Due Authorization. The City has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the City.

SECTION 2.2 REPRESENTATIONS AND WARRANTIES OF THE COUNTY. The County represents and warrants that:

(A) Existence. The County is a political subdivision of the State of California validly existing under the Constitution and laws of the State.

(B) Due Authorization. The County has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the County.

ARTICLE III DELIVERY AND ACCEPTANCE OF WASTE AND PROVISION OF WASTE MANAGEMENT AND DISPOSAL SERVICE

SECTION 3.1 DELIVERY OF WASTE.

(A) Waste Management and Disposal Covenant. Subject to the occurrence of the Commencement Date and throughout the Term of this Agreement, and subject to available Waste Infrastructure System capacity, the City shall exercise all legal and contractual power and authority which it may possess from time to time to deliver or cause the delivery of all Controllable Waste to the Waste Infrastructure System in accordance herewith.

(B) Recycled City Acceptable Waste. The parties hereto acknowledge the responsibility of the City to meet its own recycling and landfill diversion goals contained in the Act and Organics Legislation. Nothing in this Agreement is intended or shall be interpreted to prohibit or impair the ability of the City to meet such responsibilities, or to restrict the right of the residents, businesses or organizations in the City to practice source separation, recycling, composting or other materials recovery activities, or to restrict the right of the City to conduct, sponsor, encourage or require such activities in any form. No reduction in the amount of Controllable Waste generated in the City and delivered to the Waste Infrastructure System by or on behalf of the City which may result from any such source separation or recycling program shall cause the City any liability hereunder (other than potential adjustment to the Contract Rate to the extent provided in Article IV hereof) and shall not constitute a breach of this Agreement.

(C) Waste Delivered to Transfer Station. All Residue from any processing of Controllable Waste by materials recovery, composting, recycling or other means, wherever performed, shall constitute Controllable Waste and be subject to the Waste Disposal Covenant. Where City Acceptable Waste is processed at a facility which concurrently processes other Acceptable Waste in a manner which produces commingled residue which cannot be traced to a geographic source, generic residues from such facility in Tonnage equal to the residues that would have

been produced had City Acceptable Waste only been processed at the facility shall constitute Controllable Waste and be subject to the Waste Disposal Covenant. Any City Acceptable Waste or material derived or segregated therefrom which is held in storage and asserted by the possessor thereof to constitute Recycled City Acceptable Waste awaiting sale or distribution to the secondary materials markets shall constitute Controllable Waste if, when and to the extent that the storage or diversion thereof can be reasonably deemed to constitute an evasion of the Waste Disposal Covenant rather than generally recognized, accepted and prevailing practice in the Southern California materials recovery and recycling industry conducted in accordance with Applicable Law. In order for the owner and/or operator of a transfer station to be entitled to deliver Acceptable Waste from a Participating City to the Waste Infrastructure System for the Contract Rate as provided in Article IV, such owner and/or operator must execute a direct agreement with the County, acknowledging and agreeing to comply with the obligation of the Participating City to cause the delivery of all Controllable Waste to the Waste Infrastructure System pursuant to this Agreement. In addition, the County shall be authorized to implement procedures to determine if Acceptable Waste delivered by the owners or operators of Transfer Stations is entitled to utilize the Waste Infrastructure System for the Contract Rate. Such procedures may include requiring Transfer Stations to certify, under penalty of perjury, the source of any such Acceptable Waste. If necessary, the County may require that, in order to qualify for use of the Waste Infrastructure System for the Contract Rate, Transfer Stations must deliver Controllable Waste in loads containing only Controllable Waste, and not commingled with Acceptable Waste from entities which are not Participating Cities or Participating Independent Haulers.

(D) Power to Obligate Waste Disposal and Comply with this Agreement. On or before the Commencement Date, (i) any City franchise, contract, lease, or other agreement which is lawfully in effect relating to or affecting Controllable Waste shall provide, or shall have been amended to provide, that the City shall have the right without material restriction on and after the Commencement Date to direct the delivery of all Controllable Waste to the County Waste Infrastructure System (whether or not such Controllable Waste is delivered to a transfer station as an intermediate step prior to landfill disposal) and otherwise to comply with its obligations under this Agreement with respect to Controllable Waste and Franchise Haulers, and (ii) the City shall designate the Waste Infrastructure System as the disposal location pursuant to such franchise, contract, lease or other agreement. On and after the Commencement Date and throughout the Term of this Agreement the City (a) shall not enter into any franchise, contract, lease, agreement or obligation, issue any permit, license or approval, or adopt any ordinance, resolution or law which is materially inconsistent with the requirements of the Waste Disposal Covenant, and (b) shall maintain non-exclusive or exclusive franchises or other contractual arrangements over any City Acceptable Waste which, as of the Contract Date, is subject to non-exclusive or exclusive franchise or other contractual arrangements. The City agrees that the County shall be a third party beneficiary of the obligation of Franchise Haulers to deliver Controllable Waste to the Waste Infrastructure System, and may directly enforce such obligation through any legal means available. The City shall notify in writing each Franchise Hauler of the County's third party beneficiary rights.

(E) Controllable Waste Flow Enforcement.

(1) The City, in cooperation with the Department, shall establish, implement, carry out and enforce a waste flow enforcement program which is sufficient to assure the delivery of all Controllable Waste to the Waste Infrastructure System pursuant to and in accordance with the Waste Disposal Covenant for Controllable Waste disposal at the times and in the manner provided herein. The waste flow enforcement program shall consist of amending City franchises, permits or authorizations with all Franchise Haulers, to the extent required by this Section and to the extent allowed by law, and shall include in addition, to the extent necessary and appropriate in the circumstances to assure compliance with the Waste Disposal Covenant, but shall not be limited to:

- (i) licensing or permitting Franchise Haulers, upon the condition of compliance with the Waste Disposal Covenant,
- (ii) providing for and taking appropriate enforcement action under any such franchise, license, or permit, such as but not limited to the suspension, revocation and termination of collection rights and privileges, the imposition of fines or collection of damages, and the exercise of injunctive relief against non-complying Franchise Haulers and
- (iii) causing any Transfer Station to which Controllable Waste is delivered for processing to deliver certification, under the penalty of perjury, of the amounts of Controllable Waste received and Residue remaining from processing at such Transfer Station.

(2) The City acknowledges and agrees that in the event of a breach of the Waste Disposal Covenant by the City, the City shall pay the County an amount equal to the amount that the City would have been required to pay to the County had the Waste Disposal Covenant not been breached, which shall be calculated by: (1) subtracting the

number of tons actually delivered during the month(s) of the breach from the number of tons that were delivered during the same month(s) closest in time when there was no such breach, even if such month(s) closest in time was prior to the Term, and (2) multiplying such amount by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2). In the event that the County terminates the Agreement as a result of such breach, the damages due as a result of such termination shall be equal to the average monthly deliveries by the City for the twelve (12) months prior to the commencement of the breach multiplied by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2), multiplied by the number of months that would have remained in the Term of the Agreement had the termination not occurred. The parties recognize that if the City fails to meet its obligations hereunder, the County will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of such damages. Therefore, the parties agree that the damages specified above represent a reasonable estimate of the amount of such damages, considering all of the circumstances existing on the date hereto, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

(F) Legal Challenges to Franchise System. The City shall use its best efforts to preserve, protect and defend its right to exercise and comply with the Waste Disposal Covenant against any challenge thereto, legal or otherwise (including any lawsuits against the City or the County, whether as plaintiff or defendant), by a Franchise Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. The City shall bear the cost and expense of any such Legal Proceeding or other challenge. In the event any such Legal Proceeding relating to the Waste Disposal Covenant or the City's exercise thereof establishes in a final determination that such covenant or exercise thereof is void, unlawful or unenforceable, or if any Franchise Hauler fails to deliver Controllable Waste to the Waste Infrastructure System in breach of its franchise with the City on the grounds that a judicial determination made by any court or other Applicable Law has rendered its obligation to deliver Controllable Waste to the Disposal System void, unlawful or unenforceable on any legal grounds, with the result that actual waste deliveries to the Disposal System fall below the Cumulative Tonnage Targets, the County shall be entitled to avail itself of the remedies described in Section 4.2(B) hereof.

(G) Franchise Haulers. The City shall compile and provide the Department with the following information concerning all Franchise Haulers: name, address and phone number; identification number; area of collection and transportation; and franchise and permit terms.

(H) Waste Information System. The City shall cooperate with the Department in collecting information and otherwise monitoring Franchise Haulers in order to assure compliance with this Agreement, the Act, Organics Legislation, or other Applicable Law. Such information may include information such as, data pertaining to Controllable Waste collected, transported, stored, processed and disposed of, Recycled City Acceptable Waste collected, transported, stored, processed and marketed or disposed of, Controllable Organic Waste collected, stored, processed and marketed or disposed of, Franchise Haulers' franchise, permit or license terms, collection areas, transportation routes and compliance with Applicable Law; and all other information which may reasonably be required by the Department in connection with this Agreement. The City agrees to include in any revised franchise, contract, license or permit or other authorization granted to Franchise Haulers an obligation of the Franchise Hauler to provide to the County information relating to the Controllable Waste collected by such Franchise Hauler, including origins from which such Controllable Waste was collected (identifying Controllable Organic Waste, Recycled City Acceptable Waste, or as otherwise may be required under this Agreement or under Applicable Law), tonnage by type of load (residential, commercial, roll-off box), customer service levels, tonnage delivered by transfer station or material recovery facility utilized, and other related information.

(I) City Actions Affecting County. The City agrees to carry out and fulfill its responsibilities under this Agreement and Applicable Law so as to permit full and timely compliance by the County with its covenants and agreements with the State. In particular, the City agrees not to conduct, authorize or permit any disposal services for Controllable Waste to be provided in competition with the Disposal Services provided by the County hereunder, and not to take or omit to take any action with respect to Controllable Waste, its collection, transportation, transfer, storage, treatment, processing, or disposal that may materially and adversely affect the County's ability to achieve such timely compliance. Notwithstanding the foregoing, the City shall not be required to deny any permit or license or refuse to grant any approval while exercising its police powers.

(J) No Right of Waste Substitution. Nothing in this Agreement shall authorize or entitle the City to deliver or cause the delivery to the Waste Infrastructure System of Acceptable Waste or Acceptable Organic Waste originating from or generated outside the jurisdiction of the City, nor obligate the County to receive or dispose of any such Acceptable Waste or Acceptable Organic Waste. The City shall not assign in whole or in part its right to deliver or cause to be delivered Controllable Waste or Controllable Organic Waste to the County hereunder, and shall not permit any Acceptable Waste or Acceptable Organic Waste originating from or generated outside the jurisdiction of the City to be substituted for Controllable Waste or Controllable Organic Waste for any purpose hereunder.

(K) Annexations and Restructuring. It is the intention of the parties that this Agreement and the obligations and rights of the City hereunder, including particularly the Waste Disposal Covenant and the Contract Rate, shall, to the extent permitted by Applicable Law, extend to any territory annexed by the City (or any territory with respect to which the City assumes solid waste management responsibility from a Sanitary District or other public entity) and shall bind any successor or restructured Governmental Body which shall assume or succeed to the rights of the City under Applicable Law.

SECTION 3.2 PROVISION OF WASTE INFRASTRUCTURE SERVICES BY THE COUNTY.

(A) Service Covenant. Commencing on the Commencement Date, and subject to available Waste Infrastructure System capacity, the County shall provide or cause the provision of the service of receiving and disposing of all Controllable Waste at the Waste Infrastructure System, and, in accordance with subsection 3.3(C) hereof, disposing of Unacceptable Waste inadvertently accepted at the Disposal System. The County, to the maximum extent permitted under Applicable Law, shall use its best efforts to increase source reduction, materials recovery, recycling, organic processing or other waste diversion in the region as may be required by law or which result in the long-term preservation of landfill disposal capacity and to keep the Waste Infrastructure System open for the receipt of Acceptable Waste for disposal or transfer of Controllable Waste pursuant to this Agreement. The County shall do and perform all acts and things which may be reasonably necessary or desirable in connection with its covenants in this subsection, including without limitation all planning, development, administration, implementation, construction, operation, maintenance, management, financing and contract work related thereto or undertaken in connection therewith. The County shall exercise all reasonable efforts to minimize the costs incurred in complying with the Service Covenant consistent with its responsibilities hereunder and under this Agreement, Applicable Law and prudent solid waste management practice and environmental considerations.

(B) Source-Separated Household Hazardous Waste. The County shall maintain, as part of the Waste Infrastructure System, a Source-Separated Household Hazardous Waste Disposal System for the disposal of Source-Separated Household Hazardous Waste. The disposal service provided by such system shall constitute part of the Disposal Services, and shall be available to Participating Cities as part of the Contract Rate. The County may impose additional fees and charges for new services relating to Source-Separated Household Hazardous Waste or with respect to cities which are not parties to an Agreement. The County may provide for the expansion, contraction or modification of the Source-Separated Household Hazardous Waste Disposal System and its services to the extent necessary to ensure the Waste Infrastructure System's viability.

(C) Designated Facilities. County and City will coordinate in determining the primary landfill used for disposal and processing of Controllable Waste. The Department shall immediately advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the County to receive Controllable Waste at any particular landfill within the Waste Infrastructure System, its effect on the County's ability to perform its obligations hereunder, and the County's best estimate of the probable duration. The Department shall confirm such advice in writing within twenty four (24) hours of the occurrence of any such inability. The County shall use its best efforts to resume normal operation of the landfill used by the City as soon as possible. In the event a situation, event or circumstance results in the partial or complete inability of the County to receive Controllable Waste at any particular landfill within the Waste Infrastructure System the County shall have the right to redirect Controllable Waste to another landfill within the Waste Infrastructure System for the duration of the situation, event or circumstance; provided, however, that in such circumstances the County shall utilize reasonable efforts to first redirect waste which is not Controllable Waste. In no event shall the County be required to accept Controllable Waste if it does not have sufficient permitted disposal capacity within the Waste Infrastructure System.

(D) Compliance with Service Covenant Not Excused for any Reason. Commencing on the

Commencement Date, and subject to the terms of this Agreement, the obligations of the County to duly observe and comply with the Service Covenant, in accordance with Applicable Law, shall apply continuously and without interruption for the Term of this Agreement. In the event that any Change in Law, situation, event or other Uncontrollable Circumstance impairs or precludes compliance with the Service Covenant by the means or methods then being employed by the County, the County shall use best efforts to implement alternative or substitute means and methods to enable it to satisfy the terms and conditions of the Service Covenant. In the event that a Change in Law precludes the County from complying with such covenants with the means or methods then being employed and from utilizing any alternate or substitute means or methods of compliance, the County shall continuously use all reasonable efforts to effectuate executive, legislative or judicial change in or relief from the applicability of such law so as to enable the County lawfully to resume compliance with such covenants as soon as possible following the Change in Law.

County failure to duly observe and comply with the Service Covenant due to its efforts to comply with Applicable Law, shall not constitute a breach under this Agreement, and shall excuse County performance to the extent necessary to comply with Applicable Law.

If the alternative or substitute means and methods proposed for the County to observe and comply with the Service Covenant are more costly than the previously used means and methods, County shall be entitled to a corresponding Contract Rate increase to cover any associated additional costs pursuant to the provisions of Section 4.2 of this Agreement.

SECTION 3.3 COUNTY RIGHT TO REFUSE WASTE.

(A) Right of Refusal. Notwithstanding any other provision hereof, the County may refuse delivery of:

- (1) Hazardous Waste;
- (2) Controllable Waste delivered at hours other than those provided in Section 3.5 hereof;
- (3) Waste that does not constitute Acceptable Waste;
- (4) Acceptable Waste delivered by City but originating from or generated outside the jurisdiction of the City;
- (5) Controllable Waste consisting primarily of construction and demolition debris or inert material which may cause a particular facility's daily tonnage limit to be exceeded;
- (6) Acceptable Waste in excess of permitted limits; and
- (7) Acceptable Waste that would result in County violating Applicable Law.

(B) Identification of Unacceptable Waste. The Department shall have the right (but not the duty or the obligation) to inspect the vehicles of all Franchise Haulers delivering material to the Waste Infrastructure System, and may require that the Franchise Hauler remove any Unacceptable Waste from such vehicle before it is unloaded. If the Department determines that it is impractical to separate Controllable Waste from Unacceptable Waste in any vehicle, or if the Franchise Hauler delivering such waste is unwilling to make such separation, or if any vehicle is carrying waste which may spill or leak, then the Department may reject the entire vehicle, and the City shall forthwith remove or cause the removal of the entire delivery from the Waste Infrastructure System. The Department may take all reasonable measures to prevent waste from being blown or scattered before and during unloading. The City shall cause the Franchise Haulers to observe and comply with Applicable Law, the operating rules and regulations of the Department, and the provisions of this Agreement prohibiting the delivery of Unacceptable Waste to the Waste Infrastructure System.

(C) Hazardous Waste and Hazardous Substances. The parties acknowledge that the Waste Infrastructure System has not been designed or permitted to accept Hazardous Waste or Hazardous Substances, and is

not intended to be used in any manner or to any extent, for the handling, transportation, storage or disposal of Hazardous Waste, Hazardous Material or Hazardous Substances. Neither the County nor the City shall countenance or knowingly permit the delivery of Hazardous Waste or Hazardous Substances to the Waste Infrastructure System. City shall be responsible for the costs of removal, and any regulatory fines, associated with the knowing delivery of any Hazardous Substances to the Waste Infrastructure System by the City or its Franchise Hauler.

(D) Disposal of Unacceptable Waste and Hazardous Waste. If Unacceptable Waste or Hazardous Waste is discovered in a vehicle at any facility within the Waste Infrastructure System, the driver of the vehicle will not be permitted to discharge the load. If a vehicle is observed unloading Unacceptable Waste or Hazardous Waste in the tipping area of a facility within the Waste Infrastructure System Department personnel will use reasonable efforts to assure that such material has been characterized, properly secured and its disposition resolved. The return or reloading onto the delivery vehicle of any Hazardous Waste, Prohibited Medical Waste or other waste requiring handling or transportation shall be conducted in accordance with Applicable Law. Whenever Hazardous Waste is detected at any facility within the Waste Infrastructure System, the Department shall take immediate action in accordance with Applicable Law.

SECTION 3.4 UNINCORPORATED AREA ACCEPTABLE WASTE.

Commencing on the Commencement Date, the County in accordance with Applicable Law shall provide or cause to be provided the service of disposing of non-recycled Acceptable Waste originating or generated within the Unincorporated Area and, with respect to such material, shall comply with the Waste Disposal Covenant as if the County constituted a City subject to the Waste Disposal Covenant hereunder. Rates charged by the County for the disposal of each class of non-recycled Acceptable Waste generated in the Unincorporated Area shall be the same as the Contract Fee charged for the disposal of each class of Controllable Waste. The County shall use its best efforts to preserve, protect and defend its right to exercise and comply with the Waste Disposal Covenant (with respect to non-recycled Acceptable Waste generated in the Unincorporated Area) against any challenge thereto, legal or otherwise, by a Franchise Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. The County shall bear the cost and expense of any such Legal Proceeding or other challenge (with respect to non-recycled Acceptable Waste generated in the Unincorporated Area).

SECTION 3.5 MISCELLANEOUS OPERATIONAL MATTERS.

(A) Operating Hours. The County shall keep the Waste Infrastructure System open for the receiving of Acceptable Waste during such regular operating hours as may be established by the Department in the operating rules and regulations applicable to the Waste Infrastructure System. The County reserves the right to modify the operating days and hours to comply with Applicable law or as otherwise may be deemed necessary by the County.

(B) Scales and Weighing. The Department shall operate and maintain permanent scales at the Waste Infrastructure System as required by Applicable Law. The Department shall weigh all vehicles delivering waste by or on behalf of the City (whether or not the County accepts such waste) and prepare a daily weight record with regard to such delivery.

(C) Service Coordinator. The County and the City each shall designate in writing thirty (30) days prior to the expected Commencement Date a person to transmit instructions, receive information and otherwise coordinate service matters arising pursuant to this Agreement (each a "Service Coordinator"). Either Party may designate a successor or substitute Service Coordinator at any time by notice to the other Party.

(D) Review of Records. Each Party may review the other Party's books and records with respect to matters relevant to the performance by either Party under this Agreement or otherwise related to the operation of the Waste Infrastructure System to the extent allowed under the California Public Records Act (interpreted as if the Parties to this Agreement were natural persons for purposes of the Public Records Act).

SECTION 3.6 OTHER USERS OF THE DISPOSAL SYSTEM.

(A) On or Before April 30, 2026, the County shall have the right to enter into WISE Agreements with Orange County entities with respect to Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the County, including other cities in the County, Special Districts, Sanitary Districts, Franchise Haulers and Independent Haulers. Agreements entered into during this period shall have terms

and provisions substantially identical to the terms and provisions of this Agreement; provided, however, that in no event shall such agreements have terms and provisions more favorable than the terms and provisions of this Agreement (including but not limited to the Contract Rate and availability of disposal capacity).

(B) After April 30, 2026, the County shall have the right to enter into WISE Agreements with Orange County entities, including any city, Special Districts, Sanitary Districts, Franchise Haulers and Independent Haulers, or otherwise accept Acceptable Waste from such parties, but only within the limitations contained in this Section. Any such agreement or waste acceptance agreement must provide that the party delivering waste shall pay a Disposal Rate at least 10% higher than the Contract Rate unless the County determines it is in the best interest of the Waste Infrastructure System to establish a Disposal Rate less than 10% higher than the Contract Rate. In no event shall the Disposal Rate be less than the Contract Rate. In addition, the County shall reserve the right in any such agreement to at any time, to the extent permitted by Applicable Law, refuse to receive and dispose of Acceptable Waste from any city, Special District, Sanitary District, Franchise Hauler and Independent Hauler if and to the extent that such receipt and disposal might materially and adversely affect the ability of the County to comply with its obligations to the Participating Cities under the WISE Agreements to which each is a party.

(C) Posted Disposal Rate. The Posted Disposal Rate shall at all times be at least 10% higher than the Contract Rate.

(D) Self-Haulers. The City and the County acknowledge that Self-Haulers shall be entitled to deliver Self-Hauled Waste to the Waste Infrastructure System, on a non-contract basis, at the Posted Disposal Rate. Such Self-Haulers shall not be entitled to dispose of Acceptable Waste for the Contract Rate.

(E) Receipt of Imported Acceptable Waste on a Contract Basis. The County shall have the right to enter into Importation Agreement(s) with any public or private entity for the delivery of Imported Acceptable Waste on terms and conditions that the County determines to be necessary to ensure and enhance the viability of the Waste Infrastructure System and to generate Net Import Revenues. In no event shall such Importation Agreements, entered into after the Commencement Date, include a per ton tipping fee or Disposal Rate for Imported Acceptable Waste that is less than the Contract Rate. The County certifies that in its good faith judgment the contract or other agreement for the delivery of such waste will not materially and adversely affect the ability of the County to receive and dispose of Acceptable Waste from the Participating Cities in accordance with the applicable WISE Agreements throughout the Term thereof; and, should the delivery of waste subject to Importation Agreements adversely affect the County's ability to receive and dispose of Controllable Waste from Participating Cities the County will prioritize receipt and disposal of Controllable Waste delivered pursuant to applicable WISE Agreements.

(F) Application and Use of Revenues From Other Users.

(1) County Acceptable Waste: Throughout the Term hereof, all revenues received by the County from the disposal or processing of County Acceptable Waste into the Waste Infrastructure System (including Surcharges, and any and all fine, penalty, liquidated damages or other damages, grants, awards or revenue received by the County in connection with the Waste Infrastructure System), shall be deposited by the County in the County OC Waste & Recycling Enterprise Fund and shall constitute revenues of the Waste Infrastructure System.

(2) Imported Acceptable Waste: Throughout the Term hereof, all revenues received by the County, pursuant to an Importation Agreement, for the disposal or processing of Imported Acceptable Waste into the Waste Infrastructure System (including Surcharges, and any and all fine, penalty, liquidated damages or other damages or revenue received by the County in connection with the Waste Infrastructure System), shall first be applied toward all of the costs attributable to the acceptance and management of such Imported Acceptable Waste into the Waste Infrastructure System. Costs attributable to the disposal of Imported Acceptable Waste include, but are not limited to, deposits to the Environmental Fund, deposits to closure and post-closure reserves, Host Fees (if applicable), incremental operating costs (such as manpower expenditures, equipment, services and supplies expenditures), State surcharges, regulatory fees, charges or penalties, and a pro rata share of capital project costs. Revenue remaining after costs attributable to the disposal and management of Imported Acceptable Waste shall be considered "Net Import Revenues" and shall be calculated and distributed as follows:

(i) Calculation: Net Import Revenues are estimated to be 30% of the revenues received

by the County from the disposal of Imported Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Waste Infrastructure System are located.)

- (ii) Distribution: Net Import Revenues shall be distributed as follows;
 - a. 50% of any Net Import Revenues shall be paid to the County General Fund.
 - b. 50% of such Net Import Revenues shall be paid to the Participating Cities (and to the County, with respect to the unincorporated area) listed in Appendix 1 for use for any purpose by the Participating City, including but not limited to State mandated solid waste programs. Payments of such amount to the County General Fund and the Participating Cities shall be made by the County within ninety (90) days after the end of each fiscal year. The portion of Net Import Revenues specified above payable to the Participating Cities shall be apportioned in the percentages set forth in Appendix 1.
 - c. The percentages set forth in Appendix 1 with respect to each Participating City shall be annually reviewed and adjusted every five (5) years by the County to reflect the percentage of deliveries of Acceptable Waste from each Participating City averaged over the last five (5) years. The County shall notify Participating Cities of the revised percentages in Appendix 1 within one hundred and twenty (120) days of the end of each fiscal year.

SECTION 3.7 COUNTY PROVISION OF WASTE DIVERSION SERVICES.

(A) County-Wide Recycling and Diversion Services. Unless otherwise specifically provided in this Agreement, County is not required to provide for any source reduction, materials recovery, recycling, organic processing or other waste diversion services under this Agreement. However, County may choose to provide County-Wide Recycling Services funded through the County OC Waste & Recycling Enterprise Fund at its sole discretion on the condition that provision of said services shall be funded in a manner that does not impact the Contract Rate without first going through the process outlined in Section 4.2 and expressly agreed to by 50% of Participating Cities.

(B) Organic Processing and Diversion Services. The County has developed Organics Infrastructure and programs available to interested Cities intended to assist Cities in meeting their diversion and Organic Legislative Recycled Organic Waste Procurement goals and to promote the processing and diversion of Organic Waste into compost or other material that qualifies as diversion under Applicable Law. Cities interested in receiving County provided Organic Processing Services may enter into the separate Organic Services Agreement (“OSA”) provided in Appendix 5 of this Agreement.

(C) Food Waste Processing and Diversion. County is in the process of evaluating the options and feasibility of development of a Commercial Food Waste Processing Infrastructure. If developed, Cities will be provided an opportunity to participate in this service on terms which shall be separately agreed upon by the Parties.

(D) Edible Food Recovery Programs. County is in the process of evaluating the options and feasibility of development of regional County-wide edible food recovery programs to assist Cities in meeting State mandated goals. The intent of Edible Food Recovery to address the food hierarchy and wasted food scale on a regional level through collaboration of all jurisdictions, key local, State and federal stakeholders, the non-profit sector and business sector. City agrees to reasonably cooperate with County efforts and collaborate on data analysis and reporting to provide jurisdictions reports for compliance under SB 1383. If developed, Cities will be provided an opportunity to participate in this service on terms which shall be separately agreed upon by the Parties.

(E) Recycling Market Development Zone (“RMDZ”) Program. The RMDZ program, administered by the California Department of Resource Recycling and Recovery (CalRecycle), combines recycling with economic development to support business that use materials from the waste stream to manufacture their products. The program offers loans, technical assistance and product marketing to eligible businesses located within designated zones. City agrees to reasonably cooperate and collaborate with County in support of the RMDZ program.

(F) Separate City-County Diversion Service Agreements. Nothing in this Agreement is intended to limit the right of the County to enter into a separate agreement with the City or any other person to provide source reduction, materials recovery, recycling, composting or other waste diversion services. Any such program conducted by the County, whether in participation with the City, any other of the Participating Cities, other Cities, Special Districts, Sanitary Districts, Franchise Haulers, Independent Haulers, Unincorporated Area or non-County entity, shall be operated, managed and accounted for as a program separate and distinct from the Disposal Services program contemplated by the WISE Agreements and shall not be funded through the general revenues of the Disposal System.

ARTICLE IV CONTRACT RATE

SECTION 4.1 CHARGING AND SECURING PAYMENT OF CONTRACT RATE. The City acknowledges that the County shall have the right to charge and collect a Contract Rate for the acceptance, disposal, and processing of Controllable Waste delivered to the Waste Infrastructure System by City or its Franchise Hauler. The Contract Rate shall be calculated and established, and may be modified, as provided in Section 4.2 hereof. In addition, the City acknowledges that the County shall have the right to establish as part of the operating rules and regulations reasonable measures to secure the payment of all Contract Rates.

SECTION 4.2 CONTRACT RATE.

(A) Establishment of Contract Rate. The Contract Rate payable by each City or Franchise Hauler shall be a three (3) year progressive Contract Rate of **\$67/ton** (July 1 2026 through June 30, 2027), **\$74/ton** (July 1, 2027 through June 30, 2028), and **\$81/ton** (July 1, 2028 through June 30, 2029) and contingent on the delivery to the Waste Infrastructure System of an amount of City Acceptable Waste at least equal to the Cumulative Tonnage Targets identified in Appendix 2, and subject to adjustment necessary to reflect the circumstances set forth in this Section 4.2 including but not limited to:

(i) increased costs incurred by the County (in excess of available insurance proceeds) due to the occurrence of one or more Uncontrollable Circumstances, other than Changes in Law;

(ii) costs incurred by the County (in excess of available insurance proceeds and amounts available in the Environmental Fund for such purposes) remediating environmental conditions at the Disposal System or inactive or closed disposal sites in the County, which, if uncorrected, could give rise to potential claims under CERCLA or related federal or State statutes, including costs incurred providing indemnification to any Participating City pursuant to subsection 7.3;

(iii) tonnage shortfalls to the extent permitted by Sections 4.2(B);

(iv) County determination that the Department revenue is insufficient to meet Full Cost Recovery requirements.

(v) increased costs incurred by the County due to the occurrence of one or more Changes in Law;

(vi) Capital Costs in excess of the Capital Costs at any point in time during the term hereof exceeding the Cumulative Capital Costs set forth in Appendix 3;

(vii) Provision of new or expanded services, provided on terms as agreed to by the Parties.

Prior to adjusting the Contract Rate as a result of any of the circumstances described in clauses (i), (ii), (iii) (iv) or (vi) above, the County shall utilize the following remedies in the following order of priority:

(1) reduce the costs of operating the Disposal System to the extent practicable; and

(2) at the sole discretion of the County, utilize Unrestricted Reserves to pay costs of the Waste Infrastructure System.

The County will not be required to utilize such remedies prior to adjusting the Contract Rate as a result of any of the circumstances described in clauses (v) or (vii) above.

Any adjustments to the Contract Rate permitted by this Section shall be calculated by the County to reflect the actual costs or expenses of addressing the circumstance or circumstances pursuant to which the adjustment is authorized. The County agrees that, where appropriate, it will evaluate the feasibility of long-term financing for significant capital costs. Notwithstanding the forgoing, no adjustment to the Contract Rate shall occur as a result of costs associated with the programs identified in Section 3.7, without first going through the process outlined in Section 4.2 and expressly agreed to by 50% of Participating Cities.

(B) County Acceptable Waste Shortfall. In the event that the actual amount of County Acceptable Waste delivered to the Disposal System at the end of any Contract Year is less than the Cumulative Tonnage Target for such Contract Year for County Acceptable Waste, as specified in Appendix 2, the County shall utilize the following options, in the following order of priority, in order to remedy any adverse effects of such tonnage shortfall:

- (i) reduce the costs of operating the Waste Infrastructure System to the extent practicable;
- (ii) at the sole discretion of County, utilize Restricted Reserves described in clause (iii) of Section 4.5 to pay costs of the Waste Infrastructure System;
- (iii) at the sole discretion of County, utilize Unrestricted Reserves to pay costs of the Waste Infrastructure System; and
- (iv) adjust the Contract Rate.

In the event that implementation of the steps described above does not result in sufficient revenues to satisfactorily address the shortfall in tonnage, the County shall have the right to terminate the Agreement on one-hundred eighty (180) days written notice to the City. In addition, in the event that Waste Infrastructure expenses are lower than estimated or actual deliveries to the Disposal System exceed the Cumulative Tonnage Target as of the end of any Contract Year, the City acknowledges the County shall have the right to establish reserves intended to reflect the potential for lower than expected annual waste deliveries in subsequent years, and that any such reserves shall constitute "Restricted Reserves".

(C) [RESERVED]

(D) Interim Use of Remedies. In the event that, during any Contract Year, waste deliveries to the Disposal System are 25% or more below delivery projections for such Contract Year with the result that the County determines it is unlikely that the Cumulative Tonnage Target will be achieved as of the end of such Contract Year, the County may utilize the remedies described in Section 4.2(B) prior to the end of such Contract Year; provided, however, that if at the end of such Contract Year, the Cumulative Tonnage Target is actually met, the County shall reimburse any adjustments to the Contract Rate made pursuant to this Section to Participating Cities. Such reimbursement shall occur in a manner as agreed between the parties, and may be given as a credit or adjustment to the Contract Rate for future deliveries, rather than a lump sum payment.

(E) Special Charges. Notwithstanding Section 4.2(A), the County shall have the right to establish special charges for the provision of new or expanded services or the receipt of hard to handle materials, such as bulky materials, construction and demolition debris, tree stumps and sludge. Should the County wish to provide new or expanded services to Cities, it may charge for such services upon agreement of City. Special charges shall be calculated to reflect the reasonable incremental costs to the County of providing the new or expanded services or accepting such hard to handle materials.

Adjustments pursuant to this Section 4.2(E) shall not require compliance with the provisions of Section 4.2(I)

(F) Annual CPI Escalation. Subject to the application of the Contract Rate True-up (provided

below), the Contract Rate shall be adjusted each July 1, beginning 2029, in an amount equal to the percentage change in the CPI (as defined above) as measured from the October twenty one (21) months prior to the rate adjustment to the October immediately preceding the rate adjustment (the “Annual CPI Adjustment”). For example: The July 1, 2029 Annual CPI Adjustment to the Contract Rate shall be based upon the change in CPI from October 2027, to October 2028, referred to as year 1 and year 2 respectively in the following example.

Formula to calculate percentage change in the Contract Rate based on Annual CPI Adjustment :

Step 1:

$$\left[\frac{\text{October Year 2 CPI}}{\text{October Year 1 CPI}} - 1 \right] = \% \text{ increase in Contract Rate}$$

Step 2: Current Contract Rate $\times (1 + \% \text{ increase in Contract Rate})$ = Contract Rate as of July 1 Year 2

On each April 1, commencing April 1, 2029, the County shall provide the City with notice of the Annual CPI Adjustment to the Contract Rate to be effective the following July 1. Such notice shall contain the calculation of the adjustment set forth above. The County shall calculate the new Contract Rate each year.

In the event that the change in CPI as described above is negative rather than positive, no rate adjustment will be made for that year. No adjustment under this Section 4.2(F) will take place until the October CPI index surpasses the index level as of the October immediately preceding the last annual rate adjustment pursuant to this Section 4.1(F), which will be considered “year 1” in calculating the change in the Contract Rate.

For example, if the change in CPI is measured as follows: October 2027 = 205, October 2028 = 204, October 2029 = 201, October 2030 = 208, then there would be no adjustment in July 2029, or July 2030, and an adjustment equal to the change from 205 to 208 would be implemented on July 1, 2031.

Contract Rate True-up: On an annual basis, no later than each April 30, beginning April 30, 2030, the County shall conduct an annual review of factors pertaining to the most recently completed fiscal year(s) including but not limited to, tonnage received throughout the Waste Infrastructure System, Cumulative Tonnage Targets identified in Appendix 2, revenue received from all sources, Department expenditures, and other factors that make up Department’s total costs. County shall notify City prior to April 30, 2030 (and every April 30 thereafter) and advise whether the Annual CPI Adjustment to the Contract Rate should be frozen for a period of time (in circumstances where Department revenues exceed Department Full Cost Recovery needs) or to determine whether the Contract Rate should be increased beyond the Annual CPI Adjustment as defined above (in circumstances where Department costs exceed CPI) to ensure that Department revenues meet Full Cost Recovery.

Within thirty (30) days of finalizing each annual review, the County shall transmit its findings and the bases thereof to Participating Cities at the next regularly scheduled OCCMA meeting or other forum mutually agreed to by the County and OCCMA. If requested by the City or OCCMA, the County shall reasonably respond to requests from the City and/or OCCMA for additional information including, but not limited to, requests to meet and discuss reviews, findings, and bases of findings. At the request of 50% of Participating Cities, County agrees to meet and confer in good faith with OCCMA, within sixty (60) days to discuss retention of a consultant acceptable to both the County and OCCMA to conduct an independent review of the County’s annual review findings.

Nothing in this section shall be interpreted as limiting the County’s rights under Section 4.2(A).

(G) Adjustment Resulting from Increased Fees. In addition to the other adjustments specified herein, the Contract Rate shall be adjusted to reflect the imposition of new fees or increase in existing fees relating to the disposal of Controllable Waste imposed by State, federal or other agencies (e.g., the State’s Integrated Waste Management fee, which is currently \$1.40 per ton, but is expected to increase during the term of this Agreement). The adjustment shall be equal to the amount of any new or increased fee, and the adjustment shall take effect so as to coincide with the imposition of the new or increased fee. The County shall provide notice of any increase pursuant to this Section 4.2(G) as soon as practicable after becoming aware of the imposition of any fees described above.

Adjustments pursuant to this Section 4.2(G) shall not require compliance with the provisions of Section 4.2(I).

(H) [RESERVED]

(I) Procedure for Rate Adjustments. In the event the County determines that it is entitled to an adjustment of the Contract Rate pursuant to Section 4.2(A) (other than 4.2(A)(iv)) or Section 4.2(B), it shall utilize the procedures described in this Section 4.2(I). The County shall be required to provide the City with at least ninety (90) days prior written notice of the adjustment, which notice shall identify the specific event(s) or circumstances which require the adjustment. The notice shall also specify the earliest date on which the County Board of Supervisors shall consider the proposed adjustment. At least forty five (45) days prior to such meeting of the Board of Supervisors, the County shall provide the City with a report which shall contain the following information: a description of the specific event(s) or circumstances which require the adjustment; a description (including cost estimates) of any activities (which may include, but not be limited to capital improvements to the Waste Infrastructure System) required in order to remedy such event or circumstance; certification by the County that it has implemented the remedies described in Section 4.2(A) or (B) prior to requiring the rate adjustment; and a description of the methodology used by the County to calculate the adjustment to the Contract Rate (hereinafter the "County Report"). In the event the City disputes the adjustment, it shall provide the County with a written description of the reason for the dispute at least ten (10) days prior to the meeting of the Board of Supervisors identified in the initial notice of the County (hereinafter the "City Report"). The City Report shall be provided to the Board of Supervisors for consideration at such meeting in connection with the proposed rate adjustment. At any time from and after the date that the County provides the City with the County Report, upon the request of either party, the City and County shall meet and confer in good faith to resolve any dispute that may arise regarding the proposed adjustment to the Contract Rate. In any such meeting, the County shall be represented by the Director of the Department or his or her designee. In the event the Board of Supervisors approves all or a portion of the proposed rate adjustment, such rate adjustment shall become effective on the date identified in the initial notice sent by the County regardless of whether or not the procedures in Section 4.2(J) are utilized, but subject to potential reimbursement pursuant to clause (11) of Section 4.2(J).

(J) Procedure for Expedited Judicial Review of Contested Rate Adjustment. In the event that, within thirty (30) days after the effective date of any Contract Rate adjustment made pursuant to Section 4.2(I), Participating Cities which, in the aggregate, accounted for more than 50% of the County Acceptable Waste delivered to the County System in the twelve (12) months preceding the Contract Rate adjustment, provide notice to the County of their election to utilize the procedures described in this Section 4.2(J), then the provisions of this Section 4.2(J) shall be utilized by such Participating Cities and the County to resolve the dispute over the Contract Rate Adjustment. In the event that Participating Cities which have delivered the amount of waste contemplated in the preceding sentence do not provide notice to the County of such election, the County shall have no obligation to participate in or cooperate in the implementation of the procedures described below in this Section 4.2(J).

(1) In order to pursue the expedited judicial determination described in this Section (the "Expedited Rate Determination"), the Participating Cities which have made the election described in the paragraph above (the "Challenging Cities") must commence a civil action for breach of contract (the "Action") in the Orange County Superior Court within forty five (45) days of the date on which the Board of Supervisors approves the challenged adjustment to the Contract Rate.

(2) Within two (2) Court days of filing the Action, the Challenging Cities shall personally serve on the County Counsel, with copy provided to the Clerk of the Board both the summons and complaint, and a stipulation and request for the entering of an order incorporating all of the procedural provisions relating to the Expedited Rate Determination as set forth in this Section 4.2(J) (such stipulation and request for order is hereinafter referred to as the "Expedited Rate Determination Stipulation"). The Expedited Rate Determination Stipulation shall be signed by each of the Challenging Cities, or on behalf of them by their legal counsel.

(3) Within fifteen (15) days of the date of service upon the County of the summons and complaint, and Expedited Rate Determination Stipulation, County Counsel shall execute the Expedited Rate Determination Stipulation and deliver it as well as the County's answer to the complaint in the Action, by electronic means, to the Challenging Cities through their counsel of record. The Stipulation shall also include a waiver by each of the parties of their right to a jury trial of the issues raised in the Action. The Parties agree that the duty to execute the Expedited Rate Determination Stipulation and comply with the procedures set forth for Expedited Rate Determination in this Section 4.2(J) shall be, and are hereby deemed to be, ministerial duties which the law specifically enjoins upon each of them, and shall be subject to enforcement by the parties herein pursuant to Code of Civil Procedure Section 1085, *et seq.*, or by means of a complaint for specific performance.

(4) Within three (3) days of the date of service by the County upon the Challenging Cities of the fully signed Expedited Rate Determination Stipulation, the County and the Challenging Cities shall jointly

make *ex parte* application to the Orange County Superior Court in the Action for the issuance of an order reflecting the procedural requirements and timelines contained in the Expedited Rate Determination Stipulation, provided however, the timelines may be adjusted by the Court as it deems may be needed for its convenience. As part of such *ex parte* application, the County and the Challenging Cities shall expressly seek to confirm with the Orange County Superior Court the briefing schedule, and request a hearing date (effectively a trial date) in accordance with the procedures set forth in this Section 4.2(J).

(5) Within ten (10) days of the date of service by the County upon the Challenging Cities of the answer in the Expedited Rate Determination, the Challenging Cities shall file with the Court and electronically serve upon County Counsel the Challenging Cities' opening brief and the Record in the Expedited Rate Determination. The opening brief shall not exceed 15 pages in length. The Record shall consist of, and be limited to, the record of the proceedings before the Board of Supervisors with respect to the adjustment of the Contract Rate, including but not limited to the County Report and the City Report prepared by each or any of the Challenging Cities pursuant to Section 4.2(I), any materials filed or lodged with the Board of Supervisors and the Orange County Waste Management Commission in connection with its decision, the transcript of the proceedings of the Board of Supervisors meeting(s), and the Orange County Waste Management Commission, the minutes of the Board of Supervisors and the Orange County Waste Management Commission meeting, and the resolution and/or other documentation evidencing the action by the Board of Supervisors and the Orange County Waste Commission to adjust the Contract Rate pursuant to Section 4.2(A) or (B). The record shall also include the most recent reports prepared pursuant to Sections 4.6 and 4.7. The Expedited Rate Determination shall be decided solely on the evidence in the Record, and no extrinsic evidence shall be submitted to or considered by the Court.

(6) Within ten (10) days of service by the Challenging Cities of their opening brief and the Record, the County shall file and electronically serve upon the Challenging Cities' Counsel the County's opposition brief. The opposition brief shall not exceed 15 pages in length.

(7) Within five (5) days of service by the County upon the Challenging Cities of the opposition brief, the Challenging Cities may file and electronically serve upon County Counsel a reply rebuttal brief, which shall not exceed 10 pages in length.

(8) The trial of the Expedited Rate Determination shall be conducted as a law and motion hearing, similar to a hearing on a writ, which shall be conducted at the date set by the Court in connection with the *ex parte* application conducted pursuant to Section 4.2(J)(4), or such other date and time ordered by the Court. If the Court requests the parties to prepare supplemental briefs in response to any question or issue raised by the Court, the parties may do so.

(9) The standard of review for the Expedited Rate Determination shall be the preponderance of the evidence based upon the Record. The burden of proof shall be borne by the Challenging Cities, and the burden of proof shall be the same as with respect to a plaintiff in a damages action for breach of contract. Both parties have participated in the drafting of this Agreement. Accordingly, nothing set forth in this Agreement shall be interpreted or construed for or against either of the parties as a consequence of their participation in the drafting of this Agreement.

(10) The Court shall be advised that the Parties request that it issue a written statement of decision and enter judgment within thirty (30) days of the date of the hearing in the Expedited Rate Determination, although the Parties recognize that the Court has discretion to act as it deems appropriate in accord with applicable laws in connection with the timing thereof.

(11) If the Court determines that any portion of the County's adjusted Contract Rate which is the subject of the Expedited Rate Determination was improperly imposed, the County shall, within thirty (30) days of the date of the statement of decision, reimburse to the City the amount improperly imposed, together with interest calculated at the Overdue Rate. If agreed by the Parties, as an alternative such reimbursement may be made in the form of a reduction in the Contract Rate for a future period (not to exceed twelve (12) months), applied in a manner such that it provides full reimbursement of the amounts described above (including the Overdue Rate, to be applied consistent with provisions of Section 7.14 hereof.)

(12) In the event that the Court does not sign the order contained in the Expedited Rate Determination Stipulation and set the matter for disposition as contemplated herein, the County and the Challenging

Cities shall, within twenty (20) days following the issuance of the Court's order or decision not to do so and thereby honor the parties' stipulation, make application to the Orange County Superior Court for an expedited hearing or trial date. The Challenging Cities and the County shall be bound by all of the requirements and restrictions set forth in Section 4.2(J) that are not in conflict with this paragraph (12). In this regard, and without limiting the foregoing, the only evidence to be presented at the hearing or trial shall be the Record, no testimony shall be presented at the hearing or trial; and both the County and the Challenging Cities waive all rights to a jury trial, to any reconsideration of the decision of the Court, to a new trial after the Court renders a decision, and to any appeal or review of the decision of the Court.

SECTION 4.3 RESPONSIBILITY FOR PAYMENT OF THE CONTRACT RATE, AND OTHER AMOUNTS DUE.

(A) Payment by City. In the event and to the extent (1) the City uses municipal collection forces directly for the haulage of Controllable Waste to the Waste Infrastructure System or (2) the City uses non-municipal Franchise Haulers for collection but nonetheless elects to pay the Contract Rate and other amounts due from City revenues, the City, as its own Franchise Hauler, shall have direct responsibility for payment of the Contract Rate and other amounts due, and shall take all such budgetary, appropriation and other action as may be necessary to provide for the timely payment of the Contract Rate and other amounts due. Such action may include, depending upon the means authorized by the City to provide for such payment, the levy and collection of general or special taxes, the imposition of benefit assessments, or the collection of user fees, generator charges or other similar impositions for municipal solid waste disposal. The City shall use best efforts in accordance with Applicable Law to levy and impose all such taxes, assessments, fees or charges, and will take all steps, actions and proceedings for the enforcement, collection and payment of all such amounts which shall become delinquent, to the full extent permitted by Applicable Law.

(B) Payment by Franchise Haulers. With respect to Controllable Waste delivered by Franchise Haulers on behalf of City other than City municipal collection forces, the obligation to pay the Contract Rate and other amounts due shall rest with such Franchise Haulers. Franchise Hauler shall pay the Contract Rate or other amounts due or any portion thereof when due. In the event of any such failure by Hauler, the County and the City shall cooperate with each other and use their best efforts to obtain timely payment from Franchise Hauler. Such efforts by the County may include, as appropriate, requiring cash payments for disposal rights from such Franchise Hauler and bringing a legal proceeding for payment and damages. Such efforts by the City may include, as appropriate, legal proceedings to suspend, revoke or terminate the Franchise Hauler's franchise, permit or license rights.

(C) Disputes. If the City or the Franchise Hauler disputes any amount billed by the County in any Billing Statement, the City or the Franchise Hauler shall nonetheless pay the billed amount and shall provide the County with written objection within thirty (30) days of the receipt of such Billing Statement indicating the amount that is being disputed and providing all reasons then known to the City or the Franchise Hauler for any objection to or disagreement with such amount. If the City or the Franchise Hauler and the County are not able to resolve such dispute within thirty (30) days after the City's or the Franchise Hauler's objection, either party may pursue appropriate legal remedies.

SECTION 4.4 BILLING OF THE CONTRACT RATE OR OTHER AMOUNTS DUE. The County shall continue to bill Contract Rates and other amounts due after the Commencement Date, in the same manner as it has customarily billed tipping fees. Subject to the other provisions of this Agreement, the County shall have the right to modify or amend such manner of billing on reasonable notice to affected parties.

SECTION 4.5 RESTRICTED RESERVES. For purposes of this Agreement, "Restricted Reserves" means cash and other reserves of the Waste Infrastructure System which are restricted to specific uses or are otherwise being reserved by the County to meet its obligations hereunder throughout the term of the Agreement with respect to the Waste Infrastructure System pursuant to any Applicable Law, contract, adopted budget, budgetary policy of the County with respect to the Waste Infrastructure System, or other arrangement. Such cash and other reserves are not required to be deposited in separate accounts or funds in order to constitute "Restricted Reserves" hereunder, and may be commingled with Unrestricted Reserves or other funds of the County attributable to the Waste Infrastructure System. "Restricted Reserves" shall include, but not be limited to, the following:

(i) reserves for closure of components of the Waste Infrastructure System to the extent required by Applicable Law;

- (ii) amounts reserved by the County for funding of post closure maintenance and monitoring with respect to components of the Waste Infrastructure System;
- (iii) reserves established to protect the Waste Infrastructure System against the adverse financial impact of potential decreases in waste deliveries pursuant to Section 4.2(B);
- (iv) amounts reserved to pay the costs of capital improvements with respect to the Waste Infrastructure System;
- (v) amounts funded from revenues during the early years of the term of the Agreement reserved to enable the County to provide disposal services for the Contract Rate during the later years of the Agreement;
- (vi) amounts temporarily held by the County prior to payment to the State or other Governmental Bodies pursuant to Applicable Law (including any fees or charges payable to CalRecycle);
- (vii) reserves required to meet bond covenants pursuant to financing agreements for Waste Infrastructure System assets to the extent such amounts must be legally separate and distinct from other reserves identified in this Section;
- (viii) security deposits from landfill deferred payment program users;
- (ix) amounts held by the County in the Environmental Fund (provided, however, that such amounts in the Environmental Fund will be made available and used by the County if required to pay costs relating to environmental remediation or other related costs);
- (x) AB 939 surcharges;
- (xi) amounts held by the County in the Corrective Action Fund held pursuant to CCR Title 27 to demonstrate financial assurance to pay for potential groundwater contamination; and
- (xii) an amount equal to three (3) months of budgeted expenses for the Disposal System for the current fiscal year, representing working capital of the Disposal System.

SECTION 4.6 AUDITED FINANCIAL STATEMENTS. The County shall annually, on or before January 1 each year, prepare or cause to be prepared and have on file for inspection an annual report for the preceding Contract Year, accompanied by a certificate of an independent public accountant or of the County Auditor and Controller as to the examination of the financial statements therein (describing such statements as fairly presenting the information therein in conformity with generally accepted accounting principles) relating to the Waste Infrastructure System, services, and the fiscal activities of the OC Waste Disposal Enterprise Fund, and including statements in reasonable detail of the financial condition of the OC Waste Disposal Enterprise Fund as of the end of the Contract Year and revenue and expenses for the Contract Year.

SECTION 4.7 ANNUAL UPDATE OF TEN-YEAR FINANCIAL PROJECTION. The County shall annually, on or before May 1 of each year, prepare or cause to be prepared, an updated Ten-Year Financial Projection for the Waste Infrastructure System. Said Financial Projection shall include at least two full years of prior actual data and ten years of future projections including the following elements:

1. County Acceptable Waste, in tons;
2. Imported Acceptable Waste, in tons;
3. Revenues and expenditures;
4. Cash fund balances, including all monies in the County Solid Waste Enterprise Fund, with specific delineation of monies in the Environmental Fund, Restricted Reserves, Unrestricted Reserves, and all other funds of the System; and
5. Projected liabilities for closure and post closure as well as reasonable reserves for

other environmental costs.

The purpose of the Ten-Year Financial Projection is to keep the City fully informed about the future financial condition of the Waste Infrastructure System. The County shall cause a copy of the Ten-Year Financial Projection to be delivered to the City Manager/General Manager of the City no later than May 1 of each year. Upon request, the County shall make available to the Cities supporting information related to the ten-year financial projection

Within thirty (30) calendar days of finalizing each annual update of the Ten-Year Projection, County shall transmit the Ten-Year Projection via email to the City and OCCMA. If requested by the City or OCCMA, the County shall reasonably respond to requests from the City and/or OCCMA for additional information including, but not limited to, requests to meet and discuss the updated Ten-Year Projections at the next regularly scheduled OCCMA meeting or other forum mutually agreed to by the County and OCCMA.

ARTICLE V BREACH, ENFORCEMENT AND TERMINATION

SECTION 5.1 BREACH. The Parties agree that in the event either Party breaches any obligation under this Agreement or any representation made by either Party hereunder is untrue in any material respect, the other Party shall have the right to take any action at law or in equity (including actions for injunctive relief, mandamus and specific performance) it may have to enforce the payment of any amounts due or the performance of any obligations to be performed hereunder. Neither Party shall have the right to terminate this Agreement except as provided in Section 5.2 and Section 5.3 hereof or as otherwise provided in this Agreement.

SECTION 5.2 CITY CONVENIENCE TERMINATION. The City shall have the right to terminate this Agreement in its sole discretion, for its convenience and without cause at any time during the Term hereof upon ninety (90) days' written notice to the County. If the City exercises its rights to terminate the Agreement pursuant to this Section, the City shall pay the County a termination fee equal to the Contract Rate in effect at the time of such termination (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2) multiplied by the number of tons of City Acceptable Waste delivered to the Disposal System during the preceding twelve (12) months (or, if the City had been in breach of the Waste Disposal Covenant during such prior months, such amount as would have been delivered if the City had complied with the Waste Disposal Covenant), multiplied by the number of years remaining in the Term of the Agreement.

SECTION 5.3 TERMINATION.

(A) By City. Except as expressly provided herein, the City shall have no right to terminate this Agreement for cause except in the event of the failure or refusal by the County substantially to perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance; except that no such failure or refusal shall give the City the right to terminate this Agreement for cause under this subsection unless:

(1) The City has given prior written notice to the County stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the County and which will, in its opinion, give the City the right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

(2) The County has neither challenged in an appropriate forum (in accordance with Section 5.5) the City's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such breach within a reasonable period of time not more than ninety (90) days from the date of the notice given pursuant to clause (1) of this subsection (but if the County shall have diligently taken steps to correct such breach within such reasonable period of time, the same shall not constitute a breach giving rise to the right of termination for as long as the County is continuing to take such steps to correct such breach).

(B) By County. Except as expressly provided herein, the County shall have no right to terminate this Agreement for cause except in the event of the failure or refusal by the City or its Franchise Hauler to substantially perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance; except that no such failure or refusal shall give the County the right to terminate this Agreement for

cause under this subsection unless:

(1) The County has given prior written notice to the City stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the City and which will, in its opinion, give the County right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

(2) The City has neither challenged in an appropriate forum (in accordance with Section 5.5) the County's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such breach within a reasonable period of time not more than ninety (90) days from the date of the notice given pursuant to clause (1) of this subsection (but if the City shall have diligently taken steps to correct such breach within such reasonable period of time, the same shall not constitute a breach giving rise to the right of termination for as long as the City is continuing to take such steps to correct such breach).

SECTION 5.4 NO WAIVERS. No action of the County or the City pursuant to this Agreement (including, but not limited to, any investigation or payment), and no failure to act, shall constitute a waiver by either Party of the other Party's compliance with any term or provision of this Agreement. No course of dealing or delay by the County or the City in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or otherwise prejudice such Party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the County or the City under this Agreement shall preclude any other or further exercise thereof of the exercise of any other right, power or remedy.

ARTICLE VI TERM

SECTION 6.1 EFFECTIVE DATE AND TERM.

(A) Initial Term. This Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract Date and shall continue in full force and effect until June 30, 2036, unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination.

(B) Option to Renew. This Agreement shall be subject to renewal by mutual agreement of the Parties, on or before June 30, 2036 for an additional term of ten (10) years (the "Renewal Term") on the same terms and conditions as are applicable during the Initial Term hereof or on amended terms as may be mutually agreed to by the Parties. The City shall give the County written notice of its election to renew this Agreement on or before June 30, 2035. If the parties do not execute a renewal of this Agreement prior to June 30, 2036 it shall expire.

(C) Contract Rate During Renewal Term. In connection with the parties' right to renew this Agreement for an additional ten-year term pursuant to Section 6.1(C), the parties shall, on or before January 31, 2036 negotiate an applicable change in the Contract Rate for such renewal term. In determining any revisions to the Contract Rate to be applicable during any renewal period, in addition to the circumstances described in Section 4.2(A), the parties may take into consideration the following parameters, including but not limited to:

- (i) actual cost of operations;
- (ii) population growth;
- (iii) increase or decrease in available tonnage;
- (iv) economic and disposal market conditions in the Southern California region;
- (v) new regulatory requirements;
- (vi) Changes in Law;

- (vii) changes in transportation and technology;
- (viii) closure and expansion of nearby landfills;
- (ix) capacity of the Disposal System;
- (x) provision of new and/or expanded services; and
- (xi) available reserves which are in excess of the amount reasonably required as reserves.

(D) Survival; Accrued Rights. The rights and obligations of the parties hereto pursuant to Sections 3.1(E)(2), 5.1, 5.3, 7.2, 7.3, 7.6, 7.7, 7.8, and 7.9 hereof shall survive the termination or expiration of this Agreement, and no such termination or expiration shall limit or otherwise affect the respective rights and obligations of the parties hereto accrued prior to the date of such termination or expiration. At the end of the Term of this Agreement, all other obligations of the parties shall terminate.

SECTION 6.2 COMMENCEMENT DATE.

(A) Obligations of the Parties Prior to the Commencement Date. The Parties acknowledge that the Agreements may be executed and delivered on different dates and that, except as provided in this subsection, neither the County nor the City shall be obligated to perform its obligations hereunder until the Participation Threshold provided herein has been met and the other conditions to the occurrence of the Commencement Date have occurred. Prior to the Commencement Date, each Party hereto shall at its own expense exercise good faith and due diligence and take all steps within its reasonable control in seeking to satisfy the conditions to the Commencement Date set forth herein as soon as reasonably practicable. The County and the City, each at its own expense, shall cooperate fully with each other and the other Participating Cities in connection with the foregoing undertaking. Until the Commencement Date occurs, the Original WDAs shall remain in full force and effect until they expire or are terminated.

(B) Condition to the Commencement Date. The Commencement Date for the Agreement shall be the date on which Participating Cities reach the Participation Threshold. Unincorporated County is assumed to be a Participating City for the purposes of determining the Commencement Date in accordance with this Section 6.2(b) and Appendix 1 of this Agreement.

(C) Satisfaction of Condition and Commencement Date. Upon the satisfaction or waiver of the condition to the Commencement Date, the County shall give written notice thereof to the Cities which have theretofore executed Agreements. The parties shall thereupon hold a formal closing acknowledging the satisfaction or waiver of the condition to the Commencement Date, certifying that the Commencement Date has occurred and designating the Participating Cities. Copies of all of the documents or instruments constituting or evidencing satisfaction of the Commencement Date conditions shall be furnished to each party prior to or on the Commencement Date.

(D) Newly Incorporated Cities. Any city within Orange County which becomes incorporated after the Commencement Date shall upon request be offered the opportunity by the County to become a Participating City on substantially the same terms and conditions as this Agreement.

(E) Failure of Condition. If by June 30, 2026, or such later date as the County may agree, the condition to the Commencement Date specified in this Section is not satisfied, either party hereto may, by notice in writing to the other party, terminate this Agreement. Neither party shall be liable to the other for the termination of this Agreement pursuant to this subsection, and each of the parties shall bear its respective costs and expenses incurred in seeking to satisfy the condition to the Commencement Date.

ARTICLE VII GENERAL PROVISIONS

SECTION 7.1 OPERATION AND MAINTENANCE OF THE WASTE INFRASTRUCTURE SYSTEM.

The County, at its cost and expense through the County Solid Waste Enterprise Fund, shall at all times operate, or caused to be operated, the Waste Infrastructure System in accordance with Applicable Law and the operating rules and regulations of the Department and other applicable regulatory agencies.

SECTION 7.2 UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

(A) Performance Excused. Except as otherwise specifically provided in this Agreement, neither the County nor the City shall be liable to the other for any failure or delay in the performance of any obligation under this Agreement (other than any payment at the time due and owing) to the extent such failure or delay is due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation. The Party experiencing an Uncontrollable Circumstance shall notify the other Party by telecommunication or telephone and in writing, on or promptly after the date the Party experiencing such Uncontrollable Circumstance first knew of the commencement thereof, followed within fifteen (15) days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed, (3) the estimated amount, if any, by which the Contract Rate may need to be adjusted as a result of such Uncontrollable Circumstance, (4) its estimated impact on the other obligations of such Party under this Agreement and (5) potential mitigating actions which might be taken by the County or City and any areas where costs might be reduced and the approximate amount of such cost reductions. Each Party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such act, event or condition shall occur, the Party claiming to be adversely affected thereby shall, as promptly as reasonably possible, use its best efforts to eliminate the cause therefor, reduce costs and resume performance under this Agreement. In addition, with respect to Changes in Law, the County shall diligently contest any such changes the imposition of which would have a material adverse impact on the Waste Infrastructure System. While the delay continues, the County or City shall give notice to the other Party, before the first day of each succeeding month, updating the information previously submitted.

(C) Impact on Contract Rate. If and to the extent that Uncontrollable Circumstances interfere with, delay or increase the cost to the County of meeting its obligations hereunder and providing Waste Infrastructure Services to the Participating Cities in accordance herewith, the County shall be entitled to an increase in the Contract Rate as provided in Section 4.2 herein or an extension in the schedule for performance equal to the amount of the increased cost or the time lost as a result thereof. The proceeds of any insurance available to meet any such increased cost shall be applied to such purpose prior to any determination of cost increases payable under this subsection. Any cost reductions achieved through the mitigating measures undertaken by the County pursuant to subsection 7.2(B) hereof upon the occurrence of an Uncontrollable Circumstance shall be reflected in a reduction of the amount by which the Contract Rate would have otherwise been increased or shall serve to reduce the Contract Rate to reflect such mitigation measures, as applicable.

SECTION 7.3 INDEMNIFICATION. To the extent permitted by law, the County agrees that, it will protect, indemnify, defend (with counsel selected by County) and hold harmless the City from and against all Loss-and-Expense arising from the City's activity as an "arranger" (for purposes of and as such term is defined under CERCLA or comparable State statutes) of municipal solid waste disposal pursuant to this Agreement. In the event the City shall determine for any reason, other than a disabling conflict of interest, that it wishes to be defended by legal counsel other than the legal counsel provided by the County, the cost of providing such legal counsel shall be the City's sole responsibility. Any costs incurred by the County pursuant to this Section shall be considered an Uncontrollable Circumstance cost and the County shall be entitled to adjust the Contract Rate as provided in subsection 4.2(A) herein. The County shall not, however, be required to indemnify or defend the City from and against all Loss-and-Expense arising from any willful, knowing, illegal or negligent disposal of hazardous waste (other than incidental amounts of Household Hazardous Waste commonly found in municipal solid waste and permitted to be disposed in Class III landfills under RCRA) which violates the County's landfill permits or Applicable Law. The parties agree that this provision constitutes an indemnity under CERCLA (to the extent of the specific provisions of this Section). The parties acknowledge that this subsection is not intended to and does not create any obligation on the part of the County to provide any indemnification or defense to any Franchise Hauler, whether franchised or not, or any Independent Hauler or Transfer Station, under any circumstances. The City acknowledges the County's legitimate interest in actively participating in any defense, litigation or settlement, whether the County or the City provides legal counsel and shall, as a condition to County's provision of this indemnity, coordinate and cooperate fully with the County in the defense of any claims to which this Section applies.

SECTION 7.4 RELATIONSHIP OF THE PARTIES. Neither party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the

other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The County is an independent contractor of the City and nothing in this Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 7.5 LIMITED RE COURSE.

(A) **To the City.** No recourse shall be had to the general funds or general credit of the City for the payment of any amount due the County hereunder, or the performance of any obligation incurred hereunder, including any Loss-and-Expense of any nature arising from the performance or non-performance of the City's obligations hereunder. If the City maintains a City Solid Waste Enterprise Fund with at least one year's anticipated costs for disposal and processing of City Acceptable Waste the sole recourse of the County for all such amounts shall be to the funds held in any such City Solid Waste Enterprise Fund. All amounts held in any City Solid Waste Enterprise Fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the County. The City shall make adequate provision in the administration of any City Solid Waste Enterprise Fund for the payment of any amount or the performance of any obligation which may be due hereunder.

(B) **To the County.** No recourse shall be had to the general funds or general credit of the County for the payment of any amount due the City hereunder, or the performance of any obligation incurred hereunder, including any Loss-and-Expense of any nature arising from the performance or non-performance of the County's obligations hereunder. The sole recourse of the City for all such amounts shall be to the funds held in the County Solid Waste Enterprise Fund in accordance with the terms of this Agreement. All amounts held in the County Solid Waste Enterprise Fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the City. The County shall make adequate provision in the administration of the County Solid Waste Enterprise Fund for the payment of any amount or the performance of any obligation which may be due hereunder.

SECTION 7.6 PRE-EXISTING RIGHTS AND LIABILITIES. Nothing in this Agreement is intended to affect, release, waive or modify any rights, obligations or liabilities which any Party hereto may have to or against the other Party as of the Contract Date relating to the receipt of Acceptable Waste in the Waste Infrastructure System or any other related matter.

SECTION 7.7 NO VESTED RIGHTS. The City shall not acquire any vested property, license or other rights in the Waste Infrastructure System by reason of this Agreement.

SECTION 7.8 LIABILITY FOR COLLECTION, TRANSPORTATION AND PROCESSING. Any liability incurred by the City as a result of collecting, transporting or processing of Acceptable Waste, or as a result of causing, franchising, permitting, licensing, authorizing or arranging any of the foregoing, shall be the sole liability of City, except as expressly otherwise provided herein.

SECTION 7.9 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either Party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non- performance of its obligations or otherwise under this Agreement, or the material inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

SECTION 7.10 AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly authorized and executed by both Parties.

SECTION 7.11 NOTICE OF LITIGATION. Each Party shall deliver written notice to the other of any Legal Proceeding to which it is a party and which questions the validity or enforceability of this Agreement executed by the City or the County or any Legal Entitlement issued in connection herewith.

SECTION 7.12 FURTHER ASSURANCES. At any and all times the City and the County so far as may be authorized by law shall pass, make, do, execute, acknowledge and deliver any and every such further resolutions, acts, deeds, conveyances, instruments, assignments, transfers and assurances as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

SECTION 7.13 ASSIGNMENT OF AGREEMENT.

(A) Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either Party hereto without the prior written consent of the other Party, which may be withheld in the other Party's sole discretion. Notwithstanding the foregoing, either Party may assign this Agreement to another public entity, subject to the reasonable consent of the other party. In such circumstances the Party not requesting the assignment shall have the right to demand assurances of the financial, technical and legal ability of the proposed assignee to undertake the responsibilities and obligations of the assigning Party.

(B) Sale. The County shall not enter into any agreement for the sale of the Waste Infrastructure System which provides for an effective date for such sale prior to the termination of this Agreement.

SECTION 7.14 INTEREST ON OVERDUE OBLIGATIONS. Except as otherwise provided herein, all amounts due hereunder, whether as damages, credits, revenue or reimbursements, that are not paid when due shall bear interest at the Overdue Rate on the amount outstanding from time to time, on the basis of a 365-day year, counting the actual number of days elapsed, and all such interest accrued at any time shall, to the extent permitted by Applicable Law, be deemed added to the amount due, as accrued.

SECTION 7.15 BINDING EFFECT. This Agreement shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 7.13 hereof.

SECTION 7.16 NOTICES. Any notice or communication required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective Parties set forth on the cover page of this Agreement. Changes in the respective addresses to which such notices may be directed may be made from time to time by any Party by notice to the other Party.

Section 7.17 ATTORNEYS FEES. In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear their own attorney's fees, costs and expenses.

Signature Page to Follow

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF ORANGE

Date _____

By _____
Director, OC Waste & Recycling

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____

Date _____

Date _____

By _____

Annie McCary
City Representative
City of Laguna
Woods

APPROVED AS TO FORM:

By _____
City Attorney

Date _____

APPENDIX 1

ESTIMATED ANNUAL TONNAGE

APPENDIX 1

**PERCENTAGE OF COUNTY ACCEPTABLE WASTE ATTRIBUTABLE TO PARTICIPATING CITIES
FOR PURPOSE OF SECTIONS 3.6(F) AND 6.2(b)**

<i>Jurisdiction</i>	<i>Percentage of County Acceptable Waste</i>
Aliso Viejo	0.82%
Anaheim	14.78%
Brea	2.62%
Buena Park	1.02%
Costa Mesa/Costa Mesa Sanitary District (2)	3.41%
Cypress	0.85%
Dana Point	1.33%
Fountain Valley	1.63%
Fullerton	4.08%
Garden Grove Sanitary District (Garden Grove)	4.74%
Huntington Beach	5.91%
Irvine	9.64%
La Habra	1.72%
La Palma	1.27%
Laguna Beach	1.18%
Laguna Hills	0.89%
Laguna Niguel	1.44%
Laguna Woods	0.28%
Lake Forest	2.14%
Los Alamitos	0.33%
Midway City Sanitary District (Westminster)	2.47%
Mission Viejo	2.33%
Newport Beach	3.58%
Orange	5.25%
Placentia	1.39%
Rancho Santa Margarita	1.03%
San Clemente	2.43%
San Juan Capistrano	2.93%
Santa Ana	9.45%
Seal Beach	0.52%
Stanton	1.47%
Tustin	2.04%
Unincorporated Orange County (1)	3.19%
Villa Park	0.16%
Yorba Linda	1.68%
Total	100%

(1) Unincorporated County Area is assumed to be a Participating City for the purposes of determining the Commencement Date in accordance with Section 6.2(b) of this Agreement. For the distribution of Net Import Revenues, the County of Orange shall receive 50% of any Net Import Revenues received in accordance with Section 3.6(F)(2)(i) of this Agreement. The County of Orange shall also receive the Unincorporated Area distribution set forth in this Appendix 1, as periodically modified in accordance with Section 3.6(F)(2)(ii) of this Agreement.

(2) The City of Costa Mesa and the Costa Mesa Sanitation District have separate WISE Agreements. Costa Mesa Sanitation District Acceptable Waste tonnage is based on City of Costa Mesa Acceptable Waste tonnage and Importation Revenue is calculated based on City of Costa Mesa Acceptable Waste tonnage delivered to the Waste Infrastructure System.

ITEM 7.5

(3) NOTE: A participating City will only be included for purposes of determining the Commencement Date upon (i) execution of a WISE Agreement by that Participating City and (ii) execution of a Hauler Acknowledgement(s) by the Franchise Hauler(s) operating within such Participating City.

APPENDIX 2
CUMULATIVE TONNAGE

APPENDIX 2

**Cumulative County Acceptable Waste Tonnage Target to be Used
for Purposes of Section 4.2(B)**

<i>Fiscal Year (Ending June 30)</i>	<i>County Acceptable Waste Tonnage</i>	<i>Cumulative County Acceptable Waste Tonnage</i>
2026	3,343,282	3,343,282
2027	3,278,595	6,621,877
2028	3,029,924	9,651,801
2029	2,982,454	12,634,255
2030	2,411,983	15,046,238
2031	2,261,201	17,307,439
2032	2,225,152	19,532,591
2033	2,181,838	21,714,429
2034	2,187,041	23,901,470
2035	2,219,362	26,120,832
2036	2,224,792	28,345,624

APPENDIX 3
CUMULATIVE CAPITAL COSTS

APPENDIX 3

**CUMULATIVE CAPITAL COSTS
to be Used
for Purposes of Section 4.2(A)vi**

<i>Fiscal Year (Ending June 30)</i>	<i>Annual Capital Costs</i>	<i>Cumulative Capital Costs</i>
2026	\$72,599,664	\$72,599,664
2027	\$79,950,000	\$152,549,664
2028	\$155,135,000	\$307,684,664
2029	\$136,185,000	\$443,869,664
2030	\$41,171,500	\$485,041,164
2031	\$16,745,000	\$501,786,164
2032	\$18,165,000	\$519,951,164
2033	\$36,605,000	\$556,556,164
2034	\$30,100,000	\$586,656,164
2035	\$1,510,000	\$588,166,164
2036	\$25,000,000	\$613,166,164

APPENDIX 4
FRANCHISE HAULER ACKNOWLEDGMENT

FRANCHISE HAULER ACKNOWLEDGMENT

THIS FRANCHISE HAULER ACKNOWLEDGMENT, dated as of _____ (the "Acknowledgment"), and between the _____ (the "City") and _____ (the "Franchise Hauler").

WITNESSETH

WHEREAS, the City and the Franchise Hauler have heretofore entered into an agreement entitled _____ dated as of _____ (the "Franchise"); and

WHEREAS, the City has issued to the Franchise Hauler a permit, license, approval or other authorization the "Authorization" which allows the Franchise Hauler to provide solid waste collection services within the City; and

WHEREAS, the Franchise [SUBSTITUTE "AUTHORIZATION" THROUGHOUT IF APPLICABLE] provides for the collection and disposal of certain municipal solid waste as described therein ("Franchise Waste") generated within the City; and

WHEREAS, the County of Orange (the "County") owns, manages and operates a Waste Infrastructure System that is permitted to accept or process Acceptable Waste for disposal or diversion; and

WHEREAS, the City and the County have heretofore entered into a Waste Infrastructure System Enterprise Agreement (the "WISE Agreement"), dated as of _____; and

WHEREAS, the WISE Agreement details responsibilities for disposal of municipal solid waste and may include processing of identified Organic Waste for diversion, generated within the boundaries of the City, and determine that the execution of the WISE Agreement will serve the public health, safety and welfare of the residents of the City and County, by maintaining public ownership and stewardship over the Waste Infrastructure System and providing disposal rate stability, predictable and reliable long-term disposal service, enhanced organics processing to assist the City in meeting its organics diversion requirements, and the continuation of sound environmental management; and

WHEREAS, under the WISE Agreement, the County has agreed to provide long-term disposal of all municipal solid waste generated within the City and may also provide for Organic Waste processing under an OSA and the City has agreed to exercise all legal, and contractual power which it possesses from time to time to deliver or cause the delivery of such waste to the Waste Infrastructure System; and

WHEREAS, the provisions of the WISE Agreement guarantee capacity for the long term disposal and processing of waste at specified rates generated in the City provide significant benefits to the Franchise Hauler;

WHEREAS, notwithstanding any Franchise provisions to the contrary, the Franchise Hauler explicitly acknowledges the aforementioned benefits to the City, the County and the Franchise Hauler in providing for the disposal of all Franchise Waste to the Waste Infrastructure System; and

WHEREAS, the City and the Franchise Hauler desire to enter into this Acknowledgment to assure that the City and the Franchise Hauler will be entitled to the benefits of the WISE Agreement and to assure conformity with the waste delivery obligations which have been agreed to by the City under the WISE Agreement through the delivery of waste by the Franchise Hauler to the Waste Infrastructure System; and

WHEREAS, the Franchise Hauler's agreement to deliver Franchise Waste to the Disposal System under this Acknowledgment is given in consideration of the Franchise Hauler's right to receive the Contract Rate for such disposal and processing as provided in the WISE Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Capitalized terms used and not otherwise defined herein are used as defined in the WISE Agreement.
2. The Franchise Hauler hereby waives any right which it may possess under applicable law to contest

on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power or authority of the County or the City to enter into or perform their respective obligations under the WISE Agreement, (b) the enforceability against the County or the City of the WISE Agreement, or (c) the right, power or authority of the City to deliver or cause the delivery of all Controllable Waste to the Disposal System in accordance with this Acknowledgment.

3. The City and the Franchise Hauler each hereby represent that this Acknowledgment has been duly authorized by all necessary action of their respective governing bodies.

4. The Franchise Hauler shall deliver or cause to be delivered all Controllable Waste (including all Residue from the processing by any means, wherever conducted, of Controllable Waste), to the Designated Facility in the Waste Infrastructure System/Disposal System, and shall otherwise assist the City in complying with its obligations under the Waste Disposal Covenant in Section 3.1 of the WISE Agreement.

5. Unless expressly authorized by the Department, the Franchise Hauler shall only haul Controllable Waste to the Designated Facility.

6. The Franchise Hauler shall not haul Controllable Waste to any materials recovery facility, composting facility, intermediate processing facility, recycling center, transfer station or other waste handling or management facility unless the contract or other agreement or arrangement between the Franchise Hauler and the operator of such facility is sufficient in the opinion of the County to assure that the Residue from such facility constituting City Acceptable Waste (or Tonnage equivalencies) and the City Acceptable Waste transferred by such facility shall be delivered to the Disposal System in compliance with the Waste Disposal Covenant.

7. The Franchise Hauler shall pay the Contract Rate imposed by the County for the disposal of all Controllable Waste, which rate shall be subject to potential adjustment necessary to reflect the circumstances set forth in the Agreement.

8. Nothing in this Acknowledgment is intended to restrict any right or responsibility explicitly given the Franchise Hauler in any City Franchise Agreement to recycle City Acceptable Waste, except as provided in paragraph 5 above with respect to Residue from any such recycling operations.

9. The obligations of the Franchise Hauler under this Acknowledgment shall apply notwithstanding any provision of the Franchise which may conflict herewith.

10. This Acknowledgment may be enforced by the City by any available legal means. In any enforcement action by the City, the burden of proof shall be on the Franchise Hauler to demonstrate compliance herewith.

11. This Acknowledgment shall be in full force and effect and shall be legally binding upon the City and Franchise Hauler from the date hereof and shall continue in full force and effect until the earlier of (i) the end of the term of the Franchise or (ii) the end of the Term of the WISE Agreement.

12. The City and Franchise Hauler agree that the County shall be an express third-party beneficiary of this Acknowledgment, and shall be entitled to independently enforce the obligations of the Franchise Hauler hereunder. There shall be no additional third party beneficiaries under this Acknowledgement.

13. The Franchise Hauler agrees to assist the County in verifying tonnage collected by the Franchise Hauler and providing information required by the County. The Franchise Hauler will provide upon request refuse tonnage collected within the County, and outside the County (if relevant to confirming tonnage origination), separated by jurisdiction, by load type (residential, commercial, roll-off box, etc.), and by facility to which it was delivered (specify which landfill or transfer station). Hauler will provide customer service levels and route lists. The Franchise Hauler will cooperate with County audits to verify reported origin of tonnage by making records and personnel available to the County and/or its auditors.

IN WITNESS WHEREOF, the parties have caused this Acknowledgment to be executed by their duly authorized officers or representatives as of _____ day of _____, _____.

ITEM 7.5

Signature: _____

Printed Name: _____

Title: _____

APPROVED AS TO FORM:

By _____
City Attorney

Date _____

(Franchise Hauler)

Signature: _____

Printed Name: _____

Title: _____

Appendix 5

ORGANIC SERVICES AGREEMENT

Appendix 5

ORGANIC SERVICES AGREEMENT

Between

THE COUNTY OF ORANGE, CALIFORNIA

and

Dated_____, 2025

County Authorization Date:

City Authorization Date:

County Notice Address:

City Notice Address:

Director
OC Waste & Recycling
601 N. Ross Street 5th Floor
Santa Ana, CA 92701

ORGANIC SERVICES AGREEMENT

THIS ORGANIC SERVICES AGREEMENT (“Organics Agreement” or “OSA”) is made and dated as of the date indicated on the cover page hereof between the County of Orange, a political subdivision of the State of California (the “County”), and the City designated on the cover page of this Agreement (the “City”). County and City may hereinafter be referred to singularly as “Party” or collectively as “Parties.”.

RECITALS

The County owns, manages and operates a Waste Infrastructure System to manage municipal and solid waste generated within the County of Orange or imported from outside the County pursuant to contractual agreements. The Waste Infrastructure System collectively includes active Class III sanitary landfills (“County Landfills”), resource recovery, recycling and organics programs, infrastructure and operations, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

County Landfills are used for the management of municipal solid waste pursuant to legislation including but not limited to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) (the “Act”) and the Short-lived Climate Pollutants Reduction Act (“SB 1383”). County Landfills are also subject to other State and federal regulations designed to ensure that landfill operations minimize the impacts to public health and safety and the environment.

Pursuant to Resolution, the County established the Waste Management Enterprise Fund pursuant to Government Code §25261 to ensure that all costs associated with the operation and management of the Waste Infrastructure System are financed by charges imposed for services provided by the Department and are not funded by tax revenue or the County General Fund.

The City, in the exercise of its police power, its powers under the Act, and other Applicable Law, has entered into a franchise or other agreement with or issued permits or licenses to one or more private haulers for the collection, recycling, diversion and disposal of municipal solid waste generated within the City.

A significant portion of municipal solid waste generated within the City historically has been and currently is delivered by such hauler or haulers to the County for disposal in the Disposal System.

Since 1997, the City and the County have provided for the management of municipal solid waste through Waste Disposal Agreements (“WDAs”), wherein the County agreed to provide disposal capacity for waste generated in the City, and the City agreed to deliver or cause the delivery of waste generated in the City to the Disposal System, as more specifically set forth in, and subject to the terms and conditions of the WDAs.

Starting in approximately 2014, the Legislature of the State of California passed several pieces of legislation (“Organics Legislation”) that require significant reductions in the disposal of Organic Waste. The purpose of the Organics Legislation is to mandate organics recycling and curtail the impacts of climate change by reducing greenhouse gas emissions such as methane. In this regard, the decomposition of organic material in the State’s landfills was identified as a significant source of methane that could be reduced.

Prior to the passage of Organics Legislation, Processed Green Material (“PGM”) could be utilized as Alternative Daily Cover (“ADC”) for landfill operations and qualified for diversion credit. However, passage of Assembly Bill 1594 resulted in PGM used as ADC no longer being eligible for diversion credit starting on January 1, 2020.

In addition to the loss of diversion eligibility for PGM used as ADC, SB 1383 requires a 50% reduction in the disposal of Organic Waste by January 1, 2020 and a 75% reduction of Organic Waste by January 1, 2025. In addition, the law requires 20% of edible food waste be recovered by 2025.

On April 23, 2019, the Orange County Board of Supervisors passed Resolution 19-031 to respond to the State’s increasing landfill diversion requirements and identified the need for additional organic processing infrastructure in the County and directed the Department to develop additional organics recycling infrastructure to support the region in meeting State organic recycling mandates. (See Attachment 4)

To respond to Organics Legislation requirements, the County has developed an Organics Infrastructure that is comprised of organic processing facilities to receive and process Organic Waste to support the State's Organic Legislation goals, promote local recycling, assist local jurisdictions in meeting their organic diversion requirements and correspondingly conserve capacity in the Disposal System.

In their effort to continue the concepts and purposes outlined in the WDAs and respond to Organics Legislation, the City and the County desire to enter into this Organics Agreement, on the terms and conditions set forth herein.

With the exception of the terms and organic specific provisions found in this Organics Agreement, the Parties intend that the provisions of the currently operative WDA and the replacement WISE Agreement that is being negotiated between the County and City are anticipated to become operative on July 1, 2026, be applied to this OSA.

The City has determined that the execution of this Organics Agreement by the City will serve the public health, safety and welfare of the City by providing enhanced organics processing to assist in the City in meeting its Organics Legislation diversion requirements, and the continuation of sound environmental management.

The County has determined that the execution by the County of this Organics Agreement will serve the public health, safety and welfare by providing a stable, predictable and reliable supply of organic material and the resulting service payment revenue to the Organics Infrastructure, thereby enabling the County to plan, manage, operate and finance improvements to the Organics Infrastructure System on a prudent and sound long term, businesslike basis consistent with its legal and regulatory obligations to the State and Federal government.

Official action approving this Organics Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the County on the County authorization date indicated on the cover page hereof.

Official action approving this Organics Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the City on the City authorization date indicated on the cover page hereof.

It is, therefore, agreed as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.1 DEFINITIONS. The definitions provided in the WDA and yet to be executed WISE Agreement shall be incorporated into this Agreement. The following terms shall be added and have the meanings set forth below.

“Acceptable Organic Waste” means Residential Organic Waste that consists of Green Material/Wood Waste, Agricultural Material, Manure, Vegetative Food Material, Food Waste and other organic material as may be authorized under the County’s Compostable Material Handling Permits.

“Attachment” means an attachment to this OSA, as the same may be amended or modified from time to time in accordance with the terms hereof.

“CalRecycle” means the California Department of Resources Recycling and Recovery, which is a branch of the California Environmental Protection Agency. CalRecycle oversees the State’s waste management and waste reduction programs. CalRecycle was established in 2010 to replace the California Integrated Waste Management Board and is responsible for the enforcement of legislation and regulations and diversion requirements applicable to the Waste Infrastructure System.

“City Acceptable Organic Waste” means all Acceptable Organic Waste which was originally discarded by the first generator thereof within the geographical limits of the City and Residue Waste from the foregoing wherever produced, whether within or outside the City.

“City Organic Tonnage Limit” the maximum amount of Controllable Organic Waste that County is committed to accept under the Organic Service Covenant as provided in Attachment 3.

“Commencement Date” means the date on which the obligations of the parties hereto commence.

“Contract Date” means the first date on which this OSA has been executed by both parties hereto.

“Controllable Organic Waste” means all City Acceptable Organic Waste with respect to which the City has the legal or contractual ability to determine the processing location and procurement requirements as they relate to the City’s Organics Legislation compliance requirements.

“Consumer Price Index” or “CPI” means the Consumer Price Index published by the Bureau of Labor Statistics for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average (CUSR0000EHG). In the event the forgoing index is no longer published during the term of this Agreement, such other index identified by the Bureau of Labor Statistics as a replacement or otherwise generally accepted as a replacement shall be used for purposes of this Agreement; and, in the absence thereof, the County Board of Supervisors shall select an index that it determines most closely reflects the forgoing and best implements the intent of this Agreement.

“Initial Term” has the meaning specified in Section 5.1(A) hereof.

“Manure/Stable Bedding Program” means the programs used by the County to mix source separated uncontaminated horse manure and stable bedding into its Organic Infrastructure to create organic product. Current permit requirements set a maximum percentage of 20% manure/stable bedding (“Material”) by weight of total incoming feedstock. County agreement to accept Material is subject to payment of the Organic Contract Rate, available capacity, and compliance with the terms found in Attachment 2.

“Organic Contract Rate” has the meaning specified in Section 4.2 hereof.

“Organic Diversion Credit” means credit provided to a local jurisdiction or entity for implementing the diversion of Organic Waste from landfilling through specific activities recognized by the Department of Resources Recycling and Recovery (CalRecycle) including composting, anaerobic digestion, or other methods to meet the State’s waste diversion goals and statutes such as Assembly Bill 939, Assembly Bill 341, Assembly Bill 1594, Assembly Bill 1826, and SB 1383 through waste prevention, reuse, and recycling.

“Organic Infrastructure” means the County’s organics processing facilities and programs used to recycle and promote the processing and diversion of Organic Waste into compost or other material that qualifies as diversion under Applicable Law as described in more detail in Attachment 1.

“Organics Legislation” means organics recycling legislation including Assembly Bill 1594, Assembly Bill 1826, SB1383 and any future legislation pertaining to the management and diversion of Organic Waste.

“Organic ROWP Procurement Credit” means credit provided to a jurisdiction to meet their Recovered Organic Waste Procurement Target under SB 1383 by procuring Recovered Organic Waste Products as permitted by CalRecycle.

“Organics Agreement” means this Organic Services Agreement (“OSA”) between the County and the City as the same may be amended or modified from time to time in accordance herewith.

“Organic Take-Back Goal” means the programs that City and County will work toward to create City programs that have the goal of City taking back its Proportional Share of finished compost or other Recovered Organic Waste Product for local application.

“Organic Waste” means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges as defined in Title 14 of the California Code of Regulations, Section 18982(a)(46).

“Processed Green Material” (“PGM”) as defined in Title 27, California Code of Regulations §20690(b)(3) means any plant material that is either separated at the point of generation, or separated at a centralized facility that employs methods to minimize contamination. Green material includes, but is not limited to, yard trimmings, untreated wood wastes, paper products, and natural fiber products. Green material does not include treated wood waste, mixed demolition or mixed construction debris, manure, or plant waste from the food processing industry, alone or blended with soil. Processed green material may include varying proportions of wood waste from urban and other sources and shall be ground, shredded, screened, source separated for grain size, or otherwise processed. This PGM standard is the standard that Controllable Organic Waste must meet in order to be accepted at County’s Organic Infrastructure under the OSA.

“Proportional Share” means 60% of the weight of Controllable Organic Waste City delivered by City to County’s Organics Infrastructure.

“Recovered Organic Waste Product” or “ROWP” means compost, mulch, renewable energy (transportation fuel, electricity, and gas for heating) from anaerobic digestion, and electricity from biomass conversion.

“Recycled City Organic Waste” means any otherwise Controllable Organic Waste which is separated from Acceptable Organic Waste by the generator thereof and composted by generator at home, community gardens or other processing and which is not placed in Franchise Hauler bin for collection.

“Renewal Term” has the meaning specified in Subsection 5.1(C) hereof.

“Residential Organic Waste” means Acceptable Organic Waste normally disposed of by or collected from residential (single family and multi-family) residences.

“Residual Waste” means any contaminants, inert materials, overs, or Acceptable Organic Waste that could not be processed at the Department’s Organic Infrastructure that required to be disposed within the Disposal System.

“Waste Disposal Agreement” (“WDA”) means the currently operative agreement between the Parties for the disposal of municipal solid waste that is currently set to expire on June 30, 2026. **With the exception of specific or conflicting provisions provided in this Organics Agreement, the Parties agree that the terms found in the WDA shall be applied to the interpretation of this OSA. For the purpose of interpretation of this OSA, the Parties also intend that the WDA be read to include terms such as Controllable Organic Waste, where appropriate.**

“Waste Infrastructure System” or “Disposal System” means active Class III sanitary landfills (“County Landfills”), closed landfills managed by the County, resource recovery operations, Organics Infrastructure, recycling and organics programs, infrastructure and operations, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

“Waste Infrastructure System Enterprise Agreement” or “WISE Agreement” means each of the agreement between the parties that is expected to replace the current WDA that is set to expire on June 30, 2026.

SECTION 1.2 INTERPRETATION. In this Agreement, unless the context otherwise requires:

References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder”, “herewith”, and any similar terms refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the Contract Date.

Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

No Third Party Beneficiaries. Nothing in this Agreement is intended to confer on haulers or any other person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

Applicable Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

Severability. If any clause, provision, subsection, Section or Article of this Agreement shall be ruled invalid by any court of jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, subsection, Section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist, unless such invalidity frustrates the underlying primary purpose of the Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1 REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants that:

(A) Existence. The City is a general law or charter city or a Special District or Sanitary District validly existing under the Constitution and laws of the State.

(B) Due Authorization. The City has duly authorized the execution and delivery of this Organics Agreement, and this Organics Agreement has been duly executed and delivered by the City.

SECTION 2.2 REPRESENTATIONS AND WARRANTIES OF THE COUNTY. The County represents and warrants that:

(A) Existence. The County is a political subdivision of the State of California validly existing under the Constitution and laws of the State.

(B) Due Authorization. The County has duly authorized the execution and delivery of this OSA, and this OSA has been duly executed and delivered by the County.

ARTICLE III DELIVERY AND ACCEPTANCE OF ORGANIC WASTE AND PROVISION OF ORGANIC PROCESSING SERVICES

SECTION 3.1 DELIVERY OF ORGANIC WASTE.

(A) Organic Waste Covenant. Subject to the occurrence of the Commencement Date and throughout the Term of this OSA, and subject to available Organic Infrastructure capacity, the City shall exercise all legal and contractual power and authority which it may possess from time to time to deliver or cause the delivery of all Controllable Organic Waste (up to City's Organic Tonnage Limit as provided in Attachment 3) to the Waste

Infrastructure System in accordance with the terms of this OSA.

(B) Recycled City Organic Waste.

1. Non-Mandatory Organic Waste City Programs: The parties hereto acknowledge the responsibility of the City to meet its own recycling and landfill diversion goals contained in the Act and Organics Legislation. Nothing in this Agreement is intended or shall be interpreted to prohibit or impair the ability of the City to meet such responsibilities, or to restrict the right of the residents, businesses or organizations in the City to practice source separation, recycling, composting or other materials recovery activities, or to restrict the right of the City to conduct, sponsor, encourage or require such activities in any form. No reduction in the amount of Controllable Organic Waste generated in the City and delivered to the Organic Infrastructure by or on behalf of the City which may result from any such source separation or recycling program shall cause the City any liability hereunder (other than potential adjustment to the Organic Contract Rate as may be negotiated by the Parties as authorized under this OSA, and shall not constitute a breach of this Agreement.)
2. Mandatory Organic Waste City Collection Programs: City shall provide data and information to County regarding City's mandatory Organic Waste collection programs including but not limited to the tonnage of organics collected by the City for diversion under this OSA. The information will be used to provide education and outreach for participation with the goal of minimizing contamination and increasing diversion.

(C) Organic Diversion Credit. City shall receive Organic Diversion Credit for City's Controllable Organic Waste minus any Residual Waste delivered by City and accepted by County and processed into Recovered Organic Waste Product at the County's Organic Infrastructure.

(D) Organic ROWP Procurement Credit. City shall receive Organic ROWP reports for finished recovered organics waste products procured from County that meets the procurement requirements of Title 14 of the California Code of Regulations, Section 18993.1 et seq. City shall receive Organic ROWP Procurement Credit as follows:

1. County will assist City in developing local City programs and opportunities designed to enable the City to meet its own ROWP requirements.
2. City shall be entitled to "take back" its Proportional Share of SB 1383 compliant, STA Certified compost, mulch or other ROWP products from County Organics Infrastructure and used as ROWP Procurement Credit.
3. County will provide reports and allocate credit associated with City resident ROWP pickup as well as commercial landscapers from City that collect ROWP from County Organic Infrastructure.
4. City will be eligible to receive ROWP Procurement Credit for excess Acceptable Recovered Organic Waste Product that County is able to market beyond that needed for the County unincorporated areas or that is not otherwise committed. (*County makes no guarantees that it will provide City with 100% ROWP Procurement Credit.)

(E) Organic Take-Back Goal. City is not required to "take back" its Proportional Share of STA Certified finished compost, mulch, or other ROWP from the County's Organic Infrastructure, however City and County will work toward creating City programs that have the goal of City taking back its Proportional Share of finished compost or other Recovered Organic Waste Product for local application ("Organic Take-Back Goal") to meet City's ROWP procurement requirements.

(F) Procurement of Additional ROWP. Pursuant to terms agreeable to both Parties, City may request to procure Recovered Organic Waste Product in addition to its Proportional Share within the same Contract Year.

(G) OSA Conditions. As a condition of participating in the County's Organics Infrastructure,

City agrees to the following terms:

1. All Controllable Organic Waste delivered to the County's Organics Infrastructure shall meet the standards as set forth in Attachment 2;
2. City or its Franchise Hauler shall pay the Organics Contract Rate for all Organic Waste delivered to the County's Organic Infrastructure for processing into Recovered Organic Waste Product;
3. City shall provide information to County on a quarterly basis that identifies where Controllable Organic Waste being delivered to the County's Organic Infrastructure originated and shall ensure that the organic material being delivered meets the definition of City Acceptable Organic Waste.
4. Bulk ROWP: City shall be entitled to arrange for the Take Back (at City cost) from County Organic Infrastructure compost, mulch and other Recovered Organic Waste Product in bulk form free of charge.
5. Non-Bulk ROWP: County may establish separate fees for provision of non-bulk material including but not limited to bagged material or compost wattles. City shall be entitled to arrange for the Take Back of Non-Bulk ROWP at City cost.
6. City's Proportional Share shall be calculated as 60% of the weight of Controllable Organic Waste City delivers to County's Organics Infrastructure by City.

(H) No Right of Organic Waste Substitution. Nothing in this Agreement shall authorize or entitle the City to deliver, or cause the delivery to the County's Organic Infrastructure, Acceptable Organic Waste originating from or generated outside the jurisdiction of the City, nor obligate the County to receive or dispose of any such Acceptable Organic Waste into the Waste Infrastructure System. The City shall not assign in whole or in part its right to deliver or cause to be delivered Controllable Organic Waste to the County hereunder, and shall not permit any Acceptable Organic Waste originating from or generated outside the jurisdiction of the City to be substituted for Controllable Organic Waste for any purpose hereunder.

SECTION 3.2 PROVISION OF ORGANIC PROCESSING SERVICES BY THE COUNTY.

(A) Organic Service Covenant. Commencing on the Commencement Date, the County shall provide or cause the provision of the service of receiving and processing of City's Controllable Organic Waste (up to the City Organic Tonnage Limit provided in Attachment 3) at the County's Organics Infrastructure as described in more detail in Attachment 1. The County shall exercise all reasonable efforts to minimize the costs incurred in complying with the Organic Service Covenant consistent with prudent solid waste management practice and environmental considerations and under Applicable Law.

(B) Receipt of Controllable Organic Waste. Upon acceptance of the Controllable Organic Waste that meets the PGM standards provided in Attachment 2, County shall process the Organic Waste into compost, mulch or other ROWP as specified in Title 14 of the California Code of Regulations Section 18993.1

(C) Education and Outreach. The Department will assist the City and its hauler in their efforts on Organic education and outreach with the goal of the City meeting its organic diversion and ROWP procurement requirements.

(D) Designated Facilities. County and City will coordinate in determining the primary organic processing facilities and tonnages (as reflected in Attachment 1) used for receiving and processing of Controllable Organic Waste. The Department shall immediately advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the County to receive Controllable Organic Waste at any particular County Organics Infrastructure within the Waste Infrastructure System, its effect on the County's ability to perform its obligations hereunder, and the County's best estimate of the probable duration. The Department shall confirm such advice in writing within twenty four (24) hours of the occurrence of any such inability. The County shall use its best efforts to resume normal operation of the Organics Infrastructure primarily used by the City as soon as possible. In the event a situation, event or circumstance results in the partial or complete inability of the County to receive Controllable Organic Waste at any particular County Organics Infrastructure within the Waste Infrastructure System the County shall have the right to redirect Controllable Organic Waste to another landfill or County Organics Infrastructure within the Waste Infrastructure System for the duration of the situation, event or circumstance; In no event shall the County be required to accept Controlled Organic Waste if it does not have sufficient permitted organic processing capacity

within the Waste Infrastructure System.

(E) Compliance with Service Covenant Not Excused for any Reason. Commencing on the Commencement Date, and subject to the terms of this Agreement, the obligations of the County to duly observe and comply with the Organic Service Covenant, in accordance with Applicable Law, shall apply continuously and without interruption for the Term of this OSA. In the event that any Change in Law, situation, event or other Uncontrollable Circumstance impairs or precludes compliance with the Organic Service Covenant by the means or methods then being employed by the County, the County shall use best efforts to implement alternative or substitute means and methods to enable it to satisfy the terms and conditions of the Service Covenant. In the event that a Change in Law precludes the County from complying with such covenants with the means or methods then being employed and from utilizing any alternate or substitute means or methods of compliance, the County shall continuously use all reasonable efforts to effectuate executive, legislative or judicial change in or relief from the applicability of such law so as to enable the County lawfully to resume compliance with such covenants as soon as possible following the Change in Law.

County failure to duly observe and comply with the Organic Service Covenant due to its efforts to comply with Applicable Law, shall not constitute a breach under this Organics Agreement, and shall excuse County performance to the extent necessary to comply with Applicable Law.

If the alternative or substitute means and methods proposed for the County to observe and comply with the Organic Service Covenant are more costly than the previously used means and methods, the Parties shall negotiate a mutually agreeable new Organic Contract Rate. If the Parties are unable to agree on a new Organic Contract Rate, the Parties may terminate this agreement without penalty with ninety (90) days notice.

SECTION 3.3 COUNTY RIGHT TO REFUSE ORGANIC WASTE.

(A) Right of Refusal. Notwithstanding any other provision hereof, the County may refuse delivery of:

- (1) Hazardous Waste;
- (2) Acceptable Organic Waste delivered by City but originating from or generated outside the jurisdiction of the City;
- (3) Acceptable Organic Waste delivered in excess of the City Organic Tonnage Limit listed in the Attachment 3;
- (4) Acceptable Organic Waste in excess of permitted limits;
- (5) Acceptable Organic Waste that would result in County violating Applicable Law;
- (6) Controllable Organic Waste that does not meet the requirements found in Attachment 2;

SECTION 3.4 COUNTY PROVISION OF OTHER ORGANIC WASTE DIVERSION SERVICES.

(A) Food Waste Processing and Diversion. County is in the process of evaluating the options and feasibility of development of a Commercial Food Waste Processing Infrastructure. If developed, City will be provided an opportunity to participate in this service on terms separately agreed to by the Parties.

(B) Edible Food Recovery Programs. County is in the process of evaluating the options and feasibility of development of regional County-wide edible food recovery programs to assist Cities in meeting State mandated goals. The intent of Edible Food Recovery to address the food hierarchy and wasted food scale on a regional level through collaboration of all jurisdictions, key local, State and federal stakeholders, the non-profit sector and business sector. City agrees to cooperate with County efforts and collaborate on data analysis and reporting to provide jurisdictions reports for compliance under SB1383.

(C) Separate City -County Diversion Service Agreements. Nothing in this Agreement is intended to limit the right of the County to enter into a separate agreement with the City or any other person, jurisdiction, or entity to provide source reduction, materials recovery, recycling, composting or other waste diversion services.

ARTICLE IV
ORGANIC CONTRACT RATE

SECTION 4.1 CHARGING AND SECURING PAYMENT OF ORGANIC CONTRACT RATE.

The City acknowledges that the County shall have the right to charge and collect an Organic Contract Rate for the acceptance and processing of Controllable Organic Waste delivered to the Organic Infrastructure by City or its Franchise Hauler. City acknowledges that the County shall have the right to establish as part of the operating rules and regulations reasonable measures to secure the payment of all Organic Contract Rates.

SECTION 4.2 ORGANIC CONTRACT RATE.

(A) Establishment of Contract Rate. The Organic Contract Rate payable by each City or Franchise Hauler shall be \$67/Ton up to the City Organic Tonnage Limit.

(B) Special Charges. Notwithstanding Section 4.2(A), the County shall have the right to impose special charges for items such as bagged material or compost wattles; new or expanded services; or receipt of hard to handle materials, such as bulky materials, construction and demolition debris, tree stumps, biosolids and sludge. Such special charges shall be calculated to reflect the reasonable incremental costs to the County of providing the new or expanded services or accepting such hard to handle materials.

(C) Escalation.

1. Annual CPI Adjustment: The Organics Contract Rate shall be adjusted each July 1, beginning 2027. The change will be equal to the percentage change in the Consumer Price Index - Consumer Price Index for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average (CUSR0000EHG) as measured from the October twenty one (21) months prior to the rate adjustment to the October immediately preceding the rate adjustment. In the event that the change in the change in CPI as described above is negative rather than positive, no rate adjustment will be made for that year.

Organic Contract Rate True-up: County will notify City prior to April 30, 2029 (and every three (3) years thereafter) and advise whether actual inflation rate since execution should be frozen for a period of time (in circumstances where Department revenues exceed Department Full Cost Recovery needs) or to determine whether the Organic Contract Rate should be increased beyond CPI as described above (in circumstances where Department costs exceed CPI) to ensure that Department revenues meet Full Cost Recovery.

2. Adjustment Resulting from Increased Fees: In addition to the other adjustments specified herein, the Organic Contract Rate shall be automatically adjusted to reflect the imposition of new fees or increases in existing fees relating to the County's processing of Controllable Organic Waste imposed by State, federal or other agencies. The County shall provide notice of any increase pursuant to this Section as soon as practicable after becoming aware of the imposition of any fees described above.

ARTICLE V
TERM

SECTION 5.1 EFFECTIVE DATE AND TERM.

(A) Initial Term. This Organic Services Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract Date and shall continue in full force and effect until June 30, 2036, unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination.

(B) Bi-Annual Opener. In light of the significant changes in law by the California Legislature to address climate change, the Parties agree to meet at least bi-annually or earlier at the request of County to review the Organic Contract Rate and discuss the need for additional investment into the Organic Infrastructure to respond to existing or new legislative requirements, diversion requirements, provision of new services, or other matters of mutual concern to the Parties.

(C) Option to Renew. This Agreement shall be subject to renewal by mutual agreement of the Parties, on or before June 30, 2036 for an additional term of 10 years (the "Renewal Term") on the same terms and conditions as are applicable during the Initial Term hereof or on amended terms as may be mutually agreed to by the Parties. The City shall give the County written notice of its election to renew this Agreement on or before June 30, 2034. If the parties do not execute a renewal of this Agreement prior to June 30, 2036 it shall expire.

ARTICLE VI GENERAL PROVISIONS

SECTION 6.1 NOTICES. Any notice or communication required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective Parties set forth on the cover page of this Agreement. Changes in the respective addresses to which such notices may be directed may be made from time to time by any Party by notice to the other Party.

SECTION 6.2 ATTORNEYS FEES. In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear their own attorney's fees, costs and expenses.

SECTION 6.3 RELATIONSHIP OF THE PARTIES. Neither party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The County is an independent contractor of the City and nothing in this Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 6.4 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either Party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non- performance of its obligations or otherwise under this Agreement, or the material inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

SECTION 6.5 AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly authorized and executed by both Parties.

SECTION 6.7 NOTICE OF LITIGATION. Each Party shall deliver written notice to the other of any Legal Proceeding to which it is a party and which questions the validity or enforceability of this Agreement executed by the City or the County or any Legal Entitlement issued in connection herewith.

SECTION 6.8 FURTHER ASSURANCES. At any and all times the City and the County so far as may be authorized by law shall pass, make, do, execute, acknowledge and deliver any and every such further resolutions, acts, deeds, conveyances, instruments, assignments, transfers and assurances as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

SECTION 6.9 ASSIGNMENT OF AGREEMENT. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either Party hereto without the prior written consent of the other Party, which may be withheld in the other Party's sole discretion. Notwithstanding the foregoing, either Party may assign this Agreement to another public entity, subject to the reasonable consent of the other party. In such circumstances the Party not requesting the assignment shall have the right to demand assurances of the financial, technical and legal ability of the proposed assignee to undertake the responsibilities and obligations of the assigning Party.

SECTION 6.10 BINDING EFFECT. This Agreement shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 6.9 hereof.

Signature Page to Follow

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF ORANGE

Date _____

By _____
Director, OC Waste & Recycling

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____

Date _____

Date _____

By _____
[NAME]
City Representative
City of XX

Date _____

By _____
[NAME]
City Representative
City of XX

APPROVED AS TO FORM:

By _____
City Attorney

Date _____

Attachment 1

COUNTY OF ORANGE ORGANIC INFRASTRUCTURE

Attachment 1**COUNTY OF ORANGE ORGANIC INFRASTRUCTURE**

The County of Orange owns and operates a network of three commercial organic processing facilities co-located at each of the active landfills. Each of the organic processing facilities have the ability to receive organic material and to produce organic products for cities to meet their Take-Back requirements specified within this agreement. Products produced at the organic processing facilities meet CalRecycle's SB 1383 procurement requirement and are certified under the US Composting Council's Standard of Testing Assurance (STA) Program. Product offerings include compost and composted mulch. Additional products may be offered as determined by the County.

A summary of each of the organic processing facilities is listed below:

Valencia Greenery (Co-Located at Olinda Alpha Landfill)

1942 N. Valencia Avenue
Brea, CA 92823

Permitted Maximum Tonnage (Open Windrow): 94 tons per day
Proposed Permitted Maximum Tonnage (Covered Aerated Static Pile): 228 tons per day
Permitted Hours of Operation: Monday through Saturday 6:00 am to 4:00 pm
Ancillary Operation Hours: 24 hours per day/7 days a week

Bee Canyon Greenery (Co-Located at Frank R. Bowerman Landfill)

11002 Bee Canyon Access Road
Irvine, CA 92602

Permitted Maximum Tonnage (Open Windrow): 210 tons per day
Proposed Permitted Maximum Tonnage (Covered Aerated Static Pile): 876 tons per day
Permitted Hours of Operation: Monday through Saturday 7:00 am to 5:00 pm
Ancillary Operation Hours: 24 hours per day/7 days a week

Capistrano Greenery (Co-Located at Prima Deshecha Landfill)

32250 Avenida La Pata
San Juan Capistrano, CA 92675

Permitted Maximum Tonnage (Open Windrow): 204 tons per day
Proposed Permitted Maximum Tonnage (Covered Aerated Static Pile): 536 tons per day
Permitted Hours of Operation: Monday through Saturday 7:00 am to 5:00 pm
Ancillary Operation Hours: 24 hours per day/7 days a week

This list may be modified/expanded at the discretion of the County.

Attachment 2

**SPECIFICATIONS FOR CONTROLLABLE ORGANIC WASTE AS PROCESSED GREEN WASTE
MATERIAL (PGM) AT COUNTY ORGANIC INFRASTRUCTURE**

Attachment 2**SPECIFICATIONS FOR CONTROLLABLE ORGANIC WASTE AS PROCESSED GREEN WASTE MATERIAL (PGM) AT COUNTY ORGANIC INFRASTRUCTURE****DESCRIPTION**

Processed Green Material (PGM) consists of yard waste, grass clippings, leaves, tree trimmings and plant-based materials which have been sorted to remove contamination and processed by shredding or grinding. PGM should not contain manure, stable waste or pet waste, which can create odors.

Processed Green Material is defined as following (California Code of Regulations, Title 27, Division 2, Subdivision 1, Chapter 3, Subchapter 4, Section 20690 [b] [3]):

- **Processed Green Material** – means any plant material that is either separated at the point of generation or separated at a centralized facility that employs methods to minimize contamination. Green material includes, but is not limited to, yard trimmings, untreated wood wastes, paper products, and natural fiber products. Green material does not include treated wood waste, mixed demolition or mixed construction debris, manure, or plant waste from the food processing industry, alone or blended with soil. Processed green material may include varying proportions of wood waste from urban and other sources and shall be ground, shredded, screened, source separated for grain size, or otherwise processed.

CONTAMINANT DEBRIS

The PGM should be free from all contaminant debris (glass, plastic, film plastic, metals, etc.) as well as salt and deleterious material such as clods, coarse objects, rocks, inert debris, and Material Recovery Facility (“MRF”) fines. County personnel visually inspect the PGM loads as they come in, making sure that the specifications are met and to determine if the loads are contaminated (i.e., mixed with paper, plastics and other trash.) If the loads appear to have unacceptable contamination in excess of 0.5% either by weight or volume, the PGM loads will not be allowed into the Organic Infrastructure and the City and/or hauler will be notified that contaminated PGM loads are unacceptable. The PGM will be deemed as municipal solid waste and the City and/or hauler will have the option to take the material to the landfill for disposal or be returned to the hauler’s facility for additional processing. For material that is physically dumped at the unloading area and is deemed unacceptable by OC Waste & Recycling staff, the material will be re-loaded into the transfer vehicle for reprocessing at hauler’s processing facility or sent to the landfill for disposal. Hauler will be charged the current “Hard-to-Handle” fee for re-loading services and disposal of unacceptable material.

SIZE

The particle size of the PGM acceptable is between $\frac{1}{2}$ -inch and 3 inches in length between $\frac{1}{2}$ -inch and 1 inch in width and between $\frac{1}{2}$ -inch and 1 inch in thickness. No particle should exceed 3 inches in any dimension.

MOISTURE CONTENT

The moisture content of the PGM should be in the range of 50-60 percent. If the PGM’s moisture content is unacceptable and cannot be received for processing at the County’s Organic Infrastructure Facilities, the material will be re-loaded into the transfer vehicle for reprocessing at hauler’s processing facility or sent to the landfill for disposal. The hauler will be charged the current “Hard-to-Handle” fee for re-loading services and disposal of unacceptable material.

FOOD WASTE

Residential food waste mixed with PGM as part of a city organic collection program is acceptable provided that the food waste is free of contaminant debris (glass, plastic, food packaging, non-compostable silverware, soiled napkins,

etc.). No commercial or source-separated food waste will be accepted except for cases where the County has entered into an agreement with a City to accept specific source separated organic material as Additional Feedstock as described below.

SOURCE SEPARATED MANURE

Subject to available capacity, City and/or Hauler may bring non-residential, source separated manure and stable bedding pursuant to the following Manure/Stable Bedding Program requirements:

1. Material Quantity: manure/stable bedding must be uncontaminated which means free of any hazardous materials, food waste packaging, plastics, glass, and any large bulky items and inert materials that need to be further sized or removed for composting. (“Material”)
2. Material Volume: County and City/Hauler will determine the anticipated volume of Material to ensure that the County’s Organic Infrastructure has sufficient capacity to manage the proposed amount of Material.
3. Material will be load checked to determine if it meets the established quality standards. If contaminants exceed 0.5% (by weight or volume), the load is deemed contaminated and not meeting quality standard for use in the Manure/Stable Bedding Program.
4. Material that is deemed unacceptable will be subject to the fees established by OCWR for this material type. Material that does not meet the established quality standards will be charged as follows:
 - a. If determined not to meet quality standards before Material is unloaded, standard disposal rates will apply.
 - b. If determined not to meet quality standards after Material is unloaded (or partially unloaded), hard-to-handle disposal rates will apply.
5. Material Delivery:
 - a. All Material deliveries will be scheduled and coordinated with OCWR prior to delivery. Any changes to material delivery quantities or days will be coordinated with OCWR prior to making the change.
 - b. While OCWR will remain as flexible as possible on timing of deliveries, material deliveries will be limited to Monday through Friday between 8:00 am and 2:00 pm and subject to holiday schedules. Should the delivery times change, then OCWR shall give two (2) days prior notice of the delivery time change.
 - c. Upon delivery, OCWR staff will record exact tonnage, name of hauler/transporter provider, and note distinguishing characteristics of feedstock and other pertinent information.
 - d. Deliveries made without OCWR prior approval may be refused or charged at the established rate.
 - e. OCWR reserves the right to deny a request to deliver for any reason. (i.e., OCWR does not guarantee that it will accept manure/stable bedding under this program. Instead, OCWR will accept Material based on its operational need and will make every effort to accommodate City’s hauler Material except when a reduction or stoppage is needed.)

ADDITIONAL FEEDSTOCK

The County at its discretion may accept additional material types such as food waste and manure based on availability and permitting conditions at each of the County’s organic processing facilities. The County will work with City to identify the specifications for accepting the material types including scheduling of deliveries and quantities.

CHANGES TO SPECIFICATIONS

County reserves the right to modify the Specifications found in this Appendix due to a change in law or regulation or in consideration of operational or Organic Processing Infrastructure needs. County shall provide 90 days notice regarding changes to this Appendix.

Attachment 3

CITY ORGANIC TONNAGE LIMIT

Attachment 3**CITY ORGANIC TONNAGE LIMIT**

The City Organic Tonnage Limit listed in the Attachment is the maximum amount of Controllable Organic Waste that County is committed to accept under the Organic Service Agreement.

Jurisdiction	Designated Greenery	City Organic Tonnage Limit		
		Daily Limit¹	Monthly Limit²	Annual Limit
TBD		_____ tons	_____ tons	_____ tons
TBD				
TBD				
TBD				

1. Daily Limit includes up to 20% by weight of source separated manure and stable bedding.
2. In the event City delivers less than their monthly limit, County may allocate unused City capacity at its discretion.

Attachment 4

ORGANIC INFRASTRUCTURE RESOLUTION

RESOLUTION NO. 19-19-031

RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA DIRECTING OC WASTE & RECYCLING TO UTILIZE EXISTING COUNTY RESOURCES TO RESEARCH OPPORTUNITIES AND DEVELOP STRATEGIES TO ACHIEVE STATE IMPOSED ORGANICS RECYCLING MANDATES.

WHEREAS, in 1989 the State of California enacted AB 939 (Sher), The Integrated Waste Management Act, requiring jurisdictions to divert a minimum of 50% of waste then going to landfills;

WHEREAS, in 2014 the State of California enacted AB 1594 (Williams, Chapter 719, Statutes of 2014), mandating that as of January 1, 2020, the use of green material as alternative daily cover will no longer constitute diversion through recycling and will instead be considered disposal in terms of measuring a jurisdiction's annual 50% per capita disposal rate;

WHEREAS, in 2018, Orange County cities delivered approximately 513,000 tons of processed green material to Orange County landfills accepted for free to be used as alternative daily cover, saving the residents of Orange County more than \$17,000,000 over the comparable cost of disposal;

WHEREAS, beginning in 2020, due to the new influx of previously diverted processed green material several Orange County cities will have difficulty meeting the mandated 50% diversion rate due to a lack of organics processing infrastructure within Orange County;

WHEREAS, in 2016 the State of California enacted SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets, to be achieved via even greater diversion of organics from landfills, in a statewide effort to reduce emissions of short-lived climate pollutants;

WHEREAS, the state continually increases the type and volume of organics that must be diverted from landfills and recycled;

WHEREAS, transportation is the most significant cost component to managing any waste stream, and the County Landfill system is well suited to receive and process organic material;

WHEREAS, the Orange County Board of Supervisors has considered the needs of Orange County and the need for additional organic recycling infrastructure;

WHEREAS, the Orange County Board of Supervisors supports protecting consumers via the creation of an organics recycling infrastructure within Orange County;

WHEREAS, the Orange County Board of Supervisors is committed to fulfilling its legal obligations to meet state mandates in a manner that is least burdensome to taxpayers;

NOW, THEREFORE BE IT RESOLVED, the Orange County Board of Supervisors acknowledges that the County has an interest in utilizing County resources to support the region in developing additional organics recycling infrastructure. The Board **HEREBY ORDERS** as follows:

SECTION 1. OC Waste & Recycling (OCWR) shall research opportunities and use available county resources to develop strategies and programs to achieve state-imposed organics recycling mandates for County unincorporated areas and where feasible leverage and extend similar opportunities to serve other public agencies and incorporated portions of Orange County.

SECTION 2. OCWR shall work transparently with all stakeholders to achieve the above-stated goals.

SECTION 3. Authorize OCWR to seek opportunities for organics recycling grants to help offset the costs of organics recycling research, program implementation and other related expenses. OCWR shall comply with County policies in applying for and accepting grants.

The foregoing was passed and adopted by the following vote of the Orange County Board of Supervisors, on April 23, 2019, to wit:

AYES:	Supervisors:	LISA A. BARTLETT, ANDREW DO, MICHELLE STEEL DONALD P. WAGNER, DOUG CHAFFEE
NOES:	Supervisor(s):	
EXCUSED:	Supervisor(s):	
ABSTAINED:	Supervisor(s):	



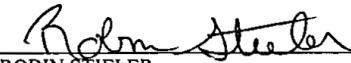
CHAIRWOMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Board of Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange County Board of Supervisors

IN WITNESS WHEREOF, I have hereto set my hand and seal.





ROBIN STIELER
Clerk of the Board
County of Orange, State of California

Resolution No: 19-031

Agenda Date: 04/23/2019

Item No: 48



I certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Supervisors, Orange County, State of California

Robin Stieler, Clerk of the Board of Supervisors

By. _____ Deputy _____

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8.1

**CONDITIONAL USE PERMIT CUP-2025-0005, A
REQUEST BY WE ARCHITECTS GROUP FOR
APPROVAL OF A CONDITIONAL USE PERMIT
AMENDING CONDITIONAL USE PERMIT
CUP00-02 TO ALLOW FOR THE
ESTABLISHMENT OF A MEDICAL CLINIC USE
AND ALTERNATIVE PROVISIONS TO OFF-
STREET PARKING REGULATIONS RESULTING IN
A REDUCTION IN AVAILABLE OFF-STREET
PARKING STALLS AT 24301 PASEO DE
VALENCIA, LAGUNA WOODS, CA 92637**

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: Conditional Use Permit CUP-2025-0005, a request by We Architects Group for approval of a conditional use permit amending Conditional Use Permit CUP00-02 to allow for the establishment of a medical clinic use and alternative provisions to off-street parking regulations resulting in a reduction in available off-street parking stalls at 24301 Paseo De Valencia, Laguna Woods, CA 92637

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT CUP-2025-0005 TO AMEND CONDITIONAL USE PERMIT CUP00-02 TO ALLOW FOR THE ESTABLISHMENT OF A

MEDICAL CLINIC USE AND ALTERNATIVE PROVISIONS TO OFF-STREET PARKING REGULATIONS RESULTING IN A REDUCTION IN AVAILABLE OFF-STREET PARKING STALLS AT 24301 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING THAT THE CONDITIONAL USE PERMIT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTION 15301 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

Background

We Architects Group (“Applicant”) has submitted a land use application seeking approval of Conditional Use Permit CUP-2025-0005, which would amend Conditional Use Permit CUP00-02 to allow for the establishment of a medical clinic use and alternative provisions to off-street parking regulations resulting in a reduction in available off-street parking stalls at 24301 Paseo De Valencia, Laguna Woods, CA 92637.

The project location is currently occupied by DrugXperts Pharmacy and other medical-related uses. It is located generally west of Paseo De Valencia between Calle De La Plata (city of Laguna Hills) and Calle De La Magdalena (city of Laguna Hills). The Orange County Assessor’s Parcel Number (“APN”) for the project location is 621-191-07 and the property owner is Laguna Woods Paseo De Valencia LLC, a Wyoming limited liability company.

A vicinity map is included as Attachment B.

Table 1: Surrounding Land Uses

General Location	General Plan Land Use Designation	Land Use
North	Commercial / High Density Residential / City of Laguna Hills	Wells Fargo Bank and planned Parentis Healthcare building (formerly Century 21 real estate office) / San Sebastian Apartments / City of Laguna Hills
South	Residential Community	Laguna Woods Village residences
East	Commercial / City of Laguna Hills	Wells Fargo Bank and planned Parentis Healthcare building (formerly Century 21 real estate office) / City of Laguna Hills
West	Commercial / High Density Residential / Residential Community	Wells Fargo Bank and planned Parentis Healthcare building (formerly Century 21 real estate office) / San Sebastian Apartments / Laguna Woods Village residences

The project location is within the Professional and Administrative Office (PA) zoning district.

Professional and Administrative Office designates areas to “provide for the development and preservation of an optimal environment for low to moderate intensity professional and administrative office uses and related uses on sites with large previous open spaces and off-street parking facilities” (Laguna Woods Municipal Code Section 13.10.010).

Laguna Woods Municipal Code Section 13.10.020 requires the approval of a conditional use permit prior to the establishment of certain uses in the Professional and Administrative Office zoning district, including urgent care and other medical clinic uses. Once a conditional use permit is approved, certain deviations from the approved site plan or other approved project documents require approval of a conditional use permit.

Conditional Use Permit CUP00-02 was approved by the City Council on May 17, 2000 to allow for the operation of a medical office/lab in an existing financial office building at the project location.

Discussion

The City Council is asked to conduct a public hearing on the application for Conditional Use Permit CUP-2025-0005 and, thereafter, consider approval of the same (Attachment A). Staff recommends approval, subject to the proposed conditions of approval (Exhibit A to Attachment A). The proposed conditions of approval would regulate the proposed use in a manner consistent with the purpose and intent of Laguna Woods Municipal Code Chapter 13.10 (Commercial Districts).

The proposed conditional use permit would:

- Allow for the establishment of a medical clinic use that could provide urgent care and outpatient medical services to humans, including but not limited to: minor illness treatment and basic injury care; diagnostic testing; vaccinations and immunizations; occupational medicine services, including work-related injury treatment, drug screening, and pre-employment physicals; and, wound repair and other outpatient procedures within the scope of primary care. Dental services, emergency services, and the overnight housing of patients would be prohibited.
- Limit the hours services could be provided to patients to between the hours of 7:00 a.m. and 8:00 p.m., Monday through Sunday.
- Require minor modifications of parking lot striping and signage to explicitly identify a loading zone and ensure compliance with the Laguna Woods Municipal Code.
- Result in one less off-street parking stall being provided at the project location. This modification is necessary to ensure that all off-street parking stalls are striped at the sizes required by the Laguna Woods Municipal Code.

The proposed conditional use permit would apply to the proposed medical clinic use of the property, as well as eligible successors, at the project location.

Fiscal Impact

The City's expenses associated with processing this project are recovered through planning services fees.

Environmental Review

The City Council is asked to find that the project is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively "CEQA") pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

The City Council is also asked to find that, even if the project were subject to CEQA, it would be categorically exempt pursuant to Section 15301 of Title 14 of the California Code of Regulations, in that it consists of the operation or permitting of existing private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Section 15301 of Title 14 of the California Code of Regulations states explicitly that the "key consideration [in determining whether such an exemption applies to a project] is whether the project involves negligible or no expansion of use."

Prior to the City's incorporation, the County of Orange approved a bank use at the project site. A medical use was later approved under Conditional Use Permit CUP00-02. The bank use has been discontinued and medical-related uses currently occupy the existing building. Approval of Conditional Use Permit CUP-2025-0005 would allow for the establishment of a medical clinic use at the project site and a minor reduction in available off-street parking stalls. The medical clinic use would operate within existing structures and facilities. Physical alterations included in the project are limited to exterior site improvements, including the installation of parking lot signage and minor modifications to pavement striping, markings, and legends. Minor changes to existing structures, facilities, and mechanical equipment may also occur in connection with approval of the medical clinic use (e.g., tenant improvements and plumbing devices for compliance with El Toro Water District regulations). Topographical features, impervious area, and the size of the existing building on the project site would remain unchanged.

Documents Available for Review

Related documents – including the applicant's application and Conditional Use Permit

ITEM 8.1

CUP00-02 – are available for public review at City Hall during normal working hours.

Report Prepared With: Nadia Cook, Planning & Environmental Services Director
Justin Faylona, Senior Planner

Attachments: A – Proposed Resolution
Exhibit A – Proposed Conditions of Approval
B – Vicinity Map

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**CITY OF LAGUNA WOODS
RESOLUTION NO. 26-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT CUP-2025-0005 TO AMEND CONDITIONAL USE PERMIT CUP00-02 TO ALLOW FOR THE ESTABLISHMENT OF A MEDICAL CLINIC USE AND ALTERNATIVE PROVISIONS TO OFF-STREET PARKING REGULATIONS RESULTING IN A REDUCTION IN AVAILABLE OFF-STREET PARKING STALLS AT 24301 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING THAT THE CONDITIONAL USE PERMIT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTION 15301 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

WHEREAS, We Architects Group (“Applicant”) submitted an application for Conditional Use Permit CUP-2025-0005 to amend Conditional Use Permit CUP00-02 to allow for the establishment of a medical clinic use and alternative provisions to off-street parking regulations resulting in a reduction in available off-street parking stalls at 24301 Paseo De Valencia, Laguna Woods, CA 92637 (“project” or “proposed project”); and

WHEREAS, on February 18, 2026, the City Council of the City of Laguna Woods, after giving notice thereof as required by law, held a public hearing regarding Conditional Use Permit CUP-2025-0005; and

WHEREAS, the City Council has carefully considered all pertinent testimony, as well as all information contained in the agenda report prepared for Conditional Use Permit CUP-2025-0005, as presented at the public hearing; and

WHEREAS, staff has reviewed the environmental form submitted by the Applicant in accordance with the City’s procedures. Based upon the information received and staff’s assessment of the information, Conditional Use Permit CUP-2025-0005 has been determined to not be subject to the California Environmental Quality Act (“CEQA”); however, even if the project were subject to CEQA, it would be categorically exempt pursuant to Section 15301 of CEQA; and

WHEREAS, all legal prerequisites have occurred prior to the adoption of this resolution; and

WHEREAS, the City Council makes the following findings subject to the conditions of approval:

Findings for All Discretionary Permits

1. *The use or project proposed is consistent with the General Plan.*

The proposed project is consistent with the Commercial land use designation of the General Plan, which is intended to allow for “*a broad range of non-residential and non-industrial uses.*” Professional offices are explicitly identified in the General Plan as typical commercial uses. Medical clinics are a type of professional office. The proposed project is in conformance with the General Plan’s maximum floor area ratio of 0.30 for the Commercial land use designation. Policy Objective L-3.1 of the General Plan Land Use Element is to “*allow for commercial development that meets local needs and interests, particularly as it relates to the ability for residents to obtain a diversity of high-quality goods and services close to home.*” The proposed project allows for the establishment of a medical clinic use which will help to meet local needs and interests by making available a medical clinic use to serve local and surrounding communities.

2. *The use, activity or improvement(s) proposed is consistent with the provisions of the Zoning Code.*

The proposed use is consistent with the purpose and intent of the Professional and Administrative Office (PA) zoning district, which is to “*provide for the development and preservation of an optimal environment for low to moderate intensity professional and administrative office uses and related uses on sites with large pervious open spaces and off-street parking facilities.*” The Laguna Woods Zoning Code explicitly allows medical clinic uses in the PA zoning district with an approved conditional use permit. The project location has historically housed financial and medical-related uses. The project location is currently occupied by a pharmacy and other medical-related uses, which are compatible with medical clinic uses. There is no history of incompatibility between the current or previous medical-related uses at the project location and the nearest residential uses. No incompatibilities with the nearest residential uses were identified as a result of the review of the Applicant’s application for this conditional use permit. Several of the conditions of approval for the proposed project address public health, safety, and general welfare (see Finding #5 below), which further promote consistency with the provisions of the Laguna Woods Zoning Code.

3. *The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act.*

Based on the information received from the Applicant and City staff’s assessment of the same, the proposed project has been determined to not be subject to the California Environmental Quality Act (“CEQA”); however, even if the proposed project were subject to CEQA, it would be categorically exempt pursuant to Section 15301 of CEQA. Additional information is contained in Section 2 of this resolution and incorporated herein by this reference.

4. *The location, size, design and operating characteristics of the proposed use will*

not create conditions or situations that may be incompatible with other permitted uses in the vicinity.

The medical clinic use will operate within existing structures and facilities. Physical alterations included in the proposed project are limited to exterior site improvements, including the installation of parking lot signage and minor modifications to pavement striping, markings, and legends. Minor changes to existing structures, facilities, and mechanical equipment may also occur in connection with approval of the medical clinic use (e.g., tenant improvements and plumbing devices for compliance with El Toro Water District regulations). Topographical features, impervious area, and the size of the existing building at the project location will remain unchanged. The project location has historically housed financial and medical-related uses. The project location is currently occupied by a pharmacy and other medical-related uses, which are compatible with medical clinic uses. There is no history of incompatibility between the current or previous medical-related uses at the project location and the nearest residential uses. No incompatibilities with the nearest residential uses were identified as a result of the review of the Applicant's application for this conditional use permit. Existing access and internal circulation improvements, as modified by the proposed project's alternatives to off-street parking regulations (see findings A and B), appear to be sufficient to handle traffic generation by the proposed project. The conditions of approval for the proposed project will ensure that appropriate measures are taken to avoid conditions or situations that may be incompatible with other permitted uses in the vicinity.

5. *The approval of the permit application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.*

The conditions of approval for the proposed project will regulate its uses in a manner consistent with the purpose and intent of the PA zoning district as set forth in Laguna Woods Municipal Code Section 13.10.010(c) ("To provide for the development and preservation of low intensity commercial uses which serve the immediate needs of the surrounding neighborhood. Such uses are to be grouped in small areas of three to eight acres and designed so that adverse impacts on residential properties are minimized."). As conditioned, the proposed project will not result in conditions or circumstances contrary to the public health and safety and the general welfare. Several of the conditions of approval relate to public health, safety, and general welfare including, but not limited to, reservation of the City's rights to require additional security or safety measures, if warranted. Such conditions of approval will assist in protecting the public from potential risk or danger. The conditions of approval also explicitly require the proposed project to comply with all applicable, then-current requirements of the Laguna Woods Municipal Code and the California Building Standards Code, as well as federal, state, and local laws, rules, and regulations. Condition of Approval #15 requires the

establishment of a dedicated and identified loading area for patients and other persons at the project location. Condition of Approval #21 explicitly requires the medical clinic use to “*comply with all applicable federal, state, and local laws and regulations pertaining to the generation, handling, storage, and disposal of medical waste and hazardous waste.*”

6. *The approval of the permit application is in compliance with all City-required public facilities regulations.*

The proposed project has been evaluated against all City-required public facilities regulations through the conditional use permit process and is deemed to be in compliance, subject to the conditions of approval. The proposed project will not require the addition or modification of any public facilities, nor heightened levels of service for any public services operating from public facilities.

Findings for Alternatives to Off-Street Parking Regulations

- A. *Applicable off-street parking requirements are excessive or inappropriate due to the nature of the specific use involved or because of special circumstances applicable to the property.*

Conditional Use Permit CUP00-02 (approved by the City Council on May 17, 2000) requires that the project location provide 83 off-street parking stalls. The proposed project will require one of the 83 off-street parking stalls to be removed in order to ensure that all off-street parking stalls are striped at the sizes required by the Laguna Woods Municipal Code. Due to site constraints and 82 off-street parking stalls being sufficient to meet the parking needs of the uses at the project location (based on the ratio of 1 for each 150 square feet of Gross Floor Area for medical clinics or offices (Laguna Woods Municipal Code Section 13.18.070(a)(25))), it would be inappropriate to allow the non-conforming off-street parking stall to remain, and inappropriate and excessive to require physical modifications to accommodate an unnecessary 83rd off-street parking stall. A new total of 82 off-street parking stalls will be required at the project location, consisting of 78 standard parking stalls, two standard accessible parking stalls, and two van-accessible parking stalls. The proposed project does not allow for off-site parking as a means of accommodating off-street parking requirements.

- B. *The proposed off-street parking facilities comply with the intent of the Zoning Code related to parking requirements.*

Laguna Woods Zoning Code Section 13.18.020 describes the intent of the City’s off-street parking requirements as follows: “*The intent of the off-street parking regulations is to provide for the on-site, off-street parking of motor vehicles that are attracted by the use or uses on the premises. [...] It is intended that these*

regulations will result in the installation of properly designed parking facilities of sufficient capacity to minimize traffic congestion, enhance public safety, generally provide for the parking of motor vehicles at locations other than on the streets, and for safe passage of pedestrians to and from parked vehicles.”

The proposed project has been evaluated against all Zoning Code parking requirements through the conditional use permit process and is deemed to be in compliance, subject to the conditions of approval. The conditions of approval—including, without exception, conditions of approval #15 and #18—are intended to ensure that parking demands generated by the proposed project and all other allowed uses at the project location are accommodated on-site at the project location. The proposed project does not allow for off-site parking as a means of accommodating off-street parking requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. After reviewing the entire project record, the City Council hereby determines and certifies that the project is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

After reviewing the entire project record, the City Council also hereby determines and certifies that, even if the project were subject to CEQA, it would be categorically exempt pursuant to Section 15301 of Title 14 of the California Code of Regulations, in that it consists of the operation or permitting of existing private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Section 15301 of Title 14 of the California Code of Regulations states explicitly that the “key consideration [in determining whether such an exemption applies to a project] is whether the project involves negligible or no expansion of use.”

Prior to the City’s incorporation, the County of Orange approved a bank use at the project site. A medical use was later approved under Conditional Use Permit CUP00-02. The bank use has been discontinued and medical-related uses currently occupy the existing building. Approval of Conditional Use Permit CUP-2025-0005 allows for the establishment of a medical clinic use at the project site and a minor reduction in available off-street parking stalls. The medical clinic use would operate within existing structures and facilities. Physical alterations included in the project are limited to exterior site

improvements, including the installation of parking lot signage and minor modifications to pavement striping, markings, and legends. Minor changes to existing structures, facilities, and mechanical equipment may also occur in connection with approval of the medical clinic use (e.g., tenant improvements and plumbing devices for compliance with El Toro Water District regulations). Topographical features, impervious area, and the size of the existing building on the project site would remain unchanged.

SECTION 3. The City Council hereby approves Conditional Use Permit CUP-2025-0005 (on file with the City Clerk's Office), subject to the conditions of approval attached to this resolution (Exhibit A), both of which are incorporated herein by this reference.

SECTION 4. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED this XX day of XX 2026.

ANNIE MCCARY, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 26-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2026, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

ITEM 8.1 – Exhibit A to Attachment A

City of Laguna Woods

Conditions of Approval for Conditional Use Permit CUP-2025-0005

Conditional Use Applicant (Applicant): We Architects Group

Conditional Use Address: 24301 Paseo De Valencia, Laguna Woods, CA 92637

Conditional Use Assessor's Parcel Number: 621-191-07

Property Owner of Assessor's Parcel Number 621-191-07 (Owner): Laguna Woods Paseo

De Valencia LLC, a Wyoming limited liability company

City Council Approval Date: [INSERT APPROVAL DATE HERE]

STANDARD CONDITIONS OF APPROVAL

1. The Owner and occupant(s) of the property to which this conditional use permit applies shall comply with all of the conditions of approval as part of CONDITIONAL USE PERMIT CUP-2025-0005 (“conditional use permit”). Failure to comply with any one or more of the conditions imposed herein constitute grounds for revocation of said conditional use permit by the City Council.

This conditional use permit allows all of the following:

- Establishment of a medical clinic use and alternative provisions to off-street parking regulations resulting in a reduction in available off-street parking stalls

This conditional use permit amends Conditional Use Permit CUP00-02, which was approved on May 17, 2000. The conditions of approval for Conditional Use Permit CUP00-02 continue to apply and are incorporated herein by this reference. The conditions of approval for Conditional Use Permit CUP00-02 are supplemented by these additional conditions of approval for Conditional Use Permit CUP-2025-0005.

2. This conditional use permit shall be constructed, developed, used, operated, and permanently maintained in accordance with the terms of the application, plans, drawings, and conditions imposed herein.
3. The Owner and occupant(s) of the property to which this conditional use permit applies shall comply with all then-current requirements of the Laguna Woods Municipal Code and the California Building Standards Code, as well as federal, state, and local laws, rules, and regulations, as they pertain to the improvements and uses sought in this application, and such requirements are made a condition of this approval. These include, but are not limited to, all requirements related to building permits, encroachment permits, grading permits, and sign permits; engineering review, landscaping review, water quality review, and plan review, generally, of proposed construction plans; accessibility, including accessibility required by the

ITEM 8.1 – Exhibit A to Attachment A

federal Americans with Disabilities Act; best management practices and other actions or improvements required by National Pollutant Discharge Elimination System permit(s); and, restrictions on parking, circulation, lighting, and noise.

4. This conditional use permit does not eliminate the need to obtain building permits, encroachment permits, grading permits, or sign permits, nor does it include any action or finding as to compliance or approval of any other applicable federal, state or local ordinance, regulation, rule, or requirement.
5. This conditional use permit does not include any approval for signage, nor does it represent or imply that any signage proposed in connection with this application, or at any time in the future, will or will not be approved by the City.
6. **Public Safety Services:** In the event of repeated or disproportionately high numbers of calls for law enforcement or other public safety service, or based upon input from the Orange County Sheriff's Department (or successor law enforcement agency) or surrounding residents or businesses, the City Manager may require, at his/her/their discretion, that the Owner and occupant(s) of the property to which this conditional use permit applies provide at their own cost additional on-site security and/or safety measures, as may be reasonably calculated to address situations or circumstances leading to or causing such increased calls for service, or complaints or comments from surrounding residents or businesses. For the purpose of this condition, "repeated or disproportionately high numbers of calls" shall be determined following the nuisance abatement procedure set forth in Laguna Woods Municipal Code Chapter 1.08, as may change from time to time, with the City Council's declaration of a public nuisance required. Use of this remedy shall be at the sole discretion of the City and nothing in this condition shall prevent the City from initiating civil, criminal, or other legal or equitable proceedings as an alternative to the procedure outlined herein.
7. **Inspection:** City staff, or their authorized representatives, shall have the right to access and enter the property to which this conditional use permit applies to make reasonable Owner- or occupant(s) of the property to which this conditional use permit applies-authorized scheduled inspections, or unscheduled inspections in areas otherwise open to the public, to observe and enforce compliance with the conditions imposed herein. Except for inspections meant to investigate matters that would constitute imminent threats to public health, safety, or welfare, or inspections authorized by a court order, the City shall make reasonable efforts to request inspections of areas that are not open to the public at least seventy-two (72) hours in advance.
8. **Responsibility for Costs Incurred:** In accordance with policies adopted by the City, the Owner and occupant(s) of the property to which this conditional use permit applies shall be responsible for costs incurred as a result of local law enforcement,

ITEM 8.1 – Exhibit A to Attachment A

public safety, or code enforcement investigation/inspection that results in a finding of violation of any applicable laws and/or conditions imposed herein.

9. **Modification of Conditions of Approval:** Any request to modify conditions imposed herein shall be made in accordance with policies adopted by the City at the time such request is made.
10. **Revocation:** This conditional use permit may be revoked in accordance with Laguna Woods Municipal Code Section 13.24.080, as may change from time to time, for any of the reasons set forth therein, which include, but are not necessarily limited to, failure to comply with any condition imposed herein.
11. **Transfer:** In the event of transfer of the property to which this conditional use permit pertains, the transferee shall, prior to exercising the rights granted hereunder, arrange and attend a conference with the City to review the conditions imposed herein, and document the manner in which activities will occur and the manner in which conditions imposed herein will be met. The transferee may, alternatively, file with the City a signed letter confirming receipt of these conditions, prior to exercising the rights granted hereunder. In either case, the Owner's obligations with respect to this condition are satisfied by consenting to the recordation of these conditions in the office of the Clerk-Recorder for the County of Orange.
12. **Termination:** Upon approval, this conditional use permit shall become null and void (A) upon failure to obtain all necessary building permits to construct this project within 365 calendar days of the date this conditional use permit is approved, (B) upon the expiration of any building permit, due to inactivity, obtained to construct this project, or (C) after this project has been constructed, 365 calendar days after such time the approved use at the property to which this conditional use permit applies ceases to be operated as noted by lapse of California Department of Tax & Fee Administration (or successor agency) permit or date documented by City staff following site verification of abandonment or discontinuance. The City Manager may grant an extension of up to 365 calendar days to obtain any necessary building permit upon a showing of financial hardship or other adequate justification by the applicant, and provided the associated building plans comply with the then-current Laguna Woods Municipal Code and California Building Standards Code at the time the building permit(s) is(are) issued. Nothing in this condition is intended to, nor will be interpreted by the City, as limiting the ability for City-issued permits to be extended as allowed by applicable law.
13. **Indemnification:** The Owner and occupant(s) of the property to which this conditional use permit applies, and successor(s) in interest, shall as a condition of issuance of this approval, at its sole expense, defend, indemnify, and hold harmless the City and its respective elected and appointed boards, officials, officers, agents, employees and volunteers ("INDEMNITEES") from any claim, action, or proceeding

ITEM 8.1 – Exhibit A to Attachment A

against the INDEMNITEES to attach, set aside, void or annul an approval of the City Council or other decision-making body, or staff action concerning this conditional use approval, or its implementation, except when occurring solely as a result of the negligent or willful acts or omissions of the INDEMNITEES. The Owner and occupant(s) of the property to which this conditional use permit applies shall pay all of the City's defense costs incurred by counsel of the City's choosing, and shall reimburse the City for any and all court costs and other parties' attorney fees that the City may be required by a court to pay as a result of such defense. The Owner and occupant(s) of the property to which this conditional use permit applies may at their sole discretion participate in the defense of any such action under this condition, with its own counsel.

14. **Requirement to Acknowledge Conditions of Approval:** The Owner shall sign and have notarized (acknowledgement) the "Owner Acknowledgement of Conditions of Approval for Conditional Use Permit CUP-2025-0005" and return one wet-signed original to the City Manager with a copy of a recordable legal description of all affected properties in form acceptable to the City Manager.

SPECIAL CONDITIONS OF APPROVAL

15. Exhibit A (Site Plan) (Sheet A1.1) is attached hereto and incorporated by reference including, without exception, all of the requirements set forth therein as notes, standards, and details. Full compliance with Exhibit A is required.

The uses identified on Exhibit A are included for informational purposes and to inform the parking analysis for this conditional use permit only. Such identification does not limit the future use of the property to which this conditional use permit applies; however, changes in use may result in the need to amend this conditional use permit or obtain other approvals from the City for reasons including, but not limited to, off-street parking requirements for new or modified uses.

16. This conditional use permit allows for the establishment of a medical clinic use. The medical clinic use shall be limited to providing urgent care and outpatient medical services to humans, including but not limited to: minor illness treatment and basic injury care; diagnostic testing; vaccinations and immunizations; occupational medicine services, including work-related injury treatment, drug screening, and pre-employment physicals; and, wound repair and other outpatient procedures within the scope of primary care. This conditional use permit does not authorize dental services, emergency services, or any patients to be housed overnight.
17. The medical clinic use may provide services to patients only between the hours of 7:00 a.m. and 8:00 p.m., Monday through Sunday.
18. Parking lot striping modifications required as part of this conditional use permit will

ITEM 8.1 – Exhibit A to Attachment A

result in a reduction of one off-street parking stall from the 83 off-street parking stalls previously approved by Conditional Use Permit CUP00-02. The property to which this conditional use permit applies shall maintain 82 off-street parking stalls, consisting of 78 standard parking stalls, two standard accessible parking stalls, and two van-accessible parking stalls, as shown on Exhibit A (Sheet A1.1).

No off-street parking stalls shall be marked, striped, or signed as “reserved” or designated for exclusive use of the medical clinic use.

No off-street parking located on any property other than the property to which this conditional use permit applies shall be used to accommodate any portion of the off-street parking requirements set forth in these conditions of approval.

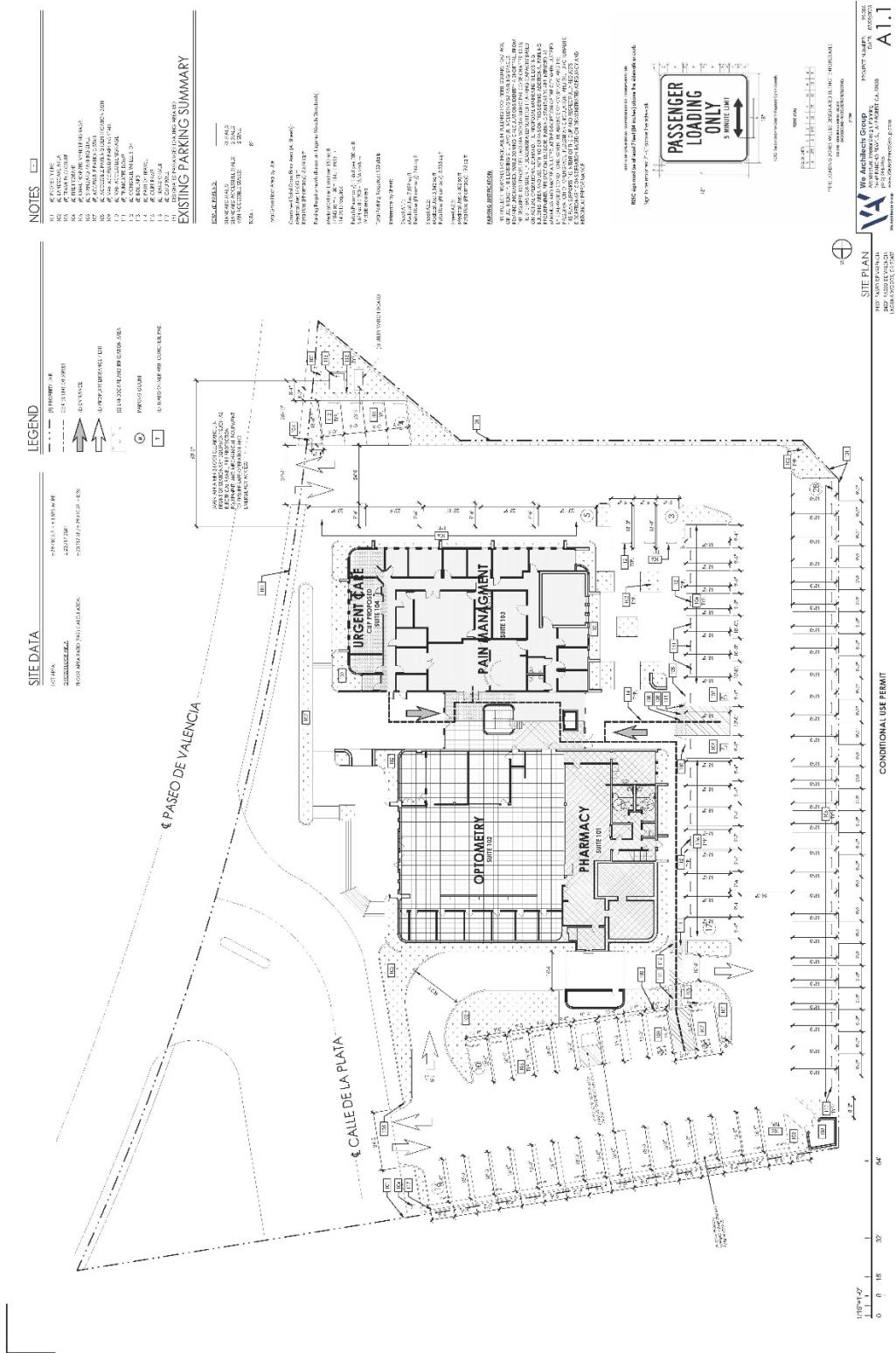
19. Prior to commencing operation of the medical clinic use, all necessary approvals shall be obtained from the El Toro Water District.
20. Prior to commencing operation of the medical clinic use, City staff shall verify that the signage and parking lot striping shown on Exhibit A (Sheet A1.1) is installed.
21. The medical clinic use shall comply with all applicable federal, state, and local laws and regulations pertaining to the generation, handling, storage, and disposal of medical waste and hazardous waste (e.g., the federal Resource Conservation and Recovery Act, the California Medical Waste Management Act, the California Code of Regulations, and the California Health and Safety Code) including, as applicable, registering with agencies and obtaining all required licenses and permits.

[EXHIBIT A FOLLOWS]

ITEM 8.1 – Exhibit A to Attachment A

EXHIBIT A – PAGE 1 OF 1

Note: A larger version of this exhibit is available at or from City's City Clerk's Office.



ITEM 8.1 – Exhibit A to Attachment A

**OWNER ACKNOWLEDGEMENT OF CONDITIONS OF APPROVAL FOR
CONDITIONAL USE PERMIT CUP-2025-0005 (“ACKNOWLEDGEMENT”)**

1. **ACKNOWLEDGEMENT OF CONDITIONS OF APPROVAL.** The person or persons executing this ACKNOWLEDGEMENT on behalf of the Owner has reviewed all Conditions of Approval for Conditional Use Permit CUP-2025-0005 and has had the opportunity to consult with legal counsel regarding them as the Owner has deemed appropriate.
2. **PURPOSE.** The purpose of this ACKNOWLEDGEMENT is to ensure the Owner is aware of the Conditions of Approval for Conditional Use Permit CUP-2025-0005, which “run with the land.” References to “Owner” in the Conditions of Approval for Conditional Use Permit CUP-2025-0005 are not intended to, and will not be interpreted by the City as, conferring any additional legal responsibility or liability upon the Owner beyond that which otherwise exists in applicable law, or otherwise changing the Owner’s existing legal obligations.
3. **RECORDATION.** The person or persons executing this ACKNOWLEDGEMENT on behalf of the Owner consents to the recordation of the Conditions of Approval for Conditional Use Permit CUP-2025-0005, including this ACKNOWLEDGEMENT, in the office of the Clerk-Recorder for the County of Orange.
4. **AUTHORITY TO EXECUTE.** The person or persons executing this ACKNOWLEDGEMENT on behalf of the Owner represents and warrants that he/she/they has/have the authority to so execute this ACKNOWLEDGEMENT and to bind the Owner to its obligations hereunder.
5. **SEVERABILITY.** If any term, condition or covenant of this ACKNOWLEDGEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this ACKNOWLEDGEMENT shall not be affected thereby and the ACKNOWLEDGEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

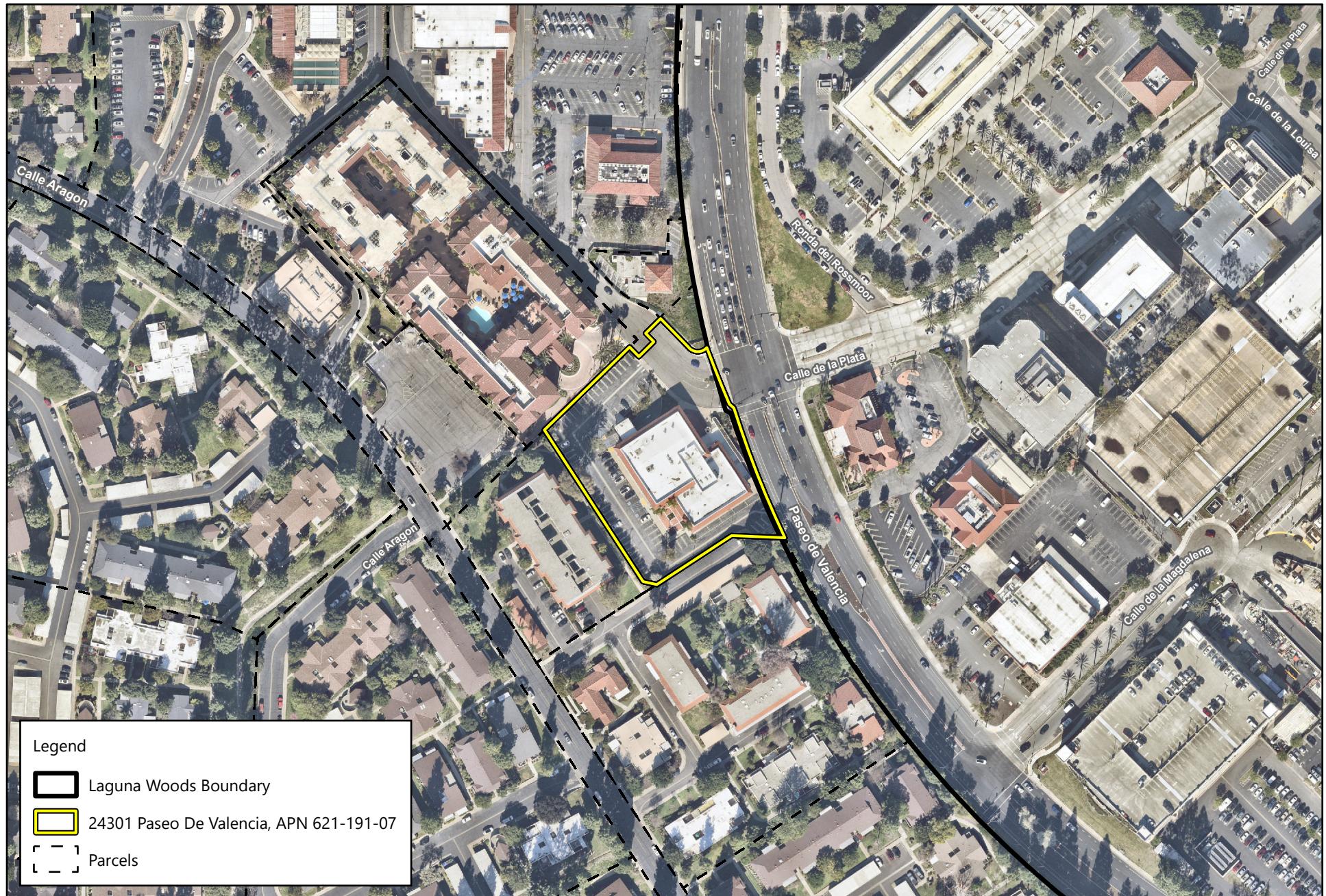
Property Owner – Laguna Woods Paseo De Valencia LLC, a Wyoming limited liability company

Signature: _____ Date: _____

Full Name: _____ Title: _____

SIGNATURE MUST BE NOTARIZED; ATTACH ACKNOWLEDGEMENT.

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Vicinity Map for Conditional Use Permit CUP-2025-0005

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8.2

WILDLIFE FEEDING REGULATIONS

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: Wildlife Feeding Regulations

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTION 5.20.070 OF THE LAGUNA WOODS MUNICIPAL CODE PERTAINING TO THE PROHIBITION OF FEEDING OR TAKING ANY OTHER ACTION WHICH IS REASONABLY LIKELY TO PROVIDE SUSTENANCE FOR COYOTES, RODENTS, VERMIN, OR OTHER WILDLIFE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Background

The City discourages feeding wildlife for several reasons including, but not limited to:

1. Coyotes and other predators follow their prey to food sources; feeding one feeds them all.
2. Feeding wildlife draws them closer, which can increase the spread of typhus, plague, and other human illnesses.
3. Human food is not healthy for wild animals. They need a natural diet, not our diet.

Wildlife feeding is illegal under both state law (e.g., California Code of Regulations sections 251.1 and 251.3) and the Laguna Woods Municipal Code (principally, Section 5.20.070).

Reference documents from the U.S. Fish and Wildlife Service, U.S. Department of Agriculture, and Orange County Mosquito and Vector Control District are included as attachments B-G.

Discussion

Today's meeting is an opportunity for City Council action and public input on an ordinance that would amend Section 5.20.070 of the Laguna Woods Municipal Code pertaining to wildlife feeding regulations (Attachment A). Staff recommends that the City Council conduct a public hearing and initiate the adoption process for the proposed ordinance to promote public health, safety, and welfare and deter dangerous encounters between wildlife and humans and their pets.

The proposed ordinance would modify existing regulations that prohibit the feeding of certain wildlife. The proposed ordinance would more broadly prohibit feeding or taking any other action which is reasonably likely to provide sustenance for coyotes, rodents, vermin, or other wildlife. The purpose and intent of the proposed ordinance is to control the presence of coyotes and other wildlife predators in urbanized settings by discouraging practices that are reasonably likely to provide sustenance for those predators, whether directly or indirectly by supporting the presence of rodents, vermin, and other wildlife that may serve as prey therefore. By controlling the presence of coyotes and other wildlife predators in urbanized settings, the City seeks to promote public health, safety, and welfare and deter dangerous encounters between wildlife and humans and their pets.

The proposed ordinance would:

- Expand the wildlife feeding prohibition to include any action which is reasonably likely to provide sustenance for coyotes, rodents, vermin, or other wildlife. The existing ordinance only prohibits feeding coyotes and other "nondomesticated mammalian

predators,” as well as raccoons, foxes, skunks, and opossums.

- The expanded wildlife feeding prohibition would:
 - Make the ordinance more enforceable by eliminating existing language that limits enforcement to instances in which the enforcement officer is able to determine that certain types of wildlife have been fed.
 - Better align with the wildlife feeding prohibitions set forth in California Code of Regulations sections 251.1 or 251.3, which prohibit intentional acts that disrupt an animal’s normal behavior patterns and any feeding of big game animals (e.g., deer), respectively. Violations of California Code of Regulations 251.1 or 251.3 would also constitute violations of the proposed ordinance.
- Explicitly allow surveillance cameras and similar technology to be used to identify violations of the wildlife feeding prohibition. The use of technology would comply with all applicable federal, state, and local laws, including privacy laws. Surveillance cameras would only be affixed to or installed on private property with property owner authorization.
- Explicitly allow City staff to file complaints and reports with the State of California regarding known or suspected feeding of wildlife that could violate state law.
- Make Section 5.20.070 of the Laguna Woods Municipal Code known as the “Wildlife Feeding Ordinance.”

The proposed ordinance includes several exemptions (see Section 5.20.070(c) in Exhibit A to Attachment A) including, but not limited to, certain activities occurring at commercial animal establishments (e.g., pet boarding businesses and veterinary hospitals), community gardens/garden centers, and equestrian centers. The proposed ordinance also makes clear that accidental spills from birdfeeders would not constitute a violation of the wildlife feeding prohibition, provided a reasonable attempt has been made to clean the spill and there is no evidence of rats being attracted to the spill.

The proposed ordinance would be enforceable by both City of Laguna Woods and City of Laguna Beach personnel. Most enforcement would likely be handled through the City of Laguna Woods’ administrative citation process (civil fines of \$100 for the first offense, \$200 for the second offense, and \$500 for subsequent offenses, within a one-year period).

Staff has been collaborating with the Laguna Woods Village boards and Village Management Services staff to raise awareness of the dangers of feeding wildlife. Public education and outreach efforts would continue if the proposed ordinance is adopted.

If the recommended action is taken at today's meeting, staff anticipates scheduling the second reading and consideration of adoption of the proposed ordinance for the City Council's next adjourned regular meeting on March 18, 2026. If adopted on March 18, 2026, the ordinance would take effect 30 days thereafter.

Fiscal Impact

Sufficient to support this project are included in the City's budget.

Environmental Review

The City Council is asked to find that the proposed ordinance is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively "CEQA") pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes "[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making" and Section 15378(b)(5) excludes "[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" from its definition of "project."

The City Council is also be asked to find that, even if the proposed ordinance were subject to CEQA, it would be exempt based on CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Documents Available for Review

Related documents – including the proposed ordinance and the Laguna Woods Municipal Code – are available for public review at or from City Hall during normal working hours. The Laguna Woods Municipal Code is also available for review at www.cityoflagunawoods.org.

Attachments:

- A – Proposed Ordinance
- Exhibit A – Proposed Code Amendments
- B – U.S. Fish and Wildlife Service, The Hidden Harm in Feeding Your Local Wildlife
- C – U.S. Fish and Wildlife Service, To Feed or Not to Feed Wild Birds
- D – U.S. Department of Agriculture, Don't Feed the Wildlife
- E – U.S. Department of Agriculture, Spatial and Temporal Variation in the Diet of Coyotes in the Chicago Metropolitan Area
- F – Orange County Mosquito and Vector Control District, Rats
- G – Orange County Mosquito and Vector Control District, Squirrels

**CITY OF LAGUNA WOODS
ORDINANCE NO. 26-XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTION 5.20.070 OF THE LAGUNA WOODS MUNICIPAL CODE PERTAINING TO THE PROHIBITION OF FEEDING OR TAKING ANY OTHER ACTION WHICH IS REASONABLY LIKELY TO PROVIDE SUSTENANCE FOR COYOTES, RODENTS, VERMIN, OR OTHER WILDLIFE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, staff has recommended amending Section 5.20.070 of Chapter 5.20 (“Wild, Exotic and Nondomesticated Animals”) of the Laguna Woods Municipal Code (“Code Amendments”) pertaining to the prohibition of feeding or taking any other action which is reasonably likely to provide sustenance for coyotes, rodents, vermin, or other wildlife, in order to promote public health, safety, and welfare and deter dangerous encounters between wildlife and humans and their pets; and

WHEREAS, the purpose and intent of the Code Amendments is to control the presence of coyotes and other wildlife predators in urbanized settings by discouraging practices that are reasonably likely to provide sustenance for those predators, whether directly or indirectly by supporting the presence of rodents, vermin, and other wildlife that may serve as prey therefore. By controlling the presence of coyotes and other wildlife predators in urbanized settings, the City seeks to promote public health, safety, and welfare and deter dangerous encounters between wildlife and humans and their pets; and

WHEREAS, at the regular meeting on February 18, 2026, the City Council held a duly noticed public hearing on this Ordinance at which it considered all of the information, evidence, and testimony presented, both written and oral; and

WHEREAS, at the regular meeting on March 18, 2026, the City Council considered this Ordinance for a second time in open session and also considered all of the information, evidence, and testimony presented, both written and oral.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. After reviewing the entire project record, the City Council hereby determines and certifies that the Ordinance is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not

result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes “[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making” and Section 15378(b)(5) excludes “[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” from its definition of “project.”

After reviewing the entire project record, the City Council hereby finds that, even if the Ordinance were subject to CEQA, it would be exempt based on CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 3. Section 5.20.070 (“Prohibiting of feeding certain wildlife”) of Chapter 5.20 (“Wild, Exotic and Nondomesticated Animals”) of the Laguna Woods Municipal Code is hereby amended to read as set forth in Exhibit A, attached to this Ordinance and incorporated herein by this reference.

SECTION 4. This Ordinance shall take effect and be in full force and operation 30 calendar days after adoption.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. 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 subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 6. The Mayor shall sign this Ordinance.

SECTION 7. The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 8. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2026.

ANNIE MCCARY, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

APPROVED AS TO FORM:

ALISHA PATTERSON, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Ordinance No. 26-XX** was duly introduced and placed upon its first reading at a regular meeting of the City Council on the XX day of XX 2026, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the XX day of XX 2026 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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EXHIBIT A
CODE AMENDMENTS

Section 5.20.070 (“Prohibiting of feeding certain wildlife”) of Chapter 5.20 (“Wild, Exotic and Nondomesticated Animals”) of the Laguna Woods Municipal Code is amended to read as follows (additions shown with underlining, deletions shown with ~~strikethrough~~):

Sec. 5.20.070. ~~Prohibiting of feeding certain wildlife~~Feeding of coyotes, rodents, vermin, and other wildlife.

(a) ~~It shall be unlawful for any person to feed or in any manner provide food for nondomesticated mammalian predators such as coyotes (Canis Latrans). This section shall also include a ban on feeding or providing food to raccoons, foxes, skunks, and opossums.~~

(b) Exceptions:

(1) ~~An owner in legal possession of a nondomesticated animal that is kept under a valid permit issued by the City per Section 5.20.010 of this Code.~~

(2) ~~When a person provides food and water to a trapped, injured or unweaned nondomesticated animal during the time animal services is notified and the animal has been picked up.~~

(a) Purpose and intent.

(1) The purpose and intent of this section is to control the presence of coyotes and other wildlife predators in urbanized settings by discouraging practices that are reasonably likely to provide sustenance for those predators, whether directly or indirectly by supporting the presence of rodents, vermin, and other wildlife that may serve as prey therefore. By controlling the presence of coyotes and other wildlife predators in urbanized settings, the City seeks to promote public health, safety, and welfare, and deter dangerous encounters between wildlife and humans and their pets.

(2) This section is not intended to be exclusive and compliance with its provisions shall not excuse noncompliance with any federal, state, or other local laws.

(b) Feeding prohibited. No person shall feed or take any other action which is reasonably likely to provide sustenance for coyotes, rodents, vermin, or other wildlife. For the purpose of this section, “action which is reasonably likely to provide sustenance for coyotes, rodents, vermin, or other wildlife” means any action, whether intentional or not, that results in any food, drink, or other substance that is edible or consumable by any coyotes, rodents, vermin, or other wildlife being located outside of any building for any amount of time. The prohibition established by this section also includes any action in violation of any wildlife

feeding prohibitions set forth in California Code of Regulations sections 251.1 or 251.3.

(1) Examples of actions which are reasonably likely to provide sustenance for rodents, vermin, or wildlife may include, but are not limited to, the following:

- a. Depositing, leaving, placing, or throwing outdoors or directly providing to any wild animal any bread, eggs, food scraps, fruits, grain, kernels, mealworms, meat, millet, nectar, nuts, pet food, seed, soup bones, or vegetables.
- b. Leaving pet food or water bowls unattended, outdoors, in an area that is readily accessible by any wild animal.
- c. Allowing grain, kernels, mealworms, millet, nectar, or seed within a bird feeder to fall and remain or accumulate outdoors.
- d. Allowing unharvested fruits or vegetables to decay or rot on a plant or tree.
- e. Allowing fruits or vegetables that have fallen, been harvested, or otherwise detached or been removed from a plant or tree to decay, rot, remain, or accumulate outdoors.

(c) Exemptions. This section shall not apply to the following:

(1) The interior of residences or other buildings.

(2) Waste receptacles that comply with applicable City regulations.

(3) The natural growth or abscission of berries, branches, flowers, seeds, stalks, stems, leaves, nuts, and roots grown as part of plants or trees that are not generally commercially marketed as producing edible fruits or vegetables for the purpose of human consumption (e.g., Holly (*Ilex opaca*), Osage Orange (*Maclura pomifera*), Callery Pear (*Pyrus calleryana*), and Cherry Plum (*Prunus cerasifera*)).

(4) Food and drinks that:

- a. Are actively attended or being consumed by a person. This subsection is intended to provide limited exemptions for food and drinks set out for human consumption at actively attended events (e.g., meals at park benches and picnics). The use of “actively attended” in this subsection shall not be interpreted as exempting the activity described in subsection (b)(1)a.
- b. Are fully enclosed in containers or packaging.

(5) Pet food and water bowls that are located:

- a. At any restaurant or fast/fast casual food establishment, provided such bowls are only placed on the ground when actively being used by the pet and actively attended by a person. Once no longer in active use by the pet, the contents of bowls must be removed and disposed of in a manner that does not result in a violation of this section.

- b. On a balcony or other surface located on the second or higher floor of any building.
 - c. Within a patio or yard fully enclosed by fences, walls, doors, and/or gates at least five feet in height, when all doors and/or gates leading outdoors are closed and secured or actively attended by a person.
 - d. In an outdoor area and used for the purpose of providing food or water to a pet when being walked or recreating, provided such bowls are only placed on the ground when actively being used by the pet and actively attended by a person. Once no longer in active use by the pet, the contents of bowls must be removed and disposed of in a manner that does not result in a violation of this section.
- (6) Small, incidental amounts of grain, kernels, mealworms, millet, nectar, or seed intended to be dispensed from a bird feeder which falls or accumulates outdoors through no active intent of any person. This subsection is intended to provide limited exemptions for activities such as foraging and discarding by birds, interference by squirrels and other wildlife, wind, and accidental spills that the owner of or person attending the birdfeeder has made a reasonable attempt to clean. This subsection does not exempt activity for which an enforcement officer has witnessed or collected evidence to support the attraction of rats.
- (7) Seed that is thrown, deposited, or placed outdoors in connection with a landscape activity sanctioned by the owner of any property.
- (8) Fruit or vegetable plants or trees that are located:
 - a. At any community garden/garden center, as that term is defined in Chapter 13.06 of this Code.
 - b. On a balcony or other surface located on the second or higher floor of any building.
 - c. Within a patio or yard fully enclosed by fences, walls, doors, and/or gates at least five feet in height, when all doors and/or gates leading outdoors are closed and secured or actively attended by a person.
 - d. Within netting or a wire-mesh protective cage with openings no larger than two inches.
- (9) Water:
 - a. Contained within a bird bath, fountain, hot tub, penalty area on a golf course, swimming pool, wading pool, or similar ornamental or recreational amenity or water feature.
 - b. Dispensed from any drinking fountain.
 - c. Dispensed for any landscape irrigation purpose.

d. Disposed from any pet bowl onto dirt, grass, or another pervious surface.

(10) Activities directly related to providing sustenance for animals receiving care or other services at any commercial animal establishment that has been duly licensed or permitted to do so in accordance with Chapter 5.10 of this Code.

(11) Activities directly related to providing sustenance for horses at any equestrian center.

(12) Other activities or facilities that the City Manager determines are substantially similar to the nature of one or more exemptions specifically identified in this section.

(d) Use of technology. The City Manager may use surveillance cameras and similar technology to identify violations of this section. The use of technology shall comply with all applicable federal, state, and local laws. No surveillance camera shall be affixed to or installed on any private property without authorization of the property owner of record for the parcel where it is to be placed.

(e) Communication with state agencies. The City Manager may file complaints and reports with the California Department of Fish and Wildlife, or successor agency, and other state agencies, regarding known or suspected feeding of wildlife that could violate California Code of Regulations sections 251.1 or 251.3.

(f) References. This section may be referred to as the “Wildlife Feeding Ordinance.”



Image Details

The Hidden Harm in Feeding Your Local Wildlife

The Hidden Harm in Feeding Your Local Wildlife

Why feeding wild animals is harmful for them and us

Written By



Caitlin May

It can be easy to see wild animals in our backyards and public areas and think that they are just like our pets at home. It might even be tempting to sneak one of these critters a snack. But feeding wild animals, whether on purpose or by accident, can be harmful to their health and ours. Read on to learn more about how to safely interact with your local critters.

What is the difference between accidental and intentional feeding?

An accidental feeding is when the animal gained access to the food indirectly. Many accidental feedings occur when animals get into litter that's been left behind or loosely secured trash.



An animal sneaking into your trash can or an unsecured trash bin at a wildlife refuge might lead to an accidental feeding. | [Image Details](#)

An intentional feeding is when an animal gains access to food because of direct human interaction. This type of feeding might include leaving food out for an animal in your backyard or encouraging an animal to eat out of your hand.



Hand feeding or leaving food out for a wild animal would be intentional feeding. | [Image Details](#)

Why is it harmful to feed wild animals?

Wild animals have naturally specialized diets.

Most wild animals have grown to have a specific diet over time. Some may thrive best on insects, others may feed only on plants. Regardless, human or domestic pet food is not part of a wild animal's diet. Food designed for humans or domestic pets is meant to meet the nutritional needs of the species it is designed for. If a wild animal were to eat food like this, they might not get the nutrients they need in order to survive. Malnourished animals are likely to die from lack of proper nutrients or predation due to their weakened body.

Even though it may seem like your local possum, raccoon, or other animal might be able to eat food designed for your household pet, it is still unsafe for wildlife to eat pet food. Most pet foods are designed to meet the specific nutritional needs of domesticated animals and are not meant for the active lifestyle of a wild animal. Pet food is just as harmful to wildlife as human food.

Wild animals are not used to packaged foods.

Many foods designed for humans and domestic pets are wrapped in foil, paper, or plastic wrappers while the food that wildlife eat in their natural habitat do not come wrapped. Most animals have never had to identify a wrapper and avoid eating it. If accidentally eaten, they may get sick.

Wild animals can become too accustomed to people and become dangerous.

Wild animals that gain regular access to human or domestic pet food slowly get used to being in busy areas and seeing humans. Over time, these usually calm and docile animals may become aggressive and cause harm to people in the area.

Wild animals might expose you or your loved ones to disease.

Interacting with and feeding wildlife can be dangerous to humans too. Animals can carry diseases, including hantavirus and rabies. Avoid exposing yourself to these harmful diseases by taking care to not feed or closely interact with wildlife.



A sign at Tualatin River National Wildlife Refuge advising visitors not to feed the wildlife. | [Image Details](#)

I have birdfeeders in my backyard—is that okay?

The short answer is yes, feeding your backyard birds is okay (with some conditions). Research done on this subject has shown that there is little to no indication that backyard bird feeding negatively impacts the diet, behavior, or activities of birds. Basically, bird behavior is not changed by feeding in a way that could harm humans like we see with other wildlife.

Sydney Dragon, SCA Intern for the USFWS Arlington Ecological Services Office and passionate advocate for backyard bird feeding, says, “As a birdwatcher, we place bird feeders outside to enjoy the beauty of wild birds up-close. In turn, the birds are eating the birdseed to supplement nutrients in their diet that they may be lacking. Due to pesticides, habitat loss, housing developments, infrastructure, and climate change, the natural food of birds has decreased. Therefore, bird feeding benefits birds when done the correct way.” Dragon also emphasizes that store-bought birdseed is designed to mimic some of the foods found in their natural diet and can be a healthy food source for many birds.

ITEM 8.2 - Attachment B

The one similarity between feeding birds and feeding other wildlife is the spread of disease. Birds, like other animals, can contract diseases from any common source, including a feeding station. It's easy to keep your bird station disease-free by cleaning it regularly, watching birds for any signs of distress, and preventing your feeders from turning into buffets for other non-avian wildlife. You can read more [here](#) about how to keep your birdfeeders safe for your local avian friends, or check out Dragon's [video about bird feeding basics](#).



An evening grosbeak perches at a bird feeder. | [Image Details](#)

How can I safely interact with wildlife and prevent accidental feedings?

Observe wildlife from a distance. If you want a closer look, use a pair of binoculars.

Securely close your trash, recycling, and compost bins.

Keep pet food and water containers indoors instead of outside.

If you have a bird feeder, regularly sweep up any excess seed that falls on the ground.

Don't litter—throw away your trash in a trash can or bin. If there isn't one nearby, take your trash with you and throw it out when you find a trash can.

If you see an animal that you think may be orphaned, injured, or in need of further assistance, contact a local licensed wildlife rehabilitator. Do not attempt to rescue or feed the animal yourself.

Story Tags

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Caitlin May

Wildlife Management

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To Feed or Not to Feed Wild Birds

To Feed or Not to Feed Wild Birds Bird Feeders Can Be Sources of Joy — and Disease

Written By

Do you feed birds in your yard? Welcome to the club!

Some 59 million Americans do the same, for the thrill of seeing cardinals, woodpeckers and nuthatches up close, right outside their windows. Feeding wild birds has been an American tradition for more than 100 years.

In 2020, during the first months of the Covid pandemic, participation soared. ↗ With people largely stuck at home, bird seed and feeders flew off shelves.



A tufted titmouse grabs a seed from a holiday feeder. The photo was a winner in Cornell Lab of Ornithology's

There's just one problem for bird lovers: how to square the popular practice with conservation ethics.

[Project FeederWatch contest](#) | [Image Details](#)

Wait a minute. Translate please. Are you saying feeding birds raises ethical questions?

Bingo. You've got it.

Hmmm. Why is that?

In general, it's bad practice to feed wild animals. That's because teaching wild animals to associate humans with handouts can lead to problems. Think: "bad" bears at campsites; alligators stalking people. And the danger is not just to humans. Supplemental feeding can cause digestive problems for some animals (deer and rabbits, for example) and alter normal behaviors.

Yeah, okay. I get it. But these are birds, not bears. What's the harm in my helping birds get through winter?

Um, uh, well, the truth is: That depends.

Depends on what?

On whom you ask. And how you feed them. Because if you are going to feed wild birds, following a few tips can help you reduce the risks to birds. More on that in a moment.

Risks? What kinds of risks does backyard feeding pose to birds?

So glad you asked. The Big Three are: Disease. Predation. Collision. Drawing birds into close contact on shared surfaces makes it easy for them to spread bacteria like salmonella and E. coli. Luring them to the same place on a predictable schedule makes them more vulnerable to predators, like cats and hawks. Some birds may accidentally smash into glass windows near feeders. With wild bird numbers down by almost one-third since 1970, according to research in the [journal Science](#) ↗, we don't want to add to these risks.

Hey, life ain't easy in the natural world. You say those are the *big* risks tied to feeders. Are there more?

Feeding can change bird behavior. Cardinals and Carolina wrens have [extended their range north](#) ↗, partly as a result of feeders, research suggests. Some normally migratory hawks opt to stay put because birds at feeders provide enough prey. A few studies have linked bird feeding to lower egg production and hatching success — exactly why is not clear. Also worth noting: The birds that most aggressively swarm your feeder — house sparrows — are not the species that most need help.

Yikes. Does feeding birds also provide any benefits?

To us or to the birds? (Ba-da-boom) You bet, either way.

For birds, feeders can aid survival during migration and harsh winters, some studies show. And some bird lovers reason that feeding birds may help offset the harm we've done them by turning woods and meadows into lawns and shopping malls.

As to the benefits for us humans, consider the view of Paul Baicich, co-author of "Feeding Wild Birds in America: Culture, Commerce and Conservation," published in 2015.

"There's *nothing* wrong with bird-feeding," Baicich writes. "It's wonderful. It introduces people to nature — in their backyard. It's the intermediate step between sitting around the house and actually going out to a national wildlife refuge." He adds: "The birds don't need the feeders. We do."

OK, sold. Case closed. Who could argue with that?

People who worry there's too little data on how the pros stack up against the cons.

When birds mix at feeders, they're not super neat. Along with birdseed, they also pick up and share bacteria and waste. Across the country, feeders have helped spread conjunctivitis in house finches; the eye disease impairs their vision, making it hard for them to detect predators and feed.



Teaching animals to expect handouts from humans is risky. People see why more easily with some species than others. Pocosin Lakes National Wildlife Refuge, North Carolina. | [Image Details](#)



ITEM 8.2 - Attachment C

Sam Droege is one such contrarian. He's a wildlife biologist for the U.S. Geological Survey, based at [Patuxent Research Refuge](#) in Maryland. Droege feeds birds, but not the way most people do.

"It is hard to ecologically justify removing native habitat to create a house and lawn, and then putting up feeders filled with bird seed," argues Droege "It's ironic, really." Especially, he says, because it takes hundreds of thousands more acres of "ground-up prairie and swampland" to produce that bird seed.

Instead, Droege uprooted his lawn and planted his suburban yard with "very seedy things that goldfinches love like wingstem and perennial sunflowers. Winter sparrows and cardinals work over seeds from ... asters, goldenrods and brown-eyed Susans. Fruit lovers like catbirds, thrashers, and mockingbirds are in on chokeberry, sumacs and spicebush." On top of that, Droege's garden offers birds lots of insects and nesting cover.

Very impressive. But realistically, how many people can go that far?

If you have a yard, start small, says Droege. "Yard treatments can be as simple as not mowing sections of the yard or, better, mowing them once a year; leaving neat and tidy borders where the public demands such. From there it can expand to collecting plants from neighbors and friends who can divide their plants during spring and fall."

Hold the phone. Don't some national wildlife refuges have bird feeding stations? What's the rationale for that?

You're right. They do. [Santa Ana National Wildlife Refuge](#) in Texas, for example, has an area in the back of the visitor center "where

Birds aren't the only animals attracted by feeders. A raccoon raids a backyard bird feeder in Virginia. | [Image Details](#)



A yard in Maryland contains bird-friendly plants that may offer a safer, more ecological alternative to feeders.
(Photo: Sam Droege) | [Image Details](#)



A buff-bellied hummingbird approaches a hummingbird feeder at Santa Ana National Wildlife Refuge in Texas. | [Image Details](#)

visitors can sit and watch the birds indoors while they have coffee and a snack,” says outdoor recreation planner Christine Donald. The feeding station is “very popular with visitors who cannot walk far and want to see a variety of birds,” says Donald. “Families, school groups, Winter Texans and even birders also come in to see what is on the feeders.”

Like many refuge feeding stations, Santa Ana’s incorporates native plants that provide seeds, nectar and berries favored by local and migrant bird species. Feeding is seasonal only. Retaining or restoring the original bird habitat would be the best for birds, says Donald. But where habitat has been lost, feeding stations help provide food opportunities along migratory routes, in keeping with longstanding Refuge System practice.

Okay, let’s say I want to keep feeding birds because it brings me so much joy. But I don’t want to harm them. What can I do?

You can minimize the harm to birds by following these steps:

Reduce disease risk by cleaning your feeder ↗ at least once every two weeks, according to the Cornell Lab of Ornithology.

Newer models come apart easily for cleaning in the dishwasher. Older ones can be cleaned by pouring a weak bleach solution through them. (Hummingbird feeders should be cleaned every 3-5 days.)

Sweep up old, moldy and discarded seed under your feeders. This will also help reduce disease risk as well as discourage rodents and raccoons and predators.

Keep an eye on the birds at your feeder. If any look sickly, remove your feeder until those birds disperse.

If cats visit your yard, rethink having a feeder. Cats kill more than 2.5 billion birds a year in the United States and Canada — one of the largest of anthropogenic (human activity-related) causes of bird death.



Green jays sample the seed at a platform feeder outside the visitor center at Santa Ana National Wildlife Refuge in Texas. | [Image Details](#)

Move your feeder to within three feet of reflective windows or cover those windows with decals or screening. Windows 15 to 30 feet from a feeder pose the greatest hazard to birds, research shows. Learn more from the Cornell Lab on how to reduce bird strike risk.

Go where the birds are instead of having the birds come to you. Learn why national wildlife refuges are great for bird-watching.

Learn more about bird feeding:

[“Feeding Wild Birds Can Carry Risks; Here's How to Minimize Untended Harm”](#) (PBS)

[“Winter Bird Feeding: Good or Bad for Birds?”](#) (Cool Green Science)

[“Does Feeding Affect Bird Behavior? ↗”](#) (Bird Watcher's Digest)

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Written By

Migratory Species



</>

Animal and Plant Health Inspection Service </>
U.S. DEPARTMENT OF AGRICULTURE

Menu

Don't Feed the Wildlife

Last Modified: November 13, 2025

Help keep wildlife wild and healthy. Wildlife Services encourages you to avoid feeding wildlife such as ducks, geese, gulls, raccoons, deer, squirrels or coyotes. One way you can help reduce wildlife conflicts with people is by not feeding wildlife near human populations and in parks.

The Problem with Feeding Wildlife

Wildlife Services experts are often asked to assist with wildlife damage problems related to animals that have been accidentally or intentionally fed by people. Feeding wildlife can lead to a number of serious problems:

- Human food is not healthy for wild animals, and they do not need food from humans to survive. Wild animals have specialized diets, and they can become malnourished or die if fed the wrong foods. Also, animals cannot distinguish food from wrappers or foil and can get sick eating these items.
- Feeding leads to public health concerns. Too many animals in one place increases the chance of disease transmission to people and among other wildlife.

- Animals accustomed to people often lose their fear of people and can become aggressive. Those that become too aggressive may have to be destroyed to protect people and property.
- Birds gathering near or on airports can become victims of bird-aircraft collisions, potentially causing flight delays, damage to aircraft, and loss of human life.
- Animals fed along roads tend to stay near roads, increasing the chance of vehicle-animal accidents.
- Large concentrations of ducks and geese can pollute nearby waterways, backyards and athletic fields. Some waterfowl species drop up to a pound of feces every day!

How You Can Help

Many people enjoy living near and watching wildlife. You can help keep animals wild by keeping the following tips in mind.

- Do not encourage wildlife by feeding or leaving food for them.
- Don't allow bird food to accumulate on the ground.
- Don't place food scraps in gardens or compost bins, and use a closed compost bin.
- Keep pet food and water containers indoors, especially at night.
- If you have fruit trees, harvest or dispose of fruit when it is ripe.
- Use metal or durable plastic trash containers with tight fitting lids.
- Enjoy viewing wildlife at a distance. Respect their space and remember they are wild animals that should stay wild.

For more information or assistance with a wildlife damage issue, please call your WS state office at **1-866-4USDA-WS (1-866-487-3297)**.

Resources

- Living With Wildlife: Canada Geese
- Living With Wildlife: Raccoons
- Feral Swine Damage Management Program </operational-wildlife-activities/feral-swine/eis>

Research

- An Analysis of Deer-Vehicle Collisions: the Case of Ohio (241.28 KB)
- The Costs of Bird Strikes and Bird Strike Prevention (132.88 KB)
- Human-Bear Conflicts

Signs for Airports, Parks, and Public Areas

All Wildlife Feeding is Discouraged (Aviation Safety)

(PDF, 50.41 KB)

Download and post this 'Don't Feed Wildlife' poster at/around airports.

All Wildlife Feeding is Prohibited (Aviation Safety)

(PDF, 42.57 KB)

Download and post this 'Don't Feed Wildlife' poster at/around airports.

All Wildlife Feeding is Discouraged (Parks

All Wildlife Feeding is Prohibited (Parks and

and Public Spaces)

(PDF, 42.68 KB)

Download and post this 'Don't Feed Wildlife' sign in parks and public spaces.



Public Spaces)

(PDF, 42.65 KB)

Download and post this 'Don't Feed Wildlife' sign in parks and public spaces.



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June 2007

Spatial and Temporal Variation in the Diet of Coyotes in the Chicago Metropolitan Area

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Spatial and Temporal Variation in the Diet of Coyotes in the Chicago Metropolitan Area

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ERIC M. GESE

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AND

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ABSTRACT.—Coyotes (*Canis latrans*) are an opportunistic predator that have adapted to many human-modified environments. Conflicts between coyotes and humans are an increasing concern for managers in urban areas. We examined the spatial and temporal utilization and availability of natural and human-associated food for coyotes in the Chicago metropolitan area, Illinois, USA. We collected 1429 coyote scats from May 2000 to December 2002, and conducted prey surveys in 2002, in 4 sites that varied in their degree of urban development. Dominant food items included small rodents, white-tailed deer (*Odocoileus virginianus*), fruit, eastern cottontail (*Sylvilagus flordanus*) and birds. Their availability and occurrence in scats varied among sites and seasons. The occurrence of human-associated food items, which was only found in significant amounts in the most developed site, varied seasonally (2–25%). Because coyotes in less-developed areas had lower dietary diversity, these coyotes may have to venture into developed areas when there is a decline in the abundance of major prey species for that specific area.

INTRODUCTION

Coyotes (*Canis latrans*) are opportunistic carnivores that have adapted to urban encroachment into their native habitats. In addition, coyotes have colonized urban areas where coyotes were once absent. Coyotes have been documented in large metropolitan areas from Los Angeles to New York City (Howell, 1982). Although their use of commercial areas is uncommon (Quinn, 1997a; Grinder and Krausman, 2001), coyotes have been found in downtown New York City (Martin, 1999) and multiple coyotes have been observed and captured in or near downtown Chicago (C. Anchor and S. Gehrt, unpubl.). Urban areas can provide habitat for coyotes in city parks, golf courses, wooded areas in residential neighborhoods and abundant water sources from streams, lakes, ponds, wetlands. Urban areas can also provide native prey including rodents, deer, leporids and other small mammals and human-associated foods like domestic pets, garbage, vegetable gardens and pet food (McClure *et al.*, 1995; Quinn, 1997b).

The management and conservation of coyotes in urban areas is helped by an examination of the coyote's reliance on natural and human-associated food items. Because temporal fluctuations of food abundance can alter coyote use of food items (Clark, 1972; Nellis and Keith, 1976; Litvaitis and Shaw, 1980), an understanding of the seasonal use and availability

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of food can also be helpful. Furthermore, because the urban landscape is a matrix of land uses, there may be spatial variation in the use and availability of natural and human-associated food items. Thus, an examination of coyote diets in different areas that vary in their human land-use may help understand the spatial variation of diets.

Understanding coyote diets in urban areas also has important management implications regarding human-coyote conflicts. Coyote use of anthropogenic foods has been suggested as a precursor, or contributor, to aggressive behavior by coyotes toward people (Timm *et al.*, 2004). Diet studies in some cities have shown that human-associated foods are utilized more by urban coyotes (MacCracken, 1982; McClure *et al.*, 1995) than rural coyotes; (Johnson and Hansen 1979; Rose and Polis 1998) and coyote reliance on those foods may contribute to the conflicts. Whereas coyote attacks on people are generally rare, a higher frequency of attacks occurs in the Southwest than elsewhere in the US (Baker and Timm, 1998, Timm *et al.*, 2004). Although coyotes were native to the Chicago metropolitan area, they were rarely observed in the area throughout most of the 20th Century (Gehrt 2004). Through changing land use and decreased persecution, coyotes have recently become more common to the region, much like they have in many metropolitan areas in the Midwest and Eastern United States. Information on coyote diets in these landscapes is important to understand their success in urbanized landscapes.

Our objective was to examine the diet of coyotes in areas that vary in the degree of human land use in the Chicago metropolitan area. We investigated this by seasonally analyzing the dietary diversity found within coyote scats collected in sites with varying degrees of human association. Further, we investigated how availability of prey may influence selection of food items by assessing relative prey abundance among sites and seasons.

METHODS

Our study was conducted in four sites in western Cook and eastern Kane counties in northeastern Illinois. These counties were part of the greater Chicago metropolitan area, which was the third largest metropolitan area in the country with 9.1 million people (U.S. Census Bureau, 2000). Winter temperatures and precipitation averaged -3°C and 3.8 cm/month, respectively, and summer temperatures and precipitation averaged 19°C and 9.9 cm/month, respectively. Some native fauna included white-tailed deer (*Odocoileus virginianus*), red fox (*Vulpes vulpes*), raccoon (*Procyon lotor*), voles (*Microtus* spp.), white-footed mice (*Peromyscus* spp.), beaver (*Castor canadensis*), opossum (*Didelphis marsupialis*), eastern cottontail (*Sylvilagus florianus*) and muskrat (*Ondatra zibethica*). Non-native fauna included house cat (*Felis domesticus*), domestic dog (*Canis familiaris*) and ring-necked pheasant (*Phasianus colchicus*).

Scat collection and prey surveys were completed in two public forest preserves, one private preserve and a collection of city parks in Schaumburg, Illinois, USA. A concurrent radiotelemetry project estimated each study site contained two to three coyote packs, plus transients (Morey, 2004). Although some movements of radiocollared coyotes occurred between sites, little home range overlap between sites was evident. The two public forest preserves were Ned Brown Forest Preserve (NB) and Poplar Creek Forest Preserve (PC). Both forest preserves were open to the public and received considerable recreational use in the summer; NB received 1.5 million visitors/year, mostly during non-winter months (Prange *et al.*, 2003). Ned Brown Forest Preserve was 1499 ha and located 5 km west of Chicago O'Hare International Airport. Habitats included mature second growth oak (*Quercus* spp.), sugar maple (*Acer saccharum*) and basswood (*Tilia americana*) forests (66%), open water (15%), old agricultural fields (10%) and paved roads, parking lots and picnic

areas (9%). The area was surrounded by medium-density residential and high-density commercial areas and was bordered on two sides by 8-lane highways. Major uses of the area included picnicking, hiking and biking. The 1825 ha PC received considerably fewer visitors per year. Habitats included old agricultural fields (49%), forests (28%), active agricultural fields (17%), open water (4%) and paved roads, parking lots and picnic areas (2%). Medium-density housing, a commercial area and an 8-lane highway bordered the preserve. Picnicking, hiking and biking were major uses in this area. Refuse was present at picnic groves during warm months at both forest preserves (Gehrt, 2004).

The 495 ha Max McGraw Wildlife Foundation (MM) was managed as a private natural area and hunting and fishing preserve. Habitats included forests (46%), agricultural areas (22%), grasslands (15%) and wetlands and open water (13%) and roads, parking lots and buildings (4%). Forests included second growth oak, maple (*Acer* spp.) and hickory (*Carya* spp.) communities. The property was adjacent to a gravel pit and areas of intense public use that included 2 small amusement parks. Private property in the center of MM included a restaurant, miniature golf area, small shopping plaza and a small residential area consisting of approximately 50 homes. Primary activities in MM included upland game bird hunting and fishing. Coyotes were not hunted or controlled on the property during the study. The Max McGraw Wildlife Foundation site along with PC and NB were the least developed urban study sites. Schaumburg (SCH) was between NB and PC and had the most urban development. It consisted of a human population of 75,400. It was 14.4 km from the city of Chicago and surrounded by 6 cities (population range: 23,100 [Roselle] to 49,500 [Hoffman Estates]). Primary land uses within this area was medium-density residential and commercial use. It included 58 small city parks, two golf courses, four small natural areas and a water treatment plant.

Dietary utilization was determined by collecting coyote scats within 2 m of fixed routes consisting of roads and pedestrian paths at the four study sites between May 2000 and December 2002. The length of scat-routes varied from 9.0 to 13.3 km. We collected scats at least bimonthly, except in winter when logistics limited the collection to monthly. We stored scats individually in plastic bags in a freezer until analyzed. We dried scats at 50 C for 48 h, separated manually, and food items were identified from keys (Schopmeyer, 1974; Adorjan and Kolenosky, 1969; Moore *et al.*, 1974) and a reference collection of bones and dorsal hairs. "The percentage of occurrence of food items in all scats was used for analyses. A food item occurring < 10% in an individual scat was not counted because small prey items can be overestimated when the percentage of occurrence technique is used (Martin *et al.* 1946; Weaver and Hoffman 1979).

We examined dietary differences among sites using contingency tables and chi-square analyses with Statistical Analysis Software (SAS Institute Inc., 2001). We used Shannon-Weaver index (Colwell and Futuyma, 1971) to estimate dietary diversity among biological seasons and sites. We defined biological seasons as: breeding (Jan. 1–Apr. 30), pup-rearing (May 1–Aug. 31) and dispersal (Sept. 1–Dec. 31) (adapted from Laundre and Keller, 1981). We used a *t*-test (Hutcheson, 1970) to examine differences in diversity indices among sites and seasons.

We determined relative prey abundance by conducting roadside counts of possible coyote prey and small mammal trapping along each scat route for three consecutive days in the middle of each biological season in 2002. The Institutional Animal Care and Use Committee at Utah State University approved all animal-handling techniques (protocol #1061). Roadside counts were surveyed in a vehicle traveling 15–25 kph on scat routes in forest preserves and on roads adjacent to scat routes in SCH. Morning roadside counts produce

the highest counts for lagomorphs (Newman, 1959; Kline, 1965) and urban domestic cats (Haspale and Calhoon, 1993), therefore roadside counts were started 30 mins before sunrise and lasted until approximately 30 minutes past sunrise. The survey direction was alternated each survey. To reduce environmental conditions influencing prey counts, counts were not conducted in winds >15 kph or during rain (Kline, 1965). We reported an index of the number of animals seen/km for each site and season.

We conducted small-mammal trapping using M-4 museum special traps (Woodstream Corporation, Lititz, PA). Ten trap-transects were spaced approximately 0.2 km apart along or near scat collection routes in each site. Spacing between transects was systematically determined by the length of the scat route; longer scat routes had a greater distance between transects. To reduce disturbances of traps in areas of high human use, transects in parking or picnic areas were moved to the nearest area with low human use. Each transect contained 10 traps spaced 5 m apart. Traps were baited with a peanut butter-rolled oats mixture and operated for three consecutive nights, with trap inspection every morning. We created indices of total captures per unit of trap effort for each site in each biological season. We qualitatively compared indices from trap and roadside surveys with scat results to examine use versus relative abundance among sites and seasons.

RESULTS

We collected 1429 coyote scats in the four study sites. Small rodents (voles and white-footed mice) constituted the highest frequency of occurrence in all seasons and sites (Table 1); all small rodents were grouped together in the results. Small rodents were followed by deer, fruit, eastern cottontail (cottontail), bird, raccoon, grass, invertebrate, human-associated food items, muskrat, house cat and unidentified food items. Bird occurrence was not identified to species. Fruits identified in scats were mulberries (*Morus alba*), crabapples (*Malus sp.*) and chokecherrys (*Prunus sp.*). Human-associated food included fast food wrappers, pieces of rubber, candy wrappers, plastic, string, aluminum foil and dog food. Other food items that occurred in $< 1\%$ of scats included corn, eastern gray squirrel (*Sciurus carolinensis*), eastern fox squirrel (*S. niger*), coyote, domestic dog, eastern chipmunk (*Tamias striatus*), opossum and short-tailed shrew (*Blarina brevicauda*).

Seasonal fluctuations of each of the top 3 food groups and top three mammal species were similar among years. Therefore, we combined data across years to examine for site and seasonal differences among food items. There was a difference in overall diet between sites for the top five food items ($\chi^2_{12} = 535.15$, $P < 0.001$). There was also a difference between sites in the occurrence of rodents ($\chi^2_{12} = 181.21$, $P < 0.001$). Rodent occurrence was highest in NB (Table 1), where it was 2 to 3 times higher than other sites, even though rodents were ranked as one of the top-ranked food items in other sites. Deer occurrence differed between sites ($\chi^2_3 = 77.80$, $P < 0.001$), with the highest occurrence in PC (Table 1). Cottontail occurrence also differed among sites ($\chi^2_3 = 78.71$, $P < 0.001$), with the highest occurrence in PC and SCH. The occurrences of birds ($\chi^2_3 = 205.61$, $P < 0.001$) and plant items ($\chi^2_3 = 167.05$, $P < 0.001$) were different among sites; they were ranked highest in MM (Table 1). Human-associated food items, which included domestic cats for this comparison, differed between sites ($\chi^2_3 = 72.46$, $P < 0.001$), with the highest occurrence in SCH (Table 1).

Site differences were also shown by the range of Shannon-Weaver indices among sites (Table 2). The SCH and MM had a pattern of higher dietary diversity than NB and PC for all seasons except pup-rearing (Table 3). Although not different from the second ranking, the developed site, SCH, had the highest dietary diversity across all seasons (Table 3). Ned

TABLE 1.—Percent occurrence of food items found in coyote scats collected in four study sites in the Chicago metropolitan area, Illinois, May 2000–December 2002. Study sites: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg

	NB	PC	MM	SCH	All Sites
Small rodents	73.8	37.2	27.9	31.3	41.8
White-tailed deer	16.9	35.1	13.6	10.0	22.0
Fruit	8.0	12.5	44.2	30.7	22.7
Eastern cottontail	9.8	27.5	8.6	25.3	17.7
Bird species	3.7	4.7	32.9	8.0	13.1
Raccoon	9.2	5.2	13.4	4.7	8.5
Grass species	5.2	6.5	5.0	10.0	6.2
Invertebrate	1.2	2.6	7.9	7.3	4.3
Human-associated	2.1	2.8	1.0	10.7	1.9
Muskrat	4.6	0.7	0.2	1.3	1.5
Domestic cat	1.2	0.4	0.5	6.7	1.3
Unknown	0.6	0.7	0.7	3.3	1.0
# of Scats	325	535	419	150	1,429

Brown Forest Preserve had a lower dietary diversity than other sites except during pup-rearing. The equitability indices showed that small Shannon-Weaver indices were due to overrepresentation of some food items. The low Shannon-Weaver indices for NB were due to a high use of rodents during the breeding and dispersal seasons (Fig. 1).

Seasonal fluctuations of the top five food categories and human-associated food items showed similar patterns for several sites. Comparisons of the top five food items (small rodents, deer, plants, cottontails, birds) for all sites combined showed seasonal differences ($\chi^2_8 = 272.98$, $P < 0.001$). The lack of adequate sample sizes for some sites in some of the seasons prevented examining contingency tables across seasons within sites. Qualitatively, within seasons and sites, bird occurrence was low among seasons for all sites except MM where it was highest during the breeding season (Fig. 1). Deer was more abundant in PC and NB during the pup-rearing season, and more abundant during the breeding season in MM (Fig. 1). Both small rodents and cottontails occurred in lower frequencies during the pup-rearing season, and fruit higher during the pup-rearing season, for all sites (Fig. 1). Human-associated food items were rarely found in any season except in SCH where they occurred more during the pup-rearing and dispersal seasons (Fig. 1). Dietary diversity was highest during the pup-rearing season in all sites except MM, where it was highest during the dispersal season (Table 4). Dietary diversity was lowest during the breeding season in all sites. All prey surveys were conducted within 2 wks in the middle of each biological season,

TABLE 2.—Seasonal dietary diversity indices (Shannon-Weaver index) for coyotes in 4 sites in the Chicago metropolitan area, Illinois, May 2000–December 2002. Study sites: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg. Numbers in parentheses are equitability indices

Season	NB	PC	MM	SCH
Breeding	1.36 (0.55)	1.60 (0.67)	1.67 (0.73)	1.84 (0.84)
Pup-rearing	2.02 (0.84)	1.89 (0.79)	1.71 (0.74)	2.15 (0.87)
Dispersal	1.45 (0.59)	1.84 (0.77)	1.96 (0.85)	2.01 (0.84)

ITEM 8.2 - Attachment E

TABLE 3.—Ranking (4 = highest, 1 = lowest) of dietary diversity indices (Shannon-Weaver index) for coyotes among four study sites during three seasons in the Chicago metropolitan area, Illinois, May 2000–December 2002. Underlined study sites were not significantly different in their rankings ($P < 0.05$). Study sites: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg

Season	Ranking			
	4	3	2	1
Breeding	SCH	MM	PC	NB
Pup-rearing	SCH	NB	PC	MM
Dispersal	SCH	MM	PC	NB

except for NB when snowfall postponed surveys during the dispersal season until the beginning of December. Average morning temperatures during surveys were -0.5 ± 5.5 C ($\bar{x} \pm SD$) for the breeding season, 21.8 ± 2.6 C for the pup rearing season, and 1.2 ± 5.9 C for the dispersal season. The three main prey species observed during morning roadside-counts were deer, cottontail and pheasant (Fig. 2). Other prey items recorded during counts that were observed in small numbers (< 1 animal / 10 km driven) included domestic cat, raccoon, beaver and opossum. More deer were observed at PC during the breeding season than other sites, but less than MM and NB during pup-rearing and dispersal seasons, respectively (Fig. 2). SCH had very few observations of deer in any season. The highest number of cottontail observations for all sites was during the pup-rearing season. The fewest number of cottontail observations for all sites was during the breeding and dispersal seasons (Fig. 2). Max McGraw Wildlife Foundation was the only site where pheasants were observed (Fig. 2). The number of pheasants observed at MM was relatively constant across seasons, with only a small decrease during the pup-rearing season.

Three hundred trap-nights for small mammal trapping were recorded/season for each study site. Short-tailed shrews represented 1% of captures. White-footed mice and meadow voles constituted 88% of all small rodents trapped and unidentified *Peromyscus* and *Microtus* species made up the remaining 10%. Overall, more small rodents were captured during the pup-rearing season than other seasons for all sites except MM (Fig. 3).

DISCUSSION

Coyotes in the suburbs of Chicago relied on natural food sources, but with high spatial and temporal variability. Small rodents, deer, lagomorphs and plant material, which made up the majority of food items, have been found to be important food sources for rural (Leopold and Krausman, 1986; Toweill and Anthony, 1988; Cypher, 1993) and urban (Atkinson and Shackleton, 1991; Quinn, 1997b; Fedriani *et al.*, 2001) coyotes. Although several urban studies have shown a temporal variation in food item selection, we also found spatial variation within an urban area.

Small rodents were the dominant food source for coyotes in the study area. Although more rodents were found in scats during the breeding and dispersal seasons, we captured more small-mammals during the pup-rearing season in all sites except MM in 2002. This contrasts to other studies that found the occurrence of rodents correlated with their abundance (Nellis and Keith, 1976; Litvaitis and Shaw, 1980). The decreased use of small rodents by coyotes when their population was high during the pup-rearing season may be due to an increased availability of other food sources. Alternatively, the high occurrence of

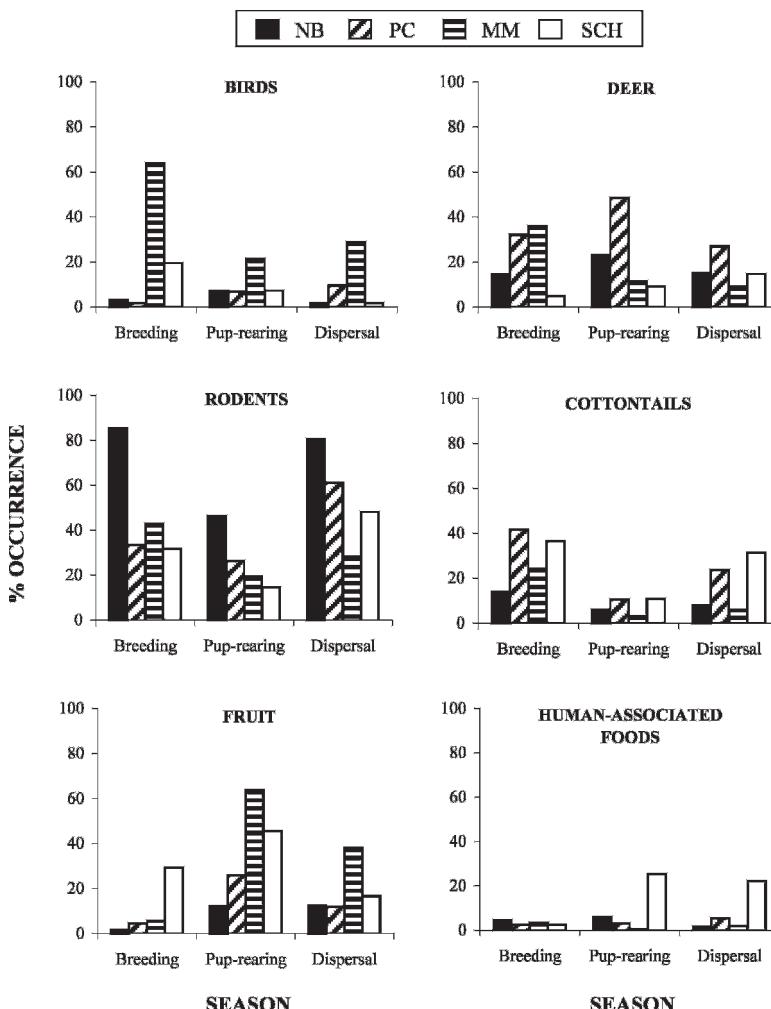
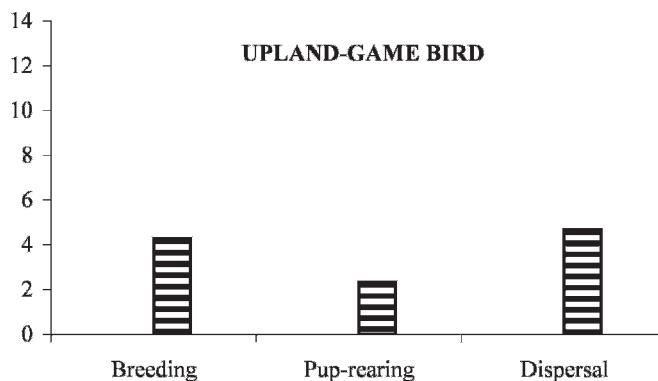
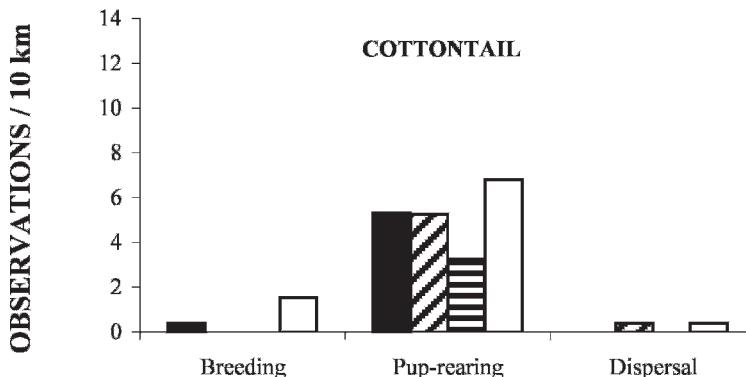
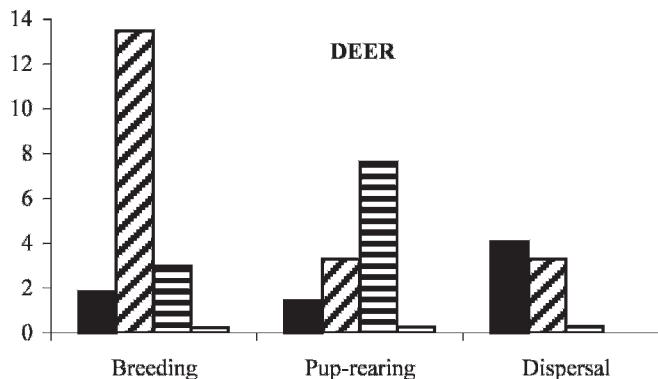


FIG. 1.—Seasonal fluctuations of percent occurrences of the six main food categories in coyote scats collected at four sites in the Chicago metropolitan area, Illinois, May 2000–December 2002. Study sites: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg

small rodents in traps and low occurrence in their diet may be due to: increased trap vulnerability of rodents in summer months due to increased activity, a decrease in capture vulnerability by coyotes due to dense vegetation or a preference of different prey by coyotes.

Max McGraw Wildlife Foundation was the only site having food items other than small rodents occurring in high frequencies, possibly due to the lack of rodents or other prey sources. Although the occurrence of small rodents at MM was slightly lower than PC and SCH, the abundance of *Peromyscus* and *Microtus* species in MM was lower than all other sites. Other food items, like bird and plant material, may have supplemented the lower use of rodents at this site.



SEASON

TABLE 4.—Ranking (3 = highest, 1 = lowest) of dietary diversity indices (Shannon-Weaver index) for seasonal food habits of coyotes in four study sites in the Chicago metropolitan area, Illinois, May 2000–December 2002. Underlined seasons were not significantly different in their rankings. Study sites: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg

Study Site	Ranking		
	3	2	1
NB	Pup-rearing	Dispersal	Breeding
PC	Pup-rearing	<u>Dispersal</u>	<u>Breeding</u>
MM	<u>Dispersal</u>	<u>Pup-rearing</u>	Breeding
SCH	<u>Pup-rearing</u>	<u>Dispersal</u>	Breeding

Deer were an important food source available year round in some study sites. While the killing of mature deer by coyotes is possible (Koehler and Hornocker, 1991; Paquet, 1992; Gese and Grothe, 1995), deer consumption by coyotes often comes from carrion (Ozoga and Harger, 1966; Nellis and Keith, 1976). In our study area, the year-round availability of road-killed deer was probably the main source of carrion and a possible characteristic of urban landscapes. During summer, deer occurrence included fawns. Although we did not discern fawns from adults, we observed several occurrences of fawn remains (*i.e.*, small hooves, teeth, and fawn hairs) in scats. We also observed remains of deer fawns at three coyote dens in our study area. Because coyotes have been found to be a major predator of fawns (Nelson and Woolf, 1987; Smith, 1990; Patterson and Power, 2002), coyotes may be keeping the deer population lower in our study area.

The higher abundance and occurrence of deer in the diet of coyotes at PC was likely due to land management practices. Poplar Creek Forest Preserve differed from other sites in that it lacked an active culling program as found in NB, did not have deer hunting like MM, and did not have small fragmented preserves like SCH. Similar to what Fisher (1980) found, the high deer occurrence at PC may also be due to an open pit used to dispose of management culled deer in the winter months.

Plant material, mostly mulberry fruit found in scats from June through August, occurred in a high percentage of MM and SCH scats; these sites contained more non-native flora than the two forest preserves. However, plant occurrence in scats during the pup-rearing season may be inflated due to increased deposition rates of plant material (Andelt and Andelt, 1984), resulting in the misinterpretation that plant material was more important than non-plant food items among seasons and sites. Despite the possible over-representation of vegetation in scats, it was an important food source during the summer at MM and SCH.

The occurrence of cottontail in scats showed similar trends as rodents. Although PC and SCH had the highest overall occurrences, seasonal trends were similar across all sites.

←

FIG. 2.—Seasonal fluctuations of percent occurrences of the top three prey items observed on roadside counts at four sites in the Chicago Metropolitan Area, Illinois, February 2002–December 2002. Study sites: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg

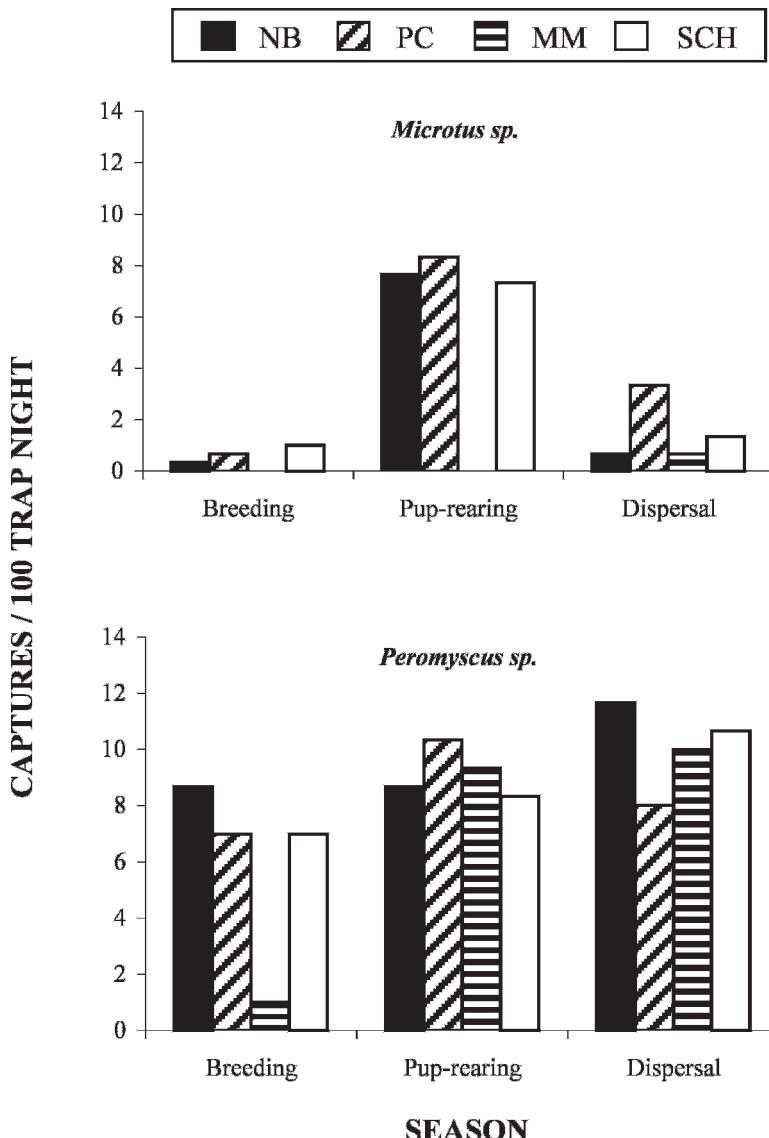


FIG. 3.—Seasonal fluctuations of the top two rodent genus' trapped at four sites in the Chicago metropolitan area, Illinois, February 2002–December 2002. Study sites included: NB = Ned Brown Forest Preserve, PC = Poplar Creek Forest Preserve, MM = Max McGraw Wildlife Foundation, SCH = Village of Schaumburg

Decreased utilization of cottontail by coyotes has been found during summer months (Korschgen, 1957; Andelt, 1985; Leopold and Krausman, 1986). But similarly to rodents, cottontail abundance determined by roadside counts was highest during the pup-rearing season. The low occurrence of cottontail in scats during pup-rearing may be explained by a decrease in capture vulnerability by coyotes during the summer months due

to increased vegetation growth. In addition, the attraction of cottontails to grass along pedestrian paths, roads and picnic areas may have made them more observable during roadside counts.

Birds were an important part of coyote diets only at MM. Although birds were not identified by species in the scat analysis, bird remains in scats at MM were likely from captive-raised pheasants released for hunting from November through March each year. The pheasants released may have been vulnerable to coyotes due to their captive upbringing and lack of exposure to predators. Although pheasants do occur in other parts of northeast Illinois, the lack of observations from roadside counts of pheasants at the other sites showed they were not widely available. Pheasants were the only bird species recorded during prey surveys. Other bird species encountered during prey surveys were aquatic or non-terrestrial, and were determined not to be a prey species for coyotes.

The use of human-associated food items by coyotes in our study area was low compared to coyote studies in western states. Coyotes adapt to urbanized environments by consuming human-associated food items (McCracken, 1982; Fedriani *et al.*, 2001). In western Washington, domestic cats and squirrels (*Sciurus* and *Tamiasciurus* spp. were preyed upon more in urban areas than other mammal species; this contrasted with voles as the most consumed mammal in adjacent mixed-agricultural land (Quinn, 1997b). Near Tucson Arizona, McClure *et al.* (1995) showed a large reliance (35% occurrence) on human-associated food items. In southern California, Shargo (1988) showed a large occurrence of garbage (40.9%) and domestic cat (13.6%) in coyote scats. In the Chicago area, coyotes have been observed foraging in dumpsters and out of fast food bags (P. Morey, pers. obs.). The occurrence of human-associated foods in SCH peaked in pup-rearing and dispersal seasons when people were more active outdoors and probably leaving more trash. There was, however, a potential for garbage consumption by coyotes year-round in SCH that went underutilized. Even though on several occasions we witnessed coyotes pulling garbage out of dumpsters and eating curbside trash, radiotracked coyotes were regularly observed during garbage collection days, traveling through residential areas without feeding on curbside garbage.

Coyotes in forest preserves in our study area used human-associated food items less than in the developed SCH site. The presence of human-associated foods in coyote diets in developed areas may be due to their reduced fear and acclimation to human environments. The lack of human-associated foods in coyote diets in forest preserves may be due to a fear of human environments and their avoidance of such areas. However, human activity in the forest preserves, which was restricted to daylight hours, should not have prevented coyotes from foraging on garbage at night when humans were not present (Gehrt, 2004). The results suggest the lack of utilization of human-associated food items by coyotes in forest preserves had lower contact with humans than animals in SCH.

Coyotes in sites with the most human development had the highest dietary diversity. Fragmented landscapes often have the highest biological diversity (Rosenberg and Raphael, 1986). In southern California, coyotes in areas with higher human occupation had a greater dietary diversity than those in areas with a lower human occupation (Fedriani *et al.*, 2001). Dietary diversity may stabilize coyote populations in developed areas. The diverse prey utilization in developed areas allowed coyotes in these areas to have alternative food choices if a prey population declined. Because many of these alternate food choices were natural food items, this may explain why they do not rely heavily on human-associated food items. In addition, because of the high diversity of food options, coyotes in developed areas may be less likely to use and become habituated to human-associated food sources.

High dietary diversity indices during summer may be due to increased food availability, providing coyotes with more dietary choices. During summer, there was fresh plant material available, more vulnerable young prey and increased human garbage in parks and preserves. These same food items were absent during the winter when the diversity indices were low. Dietary diversity may explain why coyotes used rodents and cottontails less during the pup-rearing months even though they were more abundant. During the rest of the year, they relied on cyclic prey species such as rodents and cottontails when there was a narrower choice of prey species. An implication for this pattern is that during the breeding season when food diversity is low, coyotes, particularly those in less-developed areas, may venture into human landscapes in search of food.

Studying diets of coyotes in urban areas requires an examination of the spatial and temporal variation in the utilization and availability of food resources. There have been very few studies that have examined these two scales together, and none in the environment of the Midwestern United States. We found the main food items for coyotes in the Chicago metropolitan area, depending on where and when scats were collected, varied widely. Our results also showed coyotes in developed areas had different diets than those in less-developed areas. The high diversity of food items in developed areas may explain their low use of human-associated foods, which may reduce conflicts with humans. Baker and Timm (1998) found that coyote conflicts with humans in southern California have been due to coyotes becoming habituated with human-associated food. Conflicts between coyotes and humans in the Chicago metropolitan area may be low because there have been no conflicts with human-associated food. If this is true, other urban areas that also have a high diversity of food may have the same low conflict level between coyotes and humans.

Although the occurrence of coyotes in urban areas may be of concern to some managers and residents, their presence could be beneficial. Coyote predation could reduce deer populations on a local scale that are overpopulated, thereby reducing damage to tree saplings and vehicles. Studies have found the absence of coyotes in an area could also have negative effects on rodent richness and diversity (Henke and Bryant, 1999). Additionally, urban coyotes could reduce rodent populations causing damage to tree seedlings (Ostfeld *et al.*, 1997). Lack of coyotes may also cause meso-predator releases resulting in increased pressure on meso-predator prey (Crooks and Soulé, 1999). Our results have shown that there may be temporal and spatial variation in the conflict and benefit potential that coyotes have within the same urban area. To help determine when, where, or if coyotes in the urban landscape have these potentials, understanding this temporal and spatial variation is helpful.

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SUBMITTED 5 AUGUST 2005

ACCEPTED 22 NOVEMBER 2006

RECOGNIZING ROOF RAT ACTIVITY

The following signs indicate roof rat activity:

- Damaged or partially eaten fruit
- Broken snail shells under bushes, on fences or near nesting sites
- Gnawing of plastic, wood or rubber materials
- Greasy, dark rub marks along walls caused by the rat's oily fur coming in contact with painted surfaces or wooden beams
- Droppings that are randomly scattered - they will normally be found close to a runway, feeding location or shelter; droppings are dark in color, spindle-shaped and about 1/2 inch long
- Droppings found in forced air heaters, swimming pool heater covers, and water heater closets
- Visual sightings of the rats on utility cables, fences, or in trees

RODENT-PROOFING HOMES

Homes, garages and storage areas are ideal nesting places for rodents. Roof rats can enter small openings the size of a 1/4 inch.

Take these steps to rodent-proof a home:

- Seal openings where utilities enter buildings with metal screening or concrete
- Eliminate any openings between roof tiles along the eaves
- Check for gaps between the roof and chimney
- Use sheet metal edging along door bottoms to prevent entry
- Repair or replace damaged vent screens
- Store pet food in tight fitting metal containers
- Ensure hedges or trees do not touch or hang over the house
- Remove and discard ripe and fallen fruit
- Elevate stored items at least 18 inches above ground and 12 inches from walls

CHECK FOR THESE PROBLEM AREAS:

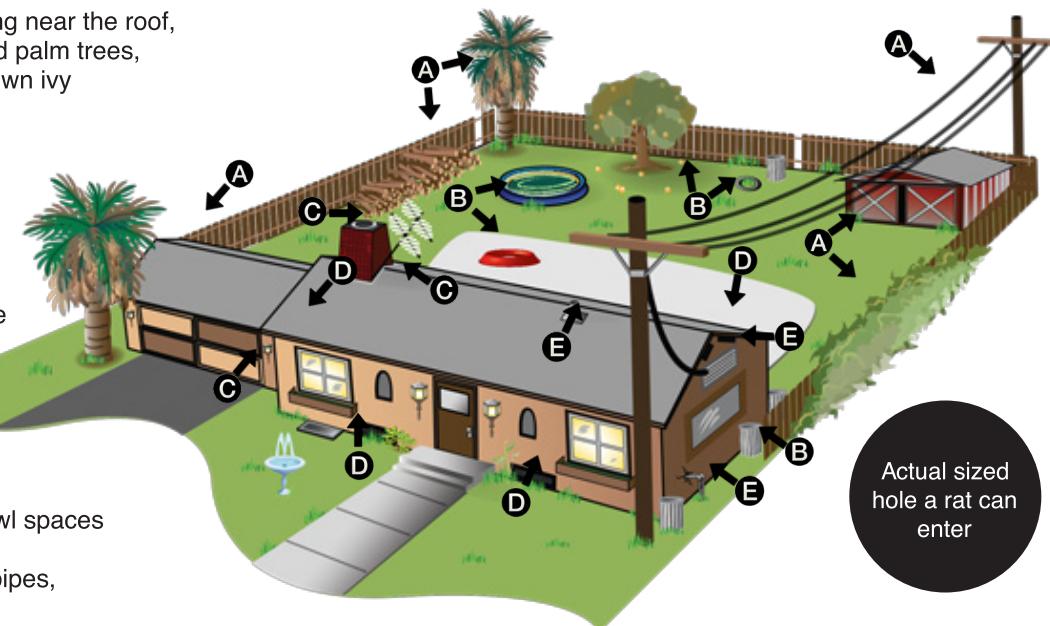
A) Tree limbs that hang near the roof, wood piles, untrimmed palm trees, storage shed, overgrown ivy

B) Pet food left out, stagnant water, unharvested fruit, debris, uncovered trash cans

C) Gaps under garage doors; gaps under the chimney, roof and chimney spark arrestor

D) Tile openings, vents, attic vents, crawl spaces

E) Vent pipes, water pipes, attic louvers



ROOF RAT HABITAT

Roof rats may establish nests almost anywhere. Here are some common sites:

- Wood and lumber piles
- Barbeques
- Utility sheds/closets
- Pool heaters
- Dense shrubbery

Roof rats will eat almost anything but they do have preferences. Here are some of their favorites:

• Bird seeds	• Avocados
• Pet food	• Oranges
• Snails	• Tomatoes
• Pet droppings	• Fruits
• Nuts	

TRAPPING

Snap traps are an acceptable, efficient and humane method for rat control. Wooden snap traps are inexpensive and eliminate the liability of using poison bait. Suggested bait options are grape tomatoes, peanut butter, beef jerky, dried fruit or nuts. When trapping outdoors or in an unsecured area, cover the trap with a plastic basket or similar cover with small openings to keep out larger non-target animals.

PROPER DISPOSAL OF A RAT CARCASS

Using a plastic bag or shovel, place your hand in the bag like a glove, pick up the carcass with the bag, turn the bag inside out and tie. Another option can be to use a shovel to scoop the rat into a bag, seal it and dispose of the rat in the trash container with a secure lid.

THE ROOF RAT



The roof rat (*Rattus rattus*) is a common and problematic rodent species in Orange County.

The roof rat is slender and has a tail longer than its head and body combined. Roof rats frequently enter buildings and maneuver around neighborhoods by using utility lines and fences as runways. The roof rat prefers to feed on bird seed, pet food, snails, fruit and nuts.

THE BIG-EARED WOOD RAT



The big-eared wood rat (*Neotoma macrotis*) is native to Southern California. The rat is tan to cinnamon in color and has large rounded ears. The tail is as long as its body. Wood rats build large elaborate houses out of sticks and plants. They feed on bird seeds and pet food.

DISEASE

Rats collected in Orange County are known to carry pathogens that can make people sick.

- The most common pathway of exposure to rodent-borne diseases is through consumption of food or water contaminated with rodent feces and urine.
- Rats and rat nests can be infested with biting mites and fleas. Mites and fleas can transmit illnesses to humans.

WHY DO I HAVE RATS?

Your property provides at least one of these attractants. Follow these steps to help reduce rats on your property.

Food Sources

- Remove any bird seed and uneaten pet food
- Place pet food in sealed metal containers
- Harvest ripe fruit from trees
- Control for snails
- Ensure trash cans are closed with tightly fitted lids

Shelter

- Remove and/or cut back overgrown vegetation and dense shrubbery
- Seal barbeques and sheds
- Stack firewood/lumber away from fences and walls
- Seal structural openings to your residence and garage

MISSION

It is the mission of the Orange County Mosquito and Vector Control District (OCMVD) to protect the people of Orange County from the dangers of vector-borne diseases. A major component of our program is to educate the public about the shared responsibility of vector control. OCMVD staff work year-round to ensure protection for you and your community from rats and the diseases they carry.

For More Information:

Orange County Mosquito and Vector Control District

13001 Garden Grove Blvd.
Garden Grove, CA 92843
714.971.2421 or 949.654.2421
www.ocvector.org

PROTECT YOUR HOME AND FAMILY

RATS



Orange County Mosquito and Vector Control District

13001 Garden Grove Blvd.
Garden Grove, CA 92843
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Squirrels

General Information

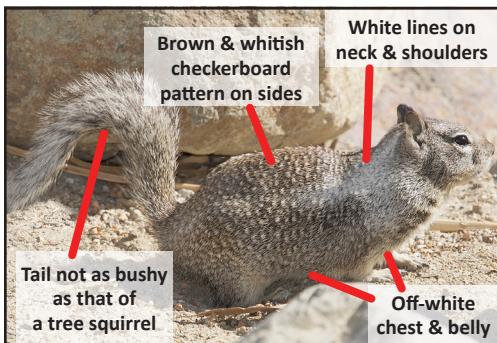
Squirrels are small mammals with short legs and long hairy tails. The squirrel family has 273 species and includes tree squirrels, ground squirrels, antelope squirrels, flying squirrels, chipmunks, prairie dogs, and marmots. Orange County has two native species: one type of ground squirrel and one type of tree squirrel. A second species of tree squirrel was introduced here and is a serious pest. Ground squirrels are social and nest in large subterranean colonies. Tree squirrels are less social, often solitary, and nest in trees. Squirrels eat such things as roots, leaves, seeds, nuts, insects, bird eggs, and fish.

Status

- Bites
- Carries internal & external parasites
- Can transmit pathogens on its body
- Often infested with fleas that can vector pathogenic bacteria, the cause of plague

What Do They Look Like?

Squirrels are members of the squirrel family (Sciuridae), which is part of the rodent order (Rodentia). All rodents have a single pair of sharp upper and lower front teeth (incisors) that continually grow. In some species, the mouth closes behind the incisors, leaving the incisors exposed. Rodents have no canine teeth and have a large space between their incisors and molars. Squirrels have a long completely-hairy tail, short legs, and a short snout (rostrum). Some types, such as ground squirrels, have internal cheek pouches in which they carry food back to their nests. Tree squirrels have no internal cheek pouches.



California ground squirrel (*Spermophilus beecheyi*, native). Head and body 23-28 cm (9-11 inches) long, tail 13-23 cm (5-9 inches) long. Hairs on its head are brownish, those on its body are brown interspersed with small patches of white or off-white hairs that form a checkerboard pattern. Whitish hairs form lines on the sides of its neck and shoulders. *The chest and belly are off-white. The tail is bushy, but not as bushy as our other squirrels.* They feed on a wide variety of plant life and need only open soil to dig their dens and build nests within. They have a home range of about 4.5 hectares (11 acres).



Western gray squirrel (*Sciurus griseus*, a type of tree squirrel, native). Head and body 23-30 cm (9-12 inches) long, tail 25-30 cm (10-12 inches) long. Hairs throughout its body appear to be a uniform gray, though some hairs are black, others white. They often have a small patch of rusty hairs behind their ears. Paws are dark gray to black. *The belly is white. The tail is very bushy and gray with very long white hairs.* They eat mostly acorns and are usually found in places where oak trees live. They travel from tree to tree, seldom on the ground. In fact, they are rarely found more than a few meters away from any tree. They have a home range of about 0.1-6.5 hectares (0.3-16 acres).



Eastern fox squirrel (*Sciurus niger*, a type of tree squirrel, not native). Head and body 25-38 cm (10-15 inches) long, tail 23-35 cm (9-14 inches) long. Most hairs on its back and sides are gray, though in some populations they are rusty brown. Hairs on its cheeks, ears, and paws are rusty-yellowish. *The belly is yellowish to orangish. The tail is very bushy with a gray upper (dorsal) surface and long orangish hairs along its sides and lower (ventral) surface.* They travel mostly on the ground and will even climb out of one tree and walk on the ground to the next tree. They eat a variety of fruits and nuts. They have a home range of over 20 hectares (50 acres), a much larger area than the western gray squirrel.

Life Cycle

Ground squirrels are typically encountered in parks, vacant lots, and hillsides where they excavate extensive communal burrows in well-drained soils. They hibernate during harsh or moderate winters, but usually do not hibernate during mild winters. Adults mate in late winter, give birth in spring, with 4-13 offspring in each litter. They live about 5 years.

Both of our **tree squirrel** species nest in tree cavities, in abandoned bird nests, and on tree limbs. Tree squirrels do not hibernate and are active all year. The western gray squirrel mates in winter-summer, gives birth in late winter-spring, and have one litter a year, with 3-5 offspring in each litter. They live about 11 years. Eastern fox squirrels have a mating season twice a year and have two litters a year, with 3-4 offspring in each litter. They live over 7 years.

Human Interactions

Squirrels forage for food in gardens and parks, even in fruit trees and in bird feeders. Their feeding may damage fruit-bearing and ornamental plants. They will also gnaw on plastic sprinkler heads and irrigation lines. Some eat bird eggs.

The **California ground squirrel** and **western gray squirrel** are native to our area and are important parts of natural ecosystems. They may become problematic when they venture onto human property. **Ground squirrels** sometimes dig dens near homes, gardens, schools, playgrounds, and parks. Mounded soil surrounding their burrows and entrance holes can become trip hazards. Sometimes they burrow under masonry walls, utility sheds, decks, and porches, undermining their stability.

The **western gray squirrel** typically lives in forests at higher elevations and is rarely found near homes. It too will feed in gardens and bird feeders in rural canyons and nearby foothills.

The **eastern fox squirrel** was intentionally introduced to southern California where it has become a voracious pest in urban and suburban areas. It is known to gnaw through wire shielding and plastics, causing damage to electrical systems.

Health Risks

Ground squirrels are host to fleas which can contain and transmit (vector) bacteria that cause disease. One such flea-vector bacterium (*Yersinia pestis*) cases plague, a disease that killed an estimated 60% of the human population of Europe in the 1300s-1400s. Ground squirrels are themselves killed by plague, which occasionally wipes out entire colonies. Squirrels are only rarely infected with rabies virus.

When an animal is dead or dying, its fleas leave the body and seek another host animal. If you are nearby, those fleas may jump onto you, bite, and increase your risk of contracting disease. If you find squirrels (or other rodents) acting strangely (weak, staggering, aggressive), dying, or dead for no apparent reason, keep back, do not approach, disturb, or handle them, and immediately notify the landowner (such as a park ranger).



Tips to Exclude Squirrels

Residents of squirrel-prone properties can take a number of preventive measures to discourage squirrels from their property. Remove debris and trash that squirrels may use as shelter. Eliminate potential food sources such as pet food and fallen fruit. Hang bird feeders from a squirrel baffle or use a squirrel-proof feeder; both prevent squirrels from accessing bird food.

Ground squirrels typically dig under fences to gain access to yards. Fencing can be enhanced by digging about 24 inches below grade, installing chain link, and burying it. This effectively extends the fence below grade to make it difficult for ground squirrels to dig below it. Tree squirrels climb over fences, often on plants that extend over the fence. Prune plants away from fences and buildings; also prune low-hanging branches well above the ground.

Tree trunks can be outfitted with metal collars; squirrels and other rodents cannot climb over them. Stack lumber and firewood at least 18" above the ground and 6" away from walls, fences, and other structures. Keep perimeter areas weed-free. Secure garbage, recyclables, and compost in containers with tight-fitting lids. Squirrels are afraid of dogs; if you have a dog, give it access to your yard and squirrels will usually leave.

9.1

**CITY COUNCIL SALARY AND EXPENSE
REIMBURSEMENT**

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: City Council Salary and Expense Reimbursement

Recommendation

[Note: If the City Council wishes to proceed with this item, the actions staff would recommend are as follows:]

1. Approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 2.02 OF THE LAGUNA WOODS MUNICIPAL CODE INCREASING THE SALARY THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO RECEIVE AND THE EXPENSES INCURRED IN THE PERFORMANCE OF OFFICIAL DUTIES THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO BE REIMBURSED FOR, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2025-27 BUDGET AND WORK PLAN FOR FISCAL YEAR 2025-26 COMMENCING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND FISCAL YEAR 2026-27 COMMENCING JULY 1, 2026 AND ENDING JUNE 30, 2027, INCREASING GENERAL FUND APPROPRIATIONS TO PROVIDE INCREASED SALARIES MEMBERS OF THE CITY COUNCIL ARE ELIGIBLE TO RECEIVE

Background

On December 17, 2025, acting on an item agendized by then-Mayor (now Councilmember) Horne, the City Council voted 4-1 with Councilmember Moore opposed, to direct staff to draft an ordinance for future consideration by the City Council that would – if adopted by the City Council – increase the salary that each member of the City Council is eligible to receive beginning with salaries paid for January 2027.

On January 21, 2026, the City Council voted 4-1 with Councilmember Moore opposed, to approve the introduction and first reading of the proposed ordinance, which would (1) increase the salary that each member of the City Council is eligible to receive to \$500 per month (\$6,000 per year) beginning with salaries paid for January 2027 and (2) amend expense reimbursement provisions of the Laguna Woods Municipal Code pertaining to members of the City Council.

Laguna Woods Municipal Code Chapter 2.02 (“City Council Generally”) makes members of the City Council eligible to receive a salary of \$300 per month (\$3,600 per year). The existing salary amount was established by Ordinance No. 99-07, adopted April 21, 1999.

California Government Code Section 36516 allows city councils to establish salaries for members thereof, by ordinance, up to a maximum amount per month based on population. For Laguna Woods, the current maximum salary is \$950 per month (\$11,400 per year), unless otherwise approved by a majority of registered voters. Ordinances may not contain provisions that provide automatic future increases in salary.

California Government Code Section 36516.5 allows changes in salaries for all members of a city council to take effect at the beginning of any newly elected member’s term of office.

California Government Code sections 36514.5 and 53232.2 allow members of city councils to be reimbursed for actual and necessary expenses incurred in the performance of official duties, subject to certain conditions. Such reimbursements are not considered “salary,” pursuant to California Government Code Section 36516(e).

Discussion

Today’s meeting is an opportunity for City Council action and public input on an ordinance that would increase the salary that each member of the City Council is eligible to receive to \$500 per month beginning with salaries paid for January 2027, and a corresponding budget adjustment resolution. The proposed ordinance would also amend expense reimbursement provisions of the Laguna Woods Municipal Code pertaining to members of the City Council.

The proposed ordinance (Attachment A) would:

- Increase the salary that each member of the City Council is eligible to receive to \$500

per month, beginning with salaries paid for January 2027.

- As is currently the case, members of the City Council would be able to waive any or all of their salaries (California Government Code Section 36516(f)).
- Allow members of the City Council to be reimbursed for lodging, mileage, registration, transportation, and other costs incurred only when approved by the City Council and only in amounts consistent with California Government Code Section 53232.2 and other applicable law. *[Note: The City's preference is to pay costs that are included in City Council-adopted budgets directly, rather than requiring members of the City Council to advance those costs and then be reimbursed. The proposed ordinance would only apply to costs incurred directly by members of the City Council.]*

The proposed resolution (Attachment B) would increase Fiscal Year 2026-27 General Fund appropriations by \$6,000 to fund the increased salaries for the period of January through June 2027. Any funds appropriated for salaries that are ultimately waived by members of the City Council would not be spent.

Fiscal Impact

The Fiscal Years 2025-27 Budget & Work Plan was adopted assuming City Council salaries of \$300 per month. Increased salaries would require a budget adjustment of \$6,000 for the period of January through June 2027 (included in the proposed resolution). Thereafter, the increased salaries would be incorporated into the development of future budgets and work plans at a maximum monthly cost of \$2,500 (\$500 x 5 members of the City Council).

Environmental Review

The City Council is asked to find that the proposed ordinance is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes “[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making” and Section 15378(b)(5) excludes “[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” from its definition of “project.”

Attachments: A – Proposed Ordinance
B – Proposed Resolution

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**CITY OF LAGUNA WOODS
ORDINANCE NO. 26-XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 2.02 OF THE LAGUNA WOODS MUNICIPAL CODE INCREASING THE SALARY THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO RECEIVE AND THE EXPENSES INCURRED IN THE PERFORMANCE OF OFFICIAL DUTIES THAT EACH MEMBER OF THE CITY COUNCIL IS ELIGIBLE TO BE REIMBURSED FOR, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, California Government Code Section 36516 allows city councils to establish salaries for members thereof, by ordinance, up to a maximum amount per month based on population; and

WHEREAS, California Government Code Section 36516 requires city councils to consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council; and

WHEREAS, Laguna Woods Municipal Code Chapter 2.02 establishes the salary that each member of the City Council is eligible to receive and contains provisions regarding the expenses incurred in the performance of official duties that each member of the City Council is eligible to be reimbursed for; and

WHEREAS, the City Council wishes to increase the salary that each member of the City Council is eligible to receive from \$300 per month to \$500 per month, beginning with salaries paid for January 2027; and

WHEREAS, the City Council finds that increasing the salary that each member of the City Council is eligible to receive is necessary due to the existing salary having remained unchanged since it was first adopted in 1999 and not keeping pace with inflation; and

WHEREAS, the City Council also wishes to modify and update provisions of the Laguna Woods Municipal Code related to the expenses incurred in the performance of official duties that each member of the City Council is eligible to be reimbursed for in a manner that is consistent with California Government Code Section 36514.5; and

WHEREAS, at the regular meeting on January 21, 2026, the City Council held a duly noticed public hearing on this Ordinance at which it considered all of the information, evidence, and testimony presented, both written and oral; and

WHEREAS, at the regular meeting on February 18, 2026, the City Council considered this Ordinance for a second time in open session and also considered all of the

information, evidence, and testimony presented, both written and oral.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby finds that increasing the salary that each member of the City Council is eligible to receive is necessary due to the existing salary having remained unchanged since it was first adopted in 1999 and not keeping pace with inflation.

SECTION 3. After reviewing the entire project record, the City Council hereby determines and certifies that the Ordinance is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes “[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making” and Section 15378(b)(5) excludes “[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” from its definition of “project.”

SECTION 4. Chapter 2.02 (City Council Generally) of the Laguna Woods Municipal Code is hereby amended to read as set forth in Exhibit A, attached to this Ordinance and incorporated herein by this reference.

SECTION 5. This Ordinance shall take effect and be in full force and operation 30 calendar days after adoption.

SECTION 6. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. 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 subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 7. The Mayor shall sign this Ordinance.

SECTION 8. The City Clerk shall certify to the passage of this Ordinance and shall

cause this Ordinance to be published or posted as required by law.

SECTION 9. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2026.

ANNIE MCCARY, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

APPROVED AS TO FORM:

ALISHA PATTERSON, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Ordinance No. 26-XX** was duly introduced and placed upon its first reading at a regular meeting of the City Council on the XX day of XX 2026, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the XX day of XX 2026 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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EXHIBIT A
CODE AMENDMENTS

Chapter 2.02 (“City Council Generally”) of the Laguna Woods Municipal Code is amended to read as follows (additions shown with underlining, deletions shown with ~~strikethrough~~):

CHAPTER 2.02. CITY COUNCIL~~GENERAL~~**GENERAL**

Sec. 2.02.010. ~~Compensation for City Councilmembers~~City Council Salary.

- (a) In accordance with Government Code § 36516 and Government Code § 1223, each member of the City Council shall be entitled to a salary in an amount of \$300.00 per month for all months prior to January 2027. Such compensation shall be payable in the same manner as salaries are paid to other officers and employees of the City. Alternatively, each member of the City Council may, in lieu of the \$300.00 per month compensation, accept a vehicle reimbursement allowance in the amount of \$300.00 per month.
- (b) In accordance with California Government Code Section 36516 et al., each member of the City Council shall be eligible to receive a salary of \$500 per month, beginning with salaries paid for the month of January 2027. Salaries shall be payable at the same time and by the same methods as City employees are regularly paid for the first pay period of each month, except when a member of the City Council assumes office in which case their first payment may occur in an alternate pay period, regardless of whether it is the first pay period of the month. Salaries shall be subject to all applicable payroll taxes and withholdings. Any member of the City Council may choose to waive any or all of their salary by filing written notice of such with the City Clerk’s Office.

Sec. 2.02.020. ~~Expenses of Councilmembers~~City Council Expense Reimbursement.

~~In accordance with Government Code § 36514.5 an adopted City policy, and upon submission of an itemized account, any Councilmember may also be reimbursed for the actual and necessary expenses incurred in the performance of official duties. Notwithstanding the foregoing, any Councilmember who elects to receive a vehicle reimbursement allowance in lieu of compensation under Section 2.02.010 shall be ineligible for reimbursement of mileage~~

~~expenses relating to the use of the Councilmember's personal vehicle within Orange County, incurred in the performance of official duties.~~

- (a) Generally. In accordance with California Government Code sections 36514.5 and 53232.2, each member of the City Council may be reimbursed for actual and necessary expenses incurred in the performance of official duties, subject to the provisions of this section and compliance with other applicable laws.
- (b) Applicability. This section does not apply to the City's direct payment of expenses on behalf of members of the City Council (e.g., the City's payment of conference registration and lodging costs using a City-issued check or credit card). Such payments shall comply with all applicable laws and City Council policies including, but not limited to, City Council-adopted budgets.
- (c) Definitions. For purposes of this section only, the following definitions shall apply, in addition to those set forth in Section 3.18.030 of this Code:
 - (05) Performance of official duties shall mean:
 - a. Participation as a representative of the City in any conference, event, meeting, organized educational activity, or other occurrence;
 - b. Participation in any conference, event, meeting, organized educational activity, or other occurrence for the purpose of education or training relevant to their elected office; or
 - c. Any activity described in Article 2.4 of California Government Code (commencing with Section 53234).
- (d) Conditions for Reimbursement.
 - (1) All expenses for which reimbursement is sought shall be approved by the City Council, in a public meeting, before the expense is incurred.
 - a. Requested reimbursements that can be accommodated within adopted City Council department budgets shall be agendized as part of the consent calendar section of the public meeting agenda.
 - b. Requested reimbursements that cannot be accommodated within adopted City Council department budgets shall be agendized as part of the new business section of the public meeting agenda, together with a corresponding budget adjustment for City Council consideration.
 - c. Requested reimbursements that are included in a City Council-adopted budget shall be deemed approved on the date such budget was adopted.
 - (2) All expenses for which reimbursement is sought shall require the presentation of receipts (or comparable documentation) substantiating that the expenses were incurred by the member of the City Council.

(3) Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the City Council at the time of booking. If the group rate is unavailable, comparable lodging shall be used in the following order of availability: (i) the lowest government or group rate, (ii) a rate not to exceed the Internal Revenue Service rate described in subsection (5) of this section.

(4) Transportation and travel costs shall not exceed the lowest government or group rate offered by the provider of such transportation or travel, provided a government or group rate is available to the member of the City Council at the time of booking. If no government or group rate is available, transportation or travel costs shall be reimbursed at a rate not to exceed the Internal Revenue Service rate described in subsection (5) of this section.

(5) Except as otherwise set forth in this section, expenses shall only be reimbursed at rates equal to or less than Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Internal Revenue Service Publication 463, or any successor publication, when such rates apply.

(6) Members of the City Council shall not be reimbursed for expenses incurred for the purchase of products containing alcohol, cannabis, or tobacco nor for expenses incurred due to a spouse or other person's accompaniment or participation in transportation or travel. This section shall not be interpreted as preventing the reimbursement of lodging, transportation, or travel costs at rates compliant with subsections (3) and (4) of this section, provided such rates are not increased as a result of more than single occupancy.

(7) The City Manager and City Treasurer may pay reimbursements to members of the City Council provided such reimbursements comply with this section. The City Manager may refer any reimbursement request to the City Council for a compliance determination.

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**CITY OF LAGUNA WOODS
RESOLUTION NO. 26-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2025-27 BUDGET AND WORK PLAN FOR FISCAL YEAR 2025-26 COMMENCING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND FISCAL YEAR 2026-27 COMMENCING JULY 1, 2026 AND ENDING JUNE 30, 2027, INCREASING GENERAL FUND APPROPRIATIONS TO PROVIDE INCREASED SALARIES MEMBERS OF THE CITY COUNCIL ARE ELIGIBLE TO RECEIVE

WHEREAS, the Fiscal Years 2025-26 Budget (“Budget”) was adopted by the City Council on June 25, 2025 (Resolution No. 25-18); and

WHEREAS, per City Administrative Policy 2.9, increases in adopted fund-level Budget appropriations require City Council approval; and

City Council Salaries

WHEREAS, on February 18, 2026, the City Council adopted an ordinance to increase the salary that each member of the City Council is eligible to receive from \$300 per month to \$500 per month, beginning with salaries paid for January 2027; and

WHEREAS, the Fiscal Years 2025-27 Budget & Work Plan was adopted assuming City Council salaries of \$300 per month; and

WHEREAS, the increased City Council salaries will require a budget adjustment of \$6,000 for the period of January through June 2027; and

WHEREAS, the unassigned General Fund balance has sufficient funds to accommodate the increased appropriations; and

WHEREAS, funds appropriated for City Council salaries that are ultimately waived by members of the City Council will not be spent.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Section 2 of Resolution No. 25-18, as previously amended by Resolution Nos. 25-28, 25-34, 25-39, 25-41, and 25-44, is hereby amended, in its entirety, to read as follows:

The budget appropriations authorized, on a fund level, are:

ITEM 9.1 – Attachment B

	<i>Fiscal Year 2025-26 Adopted Budget</i>	<i>Fiscal Year 2024-25 Carryover Appropriations</i>	<i>Fiscal Year 2025-26 Budget Amendments</i>	<i>Fiscal Year 2025-26 Amended Budget</i>
General Fund	\$10,814,328 (includes transfers to Capital Projects Fund of \$1,860,000 and to the Senior Mobility Fund of \$406,052)	\$64,902	\$618,482 ^{A,B,D,E}	\$11,497,712 (includes transfers to Capital Projects Fund of \$2,199,307 and to the Senior Mobility Fund of \$406,052)
Capital Projects Fund	\$1,860,000	\$687,100	\$493,074 ^{B,C,D}	\$3,040,174
Fuel Tax	\$404,557	-	-	\$404,557
Road Maintenance & Rehabilitation Program	\$515,824	\$14,993	-	\$530,817
Measure M2 (OC Go)	\$267,780	-	-	\$267,780
Service Authority for Abandoned Vehicles	\$0	-	-	\$0
Supplemental Law Enforcement Services	\$231,600	-	-	\$231,600
Mobile Source Reduction	\$10,000	-	-	\$10,000
PEG/Cable Television	\$15,000	-	-	\$15,000
Senior Mobility	\$652,598	-	-	\$652,598
Community Development Block Grant (CDBG)	\$500,000	-	-	\$500,000
Federal Grants	\$0	\$233,233	-	\$233,233
State of California Grants	\$0	\$274,924	-	\$274,924
Miscellaneous Special Revenue	\$0	-	-	\$0
Laguna Woods Civic Support Fund	\$300	-	-	\$300
Less: Transfer to Other Funds	(\$2,266,052)	-	(\$339,307) ^{B,D}	(\$2,605,359)
TOTAL	\$13,005,935	\$1,275,151	\$772,249	\$15,053,335

^A Fund Budget Adjustment CC-25/26-01: City Manager Agreement, +\$16,347 (R 25-28)

^B Fund Budget Adjustment CC-25/26-02: Woods End Project, +\$330,607 (R 25-34)

^C Fund Budget Adjustment CC-25/26-03: Unspent Capital Projects Funds, +\$153,767 (R 25-39)

^D Fund Budget Adjustment CC-25/26-04: Pavement Project FY 2025-26, +\$8,700 (R 25-41)

^E Fund Budget Adjustment CC-25/26-05: CEPPT Contribution, +\$262,828 (R 25-44)

ITEM 9.1 – Attachment B

	<i>Fiscal Year 2026-27 Adopted Budget</i>	<i>Fiscal Year 2025-26 Carryover Appropriations</i>	<i>Fiscal Year 2026-27 Budget Amendments</i>	<i>Fiscal Year 2026-27 Amended Budget</i>
General Fund	\$9,611,466 (includes transfers to Capital Projects Fund of \$350,000 and to the Senior Mobility Fund of \$406,052)	-	\$25,674 ^{A,B}	\$9,637,140 (includes transfers to Capital Projects Fund of \$350,000 and to the Senior Mobility Fund of \$406,052)
Capital Projects Fund	\$350,000	-	-	\$350,000
Fuel Tax	\$439,580	-	-	\$439,580
Road Maintenance & Rehabilitation Program	\$529,206	-	-	\$529,206
Measure M2 (OC Go)	\$284,878	-	-	\$284,878
Service Authority for Abandoned Vehicles	\$0	-	-	\$0
Supplemental Law Enforcement Services	\$231,600	-	-	\$231,600
Mobile Source Reduction	\$10,500	-	-	\$10,500
PEG/Cable Television	\$15,000	-	-	\$15,000
Senior Mobility	\$686,906	-	-	\$686,906
Community Development Block Grant (CDBG)	\$500,000	-	-	\$500,000
Federal Grants	\$0	-	-	\$0
State of California Grants	\$0	-	-	\$0
Miscellaneous Special Revenue	\$0	-	-	\$0
Laguna Woods Civic Support Fund	\$300	-	-	\$300
Less: Transfer to Other Funds	(\$756,052)	-	(\$0)	(\$756,052)
TOTAL	\$11,903,384	\$0	\$25,674	\$11,929,058

^A Fund Budget Adjustment CC-26/27-01: City Manager Agreement, +\$19,674 (R 25-28)

^B Fund Budget Adjustment CC-26/27-02: City Council Salaries, +\$6,000 (R 26-XX)

The budget appropriations authorized by this section reflect the Fiscal Years 2025-27 adopted budgets, plus authorized budget adjustments approved between July 1, 2025 and the date of this amendment. The budget appropriations authorized by this section also include carryovers of approved, but unspent, budget appropriations from prior fiscal years.

Such carryovers were approved by the City Council with the adoption of the current budget and/or pursuant to Administrative Policy 2.9.

SECTION 2. Funds appropriated for City Council salaries that are ultimately waived by members of the City Council shall not be spent.

SECTION 3. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED this XX day of XX 2026.

ANNIE MCCARY, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 26-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2026, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

9.2

EMPLOYEE POSITIONS, COMPENSATION, AND BENEFITS

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City of Laguna Woods

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Christopher Macon, City Manager

FOR: February 18, 2026 City Council Meeting

SUBJECT: Employee Positions, Compensation, and Benefits

Recommendation

1. Approve a modified job classification for the following City employee position: Assistant to the City Manager.

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 25-31, AND ESTABLISHING AND MODIFYING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES, INCLUDING THE CITY MANAGER AND OTHER LOCAL AGENCY EXECUTIVES AS DEFINED IN CALIFORNIA GOVERNMENT CODE SECTION 3511.1

Background

The City Manager is responsible for hiring and supervising all City employees, subject to the City Council's approval of job classifications, authorization of positions, and establishment of a compensation schedule and benefits.

The City Council most recently updated its resolution establishing a compensation schedule and benefits for employees on September 17, 2025.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on the following proposals:

Job Classifications

- *Approval of a modified job classification for one existing employee position.* The Assistant to the City Manager position is currently vacant. Prior to recruiting to fill the vacancy, staff has reviewed the existing job classification. The proposed, modified job classification (Attachment A) would update the essential duties and minimum qualifications for the position, as well as make administrative and non-substantive modifications.

Compensation

- *Increase of compensation ranges for certain employee positions based on a market survey.* Compensation range increases are not the same as pay raises; unless an employee is currently paid less than their position's proposed compensation range, compensation range increases affect only the minimum and maximum amounts they could be paid. Movement within compensation ranges continues to be based on merit and subject to budgetary constraints.

Table 1: Range Modifications – Exempt Positions

EXEMPT POSITIONS	
Position	Compensation Range (annual equivalent)
Administrative Services Director/City Treasurer	Existing: \$134,030.00-\$187,642.00 Proposed: \$139,391.20-\$195,147.68
Assistant to the City Manager	Existing: \$103,090.00-\$144,326.00 Proposed: \$106,988.57-\$149,784.00
Building Official	Existing: \$127,320.00-\$178,248.00 Proposed: \$132,753.52-\$185,854.93
Planning & Environmental Services Director	Existing: \$134,030.00-\$187,642.00 Proposed: \$139,391.20-\$195,147.68
Public Works Administrator	Existing: \$96,252.00-\$134,752.80 Proposed: \$106,294.29-\$148,812.00
Senior Planner	Existing: \$89,918.40-\$125,881.60 Proposed: \$97,727.14-\$136,818.00

Table 2: Range Modifications – Non-Exempt Positions

NON-EXEMPT POSITIONS	
Position	Compensation Range (hourly)
Accountant	Existing: \$35.45-\$49.63 Proposed: \$37.29-\$52.21
Accounting Clerk	Existing: \$25.27-\$35.38 Proposed: \$25.88-\$36.23
Receptionist	Existing: \$20.00-\$28.00 Proposed: \$23.00-\$31.00

Senior Accountant	Existing: \$38.91-\$54.47 Proposed: \$42.36-\$59.31
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Benefits

- *Elimination of employee repayment provisions in the educational assistance program.* California Assembly Bill 692 (Kara, Chapter 703, Statutes of 2025) took effect on January 1, 2026 and changed how employers can require the repayment of monies paid to employees through educational assistance programs. Specifically, state law now requires employers to consider the transferability of credentials received by employees and the proportionality of the repayment amount to the length of the required employment period. Since the educational assistance program already limits the amounts employees can be paid to either \$1,050, \$2,625, or \$5,250 per calendar year based on years of employment, staff recommends eliminating the existing employee repayment provisions rather than establishing more complicated policies to ensure that repayments comply with Assembly Bill 692.

Miscellaneous

- *Explicit identification of the Administrative Services Director/City Treasurer, City Clerk, and Planning & Environmental Services Director as “department heads” for the purpose of California Government Code Section 3511.1(d)(2).* California Government Code Section 3511.1(d)(2) defines a “local agency executive” for the purpose of state laws (e.g., local government compensation disclosures) as including the heads of local agency departments. These designations are not new (they are included in job classifications and the budget/work plan), but have been added to the proposed resolution for clarity and ease of reference.

Fiscal Impact

The Fiscal Years 2025-27 Budget & Work Plan includes sufficient funds to support the proposed employee positions, compensation, and benefits without amendment. No new or increased appropriations are sought as part of this item.

Report Prepared With: Liz Torres, Administrative Services Director/City Treasurer

Attachments: A – Proposed Job Classification – Assistant to the City Manager
B – Proposed Resolution (clean)
C – Proposed Resolution (redline)

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CITY OF LAGUNA WOODS JOB CLASSIFICATION

JOB TITLE: ASSISTANT TO THE CITY MANAGER

STATUS: EXEMPT AND AT-WILL

DEFINITION:

Under general supervision, the Assistant to the City Manager provides support ranging from clerical to highly complex, managerial-level administrative, analytical, professional, and technical support to the City Manager; leads interdepartmental teams and facilitates interdepartmental dialogue; plans, organizes, directs, coordinates, manages, and oversees assigned programs, projects, and services; conducts research, evaluation, and analysis; and, represents the City in a variety of intergovernmental and public settings.

SUPERVISION RECEIVED:

Employees are expected to apply well-developed program knowledge and skill to their exercise of independent discretion and judgment. Employees may only receive periodic instruction or assistance as new and unusual situations arise. Work is typically reviewed upon completion and, primarily, for overall outcomes.

ESSENTIAL DUTIES:

The duties assigned include, but are not limited to, all or a variety of, the following:

- Provide support ranging from clerical to highly complex, managerial-level administrative, analytical, professional, and technical support to the City Manager on matters that may involve any aspect of the City's operations. Support may be temporary, ongoing, or project-based, variable in nature, and include oversight of work product generated by other City staff.
- Plan, organize, direct, coordinate, manage, and oversee assigned programs, projects, and services at a highly advanced journey- or senior-levels.
- Develop, administer, implement, and monitor budgets for assigned programs, projects, and services, including preparing and monitoring budget estimates and

projections; analyzing trends; collaborating with other City staff and external parties; reviewing invoices; and, processing payment requests.

- Prepare statutorily required reporting, notices, and other documentation related to assigned programs, projects, and services.
- Monitor, analyze, and report on legislative and regulatory proposals for impacts on the City's operations and assigned programs, projects, and services, including preparation of positional correspondence and engagement with legislative and regulatory offices.
- Coordinate with code enforcement and legal counsel on enforcement matters and legal proceedings related to assigned programs, projects, and services.
- Coordinate with risk management and insurance services providers to minimize risk exposure and loss related to assigned programs, projects, and services.
- Lead interdepartmental teams and facilitate interdepartmental dialogue to ensure that City operations and activities are implemented in accordance with established goals, objectives, budgets, work plans, regulations, and policies.
- Develop alternative, benchmark, feasibility, and operational studies for potential new and modified programs, projects, and services that consider factors including goals, objectives, legal and policy considerations, fiscal impacts, demographics, prior history, community support, and intergovernmental relations.
- Prepare ordinances, resolutions, proclamations, commendations, public notices, and other documents for or related to City Council proceedings.
- Assist with updates and maintenance of the City's television channel, website, and marketing and communication platforms.
- Prepare, compile, and disseminate qualitative and quantitative documentation and data, including agendas, billing records, brochures, budgets, budget tracking sheets, correspondence, flyers, inventories, logs, manuals, minutes, photographs, reimbursement records, reports, statistics, and website content.
- Receive and respond to public and private inquiries and complaints, including by providing information and referrals.
- Track, verify, and report on the status, history, and outcomes of inquiries and complaints, including referrals to other departments and outside agencies.
- Prepare responses to public records requests, discovery requests, subpoenas, and similar requests for information.
- Research, compile, and analyze information and assorted data.

- Create, scan, file, and maintain physical and electronic records.
- Negotiate, develop, and administer contractual agreements with public and private parties, including developing and implementing solicitation processes, as well as evaluating performance and enforcing terms and conditions.
- Coordinate grant processes, including preparing, reviewing, and monitoring grant applications, as well as administering and implementing grant activities.
- Prepare and present oral and written reports, briefs, plans, budgets, and studies to the City Manager, City staff, City Council, and City committees.
- Serve as a staff liaison to one or more City committees, including developing agendas, facilitating meetings, making presentations, and preparing minutes.
- Represent the City and department to internal and external parties (e.g., members of the public, elected officials, other City departments, and outside organizations), including negotiating and resolving sensitive and controversial issues, as well as explaining and defending City and department operations and activities.
- Assist with special events hosted, or participated in, by the City, including by interacting with members of the public (e.g., at a City table or booth) and moving, arranging, and configuring tables, chairs, and other equipment, as well as food, drinks, decorations, displays, waste, and other items, materials, and supplies.
- Coordinate community outreach, education, and volunteer programs, including planning events and selecting, training, assisting, and supervising volunteers.
- Select, train, supervise, and regularly evaluate assigned employees, including participating in discipline and termination proceedings when necessary.
- Perform clerical, administrative, analytical, professional, and technical duties to support of relieve subordinate employees or meet other demands.
- Ensure compliance with local, state, and federal laws; and, regulations that apply to assigned duties, as well as with applicable City policies, contractual agreements, grant agreements, deadlines, and other obligations.
- Maintain knowledge of current laws, potential legislation, best practices, trends, innovations, and technology related to Department operations and activities.
- Provide support and relief coverage for City and department employees.
- Perform other related duties as assigned.

MINIMUM QUALIFICATIONS:

Knowledge of:

- Modern office procedures, methods, and equipment, including computers.
- Responsive customer service practices, including active listening.
- Standards, laws, rules, and regulations, as well as operational and activity characteristics, applicable to the assigned programs, projects, and services.
- Principles of local government budgeting and financial recordkeeping.
- Principles of grant applications and administration.
- Principles of human resources management (both employees and volunteers).
- Principles of the California Public Records Act and Ralph M. Brown Act.
- Principles and techniques of record keeping and filing.
- Methods of program evaluation and assessment.

Ability to:

- Perform the essential duties described in this job classification in a professional, timely, and accurate manner with the referenced level and degree of supervision.
- Exercise the judgment, initiative, decisiveness, and creativity required to perform the essential duties described in this job classification during critical, emergency, and time-sensitive situations involving risk or loss to the City.
- Alphabetize, compare, count, differentiate, measure, assemble, sort, copy, record, classify, compute, tabulate, categorize, and transcribe data and information.
- Supervise, evaluate, and train persons with diverse backgrounds.
- Communicate effectively and concisely including the ability to inform, educate, and persuade persons with diverse backgrounds.
- Communicate in writing effectively and concisely, including with use of proper spelling, grammar, punctuation, and command of the English language.
- Establish and maintain effective and collaborative professional relationships with internal and external parties.
- Demonstrate an awareness and appreciation of local cultural diversity.
- Maintain confidentiality and discretion when necessary or directed.

- Maintain professional composure at all times, including when dealing with upset, hostile, and difficult interpersonal interactions.
- Maintain effective organization of multiple activities and assignments in a busy office environment with frequent interruptions.
- Understand, analyze, interpret, and apply data and information using established criteria, in order to determine consequences and identify and select alternatives.
- Understand, analyze, interpret, and apply standards, laws, rules, regulations, and policies to assigned duties.
- Understand, analyze, interpret, and apply ordinances, resolutions, policies, laws, procedures, standards, and practices to complex and variable situations.
- Understand, analyze, interpret, and apply design and descriptive information, including plans, maps, property records, statistics, charts, graphs, and tables.
- Understand, calculate, and interpret percentages, fractions, ratios, statistics, and spatial relationships, including areas, square footages, and dimensions.
- Analyze and resolve issues that require complex planning for multi-disciplinary operations and activities, as well as concrete and abstract variables.

Education and Experience:

Any combination of education and experience that provides the knowledge, skills, and abilities necessary for this position is qualifying. A typical way of obtaining the required qualifications is to possess a bachelor's degree from an accredited college or university with major course work in public administration, public policy, business administration, or subjects applicable to the assignment, and five years of increasingly responsible full-time work experience involving relevant operations and activities. Possession of a master's degree; prior experience administering programs, projects, or services for a municipal or other government agency, preferably in a City Manager's Office; and, prior experience in a supervisory position are highly desirable.

Licenses/Certifications:

Must possess and maintain a valid Class C California Driver's License and must qualify for and maintain insurability under the City's vehicle insurance policies, as may change from time to time. This position involves the regular performance of duties and travel that require operation of a personal vehicle.

PHYSICAL DEMANDS AND ENVIRONMENTAL SETTING:

While performing the duties of this class, employees are frequently required to sit, stand, walk, talk, and hear; use hands to handle, manipulate, feel, move and operate equipment, tools, and controls; and, use hands and arms to reach. Specific vision abilities required

include close, distance, peripheral, and color vision, depth perception, and the ability to adjust focus. Specific hearing abilities required include hearing in the normal audio range with or without correction. While most activities are performed sitting in a sedentary manner at a desk, and sitting or standing at a counter, employees are frequently required to exert physical effort, involving a combination of standing, walking, climbing, balancing, stooping, kneeling, crouching, as well as carrying, lifting, pushing, and pulling objects up to 30 pounds (e.g., setting up for and cleaning up after meetings and events).

While most of the duties of this class are performed in an office setting with low to moderate noise and regular interruption, employees are also frequently required to travel and work in other settings (e.g., meetings and events), which may involve outside weather with exposure to rain, humidity, heat, cold, and sunlight. Employees may experience high levels of noise and vibration, as well as exposure to odors, fumes, dust, smoke, hazardous substances, and other irritants that can cause discomfort and injury. Employees may also come into contact with hazardous traffic conditions.

Work schedules and hours vary for this class based on the City's needs and include some early mornings, evenings, weekends, and holidays.

Tools and Equipment:

Must possess the knowledge and ability to effectively use computers, copiers, scanners, facsimile machines, cash registers, credit card terminals, calculators, microfiche readers, telephones, digital cameras, rulers, keys, electronic access control devices, and other measuring devices to collect data and information. "Ability to effectively use computers" includes, but is not limited to, the knowledge and ability to input, query, and maintain information in software such as Microsoft Windows, Outlook, Excel, PowerPoint, Edge, and SharePoint, and Google Earth, as well as the City's cashiering, code enforcement, geographic information system ("GIS"), multifactor authentication, permitting, inspection, scheduling, records, and teleconferencing software, as may change from time to time. "Computers" includes, without limitation, tablet devices.

OTHER NOTICES:

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from this position if the work is a similar, related, or logical assignment.

The selection process for this position will include fingerprinting; a State of California Department of Justice criminal background check; reference checks; confirmation of education claims, licenses, and certifications; and, a physical medical examination.

This position is exempt under the Fair Labor Standards Act.

Pursuant to California Government Code Section 36506, neither this job classification nor any other communication, rule, or regulation shall be construed to provide employees with any tenure or property interest in employment with the City. All City employees serve "at will" and are subject to termination without cause at any time – no exceptions.

All City employees are designated Disaster Service Workers by both state law and City ordinance. Duties when serving as a Disaster Service Worker may be in locations, during hours, and performing work significantly different from the employee's normal duties.

The City of Laguna Woods is an Equal Employment Opportunity employer and does not discriminate on the basis of any legally protected category [race (including, but not limited to, traits historically associated with race such as hair texture and protective hairstyles), color, religion (including, but not limited to, religious dress and grooming practices), sex/gender (including, but not limited to, pregnancy, childbirth, breastfeeding, and related medical conditions), gender identity, gender expression, sexual orientation, marital status, medical condition (including, but not limited to, genetic characteristics and cancer or a record or history of cancer), military or veteran status, national origin (including, but not limited to, language use and possession of a driver's license issued to persons unable to provide their presence in the United States is authorized under federal law), ancestry, disability (including, but not limited to, mental and physical disabilities such as cancer, genetic characteristics, and human immunodeficiency virus ("HIV")/acquired immunodeficiency syndrome ("AIDS")), genetic information, age over 40 years, or any other basis protected by applicable federal, state, or local law, including association with individuals with one or more of these protected characteristics or perception that an individual has one or more of these protected characteristics].

The City provides employment rights and non-discrimination on the basis of disability as established in the Americans with Disabilities Act. Reasonable accommodation may be made to enable a person with a disability to perform this position's essential functions.

Additional laws, rules, and regulations apply to this position.

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**CITY OF LAGUNA WOODS
RESOLUTION NO. 26-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 25-31, AND ESTABLISHING AND MODIFYING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES, INCLUDING THE CITY MANAGER AND OTHER LOCAL AGENCY EXECUTIVES AS DEFINED IN CALIFORNIA GOVERNMENT CODE SECTION 3511.1

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Resolution No. 25-31 is hereby repealed. The effective date of this resolution is February 18, 2026.

SECTION 2. Compensation Schedule. The compensation schedule for City employees is established as set forth in Exhibit A, attached hereto and incorporated by this reference.

The City Manager is authorized to hire, promote, and compensate employees within established compensation ranges, to offer benefits, to fill any full-time position as a part-time or limited part-time position, and to hire employees for time-limited periods, consistent with City Council-adopted budgets and this resolution.

SECTION 3. Full-Time Employee Benefits. All employees who work 40 or more hours per week on a regularly assigned basis shall be considered “full-time employees” for the purpose of this resolution. Full-time employees shall receive the following benefits:

A. Paid Holidays: The City shall observe the following holidays with full-time employees receiving eight hours of compensation for each weekday on which a holiday is observed: Martin Luther King Jr. Day, Presidents’ Day, Cesar Chavez Day, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, Friday after Thanksgiving, and Winter Holiday (December 24 through January 1; when December 24 falls on a Tuesday, Winter Holiday shall be observed beginning on December 23; when January 1 falls on a Sunday or Thursday, Winter Holiday shall be observed through January 2). Except for Winter Holiday, which is observed on specified dates, when a holiday falls on a Saturday, it shall be observed the on prior Friday; when a holiday falls on a Sunday, it shall be observed on the following Monday.

Full-time employees with the designation “Building Employee” in Exhibit A shall be required to work on the days Martin Luther King, Jr. Day, Cesar Chavez Day, and Juneteenth National Independence Day are observed but shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30

calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued administrative leave time.

Except for the City Manager, full-time employees who are required by their supervisor to work on any City-observed holiday, with such requirement made in writing, shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30 calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued administrative leave time.

B. Floating Holidays: The City shall provide each full-time employee with two floating holidays per calendar year, equivalent to 16 hours of pay credited the first pay period of each calendar year. Floating holidays are not accrued on a pro-rata basis throughout the calendar year. Full-time employees must be in paid status on regularly scheduled workdays before and after using floating holiday time. Floating holiday time shall be used in increments of eight hours.

Full-time employees may maintain a balance of no more than 16 hours of unused floating holiday time (Floating Holiday Accrual Limit) and shall not accrue additional floating holiday time when the Floating Holiday Accrual Limit has been reached. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued floating holiday time.

C. Retirement: All City employees, including full-time employees, are required to participate in the Social Security system. In addition, the City shall contract with the California Public Employees' Retirement System (CalPERS) for retirement benefits for all eligible full-time employees, unless excluded in the City's agreement with CalPERS. Full-time employees considered "classic" by CalPERS shall pay the 7% employee contribution pursuant to the terms of Resolution No. 12-18. Full-time employees considered "new members" by CalPERS shall pay the employee contribution rate established by CalPERS, as may change from time to time. The CalPERS plans have the following additional Class 1 Benefit Provisions: One Year Final Compensation (FAC 1) (classic employees only) and Increased Industrial Disability Retirement (IDR) Allowance to 75% of Compensation (75% IDR) (all employees).

D. Retiree Medical: As required by, and in an amount established by California Government Code Section 22892, the City shall contribute toward CalPERS retiree health insurance for retiring full-time employees who meet the applicable statutory and CalPERS contract requirements to obtain CalPERS retiree medical benefits. Part-time service for employees who transition from part-time to full-time

employment with the City may be used to meet applicable statutory and CalPERS contract requirements, with each 174 hours counting as one month.

- E. Monthly Benefit Allowance: The City shall provide each full-time employee with a monthly benefit allowance of \$1,500.00 per month. A portion of the allowance shall be allocated to pay for health insurance, as provided in this resolution. The remaining balance of the monthly benefit allowance may be allocated by the employee to elect benefits available through the City's Internal Revenue Code Section 125 Flexible Benefits Plan, in accordance with applicable plan documents. Any amount of the monthly benefit allowance that remains after the allocations described above shall be forfeited. Full-time employees shall be required to make elections for the annual calendar year use of the entirety of monthly benefit allowances during an enrollment/election period established by the City Manager, as may change from time to time. Modifications of annual calendar year elections following any enrollment/election period shall be limited to qualifying events as set forth in applicable plan documents.
- F. Health Insurance: All employees shall be covered by basic health insurance that qualifies as Minimum Essential Coverage under California law. The City shall contract for health insurance through CalPERS; enrollment in a CalPERS health plan shall be mandatory for all full-time employees unless proof of coverage under a qualifying, alternate non-individual market basic health insurance plan is provided. The cost of enrollment in a CalPERS health plan shall be deducted first from each full-time employee's monthly benefit allowance and then from salary (if necessary).
- G. Flexible Benefits Plan: The City shall contract for the provision of an Internal Revenue Code Section 125 Flexible Benefits Plan; enrollment in the plan shall be voluntary for all full-time employees. Full-time employees may contribute to the plan by electing to allocate a portion of their monthly benefit allowance and/or through a salary reduction at their sole expense.
- H. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all full-time employees. Full-time employees may contribute to the plan through a pre-tax and/or Roth salary reduction at their sole expense.
- I. Paid Time Off: Full-time employees shall accrue 160 hours per calendar year of annual paid time off (leave), which may be used for doctors' appointments, personal and family sick time, bereavement leave, jury duty leave, vacation, and personal business. Hours earned are accrued on a pro-rata basis by pay period.

Full-time employees may maintain a balance of no more than 480 hours of paid time off (Leave Accrual Limit) and shall cease to accrue additional paid time off

when the Leave Accrual Limit has been reached. When a full-time employee's balance of paid time off falls below the Leave Accrual Limit, accrual shall resume beginning with the first pay period following the pay period in which the balance of paid time off fell below the Leave Accrual Limit. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued paid time off.

- J. Paid Bereavement Leave: Full-time employees shall be eligible for a total of up to 40 hours per 12-month period of paid bereavement leave in the event of any death in the immediate family or reproductive loss event. For the purpose of this provision, "immediate family" includes spouse, registered domestic partner, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, child, stepchild, grandparent, stepgrandparent, grandchild, and stepgrandchild of the full-time employee or the full-time employee's spouse or registered domestic partner. For the purpose of this provision, "reproductive loss event" shall have the meaning set forth in California Government Code 12945.6.
- K. Paid Court Leave: While California Government Code Section 1230 does not require the City to grant full-time employees paid leaves of absence to appear as a witness in court other than as a litigant, to serve on a jury, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the full-time employee, full-time employees shall be eligible for a total of up to 80 hours per 12-month period of paid court leave for those purposes when proof of such obligation is provided and proof of any amounts received for jury and/or witness fees is provided (if applicable). During paid court leave, full-time employees shall (i) be paid the amount of the difference between his/her/their regular earnings and any amounts received for jury and/or witness fees, and (ii) be responsive to the City's telephone and other communications when not precluded by the purposes for which paid court leave is granted.
- L. Educational Assistance: Eligible full-time employees may participate in the Educational Assistance Program set forth in Exhibit B, attached hereto and incorporated by this reference.

SECTION 4. Part-Time Employee Benefits. All employees who are not full-time employees, but who work 20 or more hours per week on a regularly assigned basis, shall be considered "part-time employees" for the purpose of this resolution. Part-time employees shall receive the following benefits:

- A. Paid and Unpaid Holidays: The City shall observe the following holidays with part-time employees receiving eight hours of compensation for each weekday on which a holiday is observed: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Cesar Chavez Day, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, and Friday after

Thanksgiving. The City shall also observe the following unpaid holidays: Winter Holiday (December 24 through January 1; when December 24 falls on a Tuesday, Winter Holiday shall be observed beginning on December 23; when January 1 falls on a Sunday or Thursday, Winter Holiday shall be observed through January 2). Except for Winter Holiday, which is observed on specified dates, when a holiday falls on a Saturday, it shall be observed on the prior Friday; when a holiday falls on a Sunday, it shall be observed on the following Monday.

Part-time employees with the designation “Building Employee” in Exhibit A shall be required to work on the days Martin Luther King, Jr. Day, Cesar Chavez Day, and Juneteenth National Independence Day are observed but shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30 calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued administrative leave time.

Except for the City Manager, part-time employees who are required by their supervisor to work on any City-observed holiday, with such requirement made in writing, shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30 calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued administrative leave time.

B. Floating Holidays: The City shall provide each part-time employee with two floating holidays per calendar year, equivalent to 16 hours of pay credited the first pay period of each calendar year. Floating holidays are not accrued on a pro-rata basis throughout the calendar year. Part-time employees must be in paid status on regularly scheduled workdays before and after using floating holiday time. Floating holiday time shall be used in increments of eight hours and only between December 24 and 31.

Part-time employees may maintain a balance of no more than 16 hours of unused floating holiday time (Floating Holiday Accrual Limit) and shall not accrue additional floating holiday time when the Floating Holiday Accrual Limit has been reached. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued floating holiday time. The use of floating holiday time need not correspond to a part-time employee’s hours regularly worked.

C. Retirement: All City employees, including part-time employees, are required to participate in the Social Security system. Part-time employees who work 1,000 hours or more in a fiscal year, shall be eligible for membership in CalPERS for retirement benefits, unless excluded in the City’s agreement with CalPERS. Eligible

part-time employees considered “classic” by CalPERS shall pay the 7% employee contribution pursuant to the terms of Resolution No. 12-18. Eligible part-time employees considered “new members” by CalPERS shall pay the employee contribution rate established by CalPERS, as may change from time to time. The CalPERS plans have the following additional Class 1 Benefit Provisions: One Year Final Compensation (FAC 1) (classic employees only) and Increased Industrial Disability Retirement (IDR) Allowance to 75% of Compensation (75% IDR) (all employees).

- D. Retiree Medical: As required by, and in an amount established by California Government Code Section 22892, the City shall contribute toward CalPERS retiree health insurance for retiring full-time employees who meet the applicable statutory and CalPERS contract requirements to obtain CalPERS retiree medical benefits. Part-time service for employees who transition from part-time to full-time employment with the City may be used to meet applicable statutory and CalPERS contract requirements, with each 174 hours counting as one month.
- E. Monthly Benefit Allowance: The City shall provide part-time employees with a monthly benefit allowance of \$1,200.00 per month. A portion of the allowance shall be allocated to pay for health insurance, as provided in this resolution. The remaining balance of the monthly benefit allowance may be allocated by the employee to elect benefits available through the City’s Internal Revenue Code Section 125 Flexible Benefits Plan, in accordance with applicable plan documents. Any amount of the monthly benefit allowance that remains after the allocations described above shall be forfeited. Part-time employees shall be required to make elections for the annual calendar year use of the entirety of monthly benefit allowances during an enrollment/election period established by the City Manager, as may change from time to time. Modifications of annual calendar year elections following any enrollment/election period shall be limited to qualifying events as set forth in applicable plan documents.
- F. Health Insurance: All employees shall be covered by basic health insurance that qualifies as Minimum Essential Coverage under California law. The City shall contract for health insurance through CalPERS; enrollment in a CalPERS health plan shall be mandatory for all part-time employees unless proof of coverage under a qualifying, alternate non-individual market basic health insurance plan is provided. The cost of enrollment in a CalPERS health plan shall be deducted first from each part-time employee’s monthly benefit allowance and then from salary (if necessary).
- G. Flexible Benefits Plan: The City shall contract for the provision of an Internal Revenue Code Section 125 Flexible Benefits Plan; enrollment in the plan shall be voluntary for all part-time employees. Part-time employees may contribute to the plan through a salary reduction at their sole expense and/or by electing to allocate a

portion of their monthly benefit allowance, if provided.

- H. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all part-time employees. Part-time employees may contribute to the plan through a pre-tax and/or Roth salary reduction at their sole expense.
- I. Paid Time Off: Part-time employees shall accrue 160 hours per calendar year of annual paid time off (leave), which shall be pro-rated based on the number of hours regularly worked less than 40 hours per week. Paid time off may be used for doctors' appointments, personal and family sick time, bereavement leave, jury duty leave, vacation, and personal business. Paid time off may also be used up to the number of hours regularly worked during unpaid holidays that fall on weekdays (less any floating holiday time used). Hours earned are accrued on a pro-rata basis by pay period.

Part-time employees may maintain a balance of no more than 300 hours of paid time off (Leave Accrual Limit) and shall cease to accrue additional paid time off when the Leave Accrual Limit has been reached. When a part-time employee's balance of paid time off falls below the Leave Accrual Limit, accrual shall resume beginning with the first pay period following the pay period in which the balance of paid time off fell below the Leave Accrual Limit. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued paid time off.

- J. Paid Bereavement Leave: Part-time employees shall be eligible for a total of up to 40 hours per 12-month period of paid bereavement leave in the event of any death in the immediate family or reproductive loss event. For the purpose of this provision, "immediate family" includes spouse, registered domestic partner, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, child, stepchild, grandparent, stepgrandparent, grandchild, and stepgrandchild of the part-time employee or the part-time employee's spouse or registered domestic partner. For the purpose of this provision, "reproductive loss event" shall have the meaning set forth in California Government Code 12945.6.
- K. Paid Court Leave: While California Government Code Section 1230 does not require the City to grant part-time employees paid leaves of absence to appear as a witness in court other than as a litigant, to serve on a jury, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the part-time employee, part-time employees shall be eligible for a total of up to 64 hours per 12-month period of paid court leave for those purposes when proof of such obligation is provided and proof of any amounts received for jury and/or witness fees is provided (if applicable). During paid court leave, part-time employees shall (i) be paid the amount of the difference between

his/her/their regular earnings and any amounts received for jury and/or witness fees, and (ii) be responsive to the City's telephone and other communications when not precluded by the purposes for which paid court leave is granted.

- L. Educational Assistance: Eligible part-time employees may participate in the Educational Assistance Program set forth in Exhibit B, attached hereto and incorporated by this reference.

SECTION 5. Limited Part-Time Employee Benefits. All employees who work less than 20 hours per week on a regularly assigned basis shall be considered "limited part-time employees" for the purpose of this resolution. Limited part-time employees shall receive the following benefits:

- A. Retirement: All City employees, including limited part-time employees, are required to participate in the Social Security system.
- B. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all limited part-time employees. Limited part-time employees may contribute to the plan through a pre-tax and/or Roth salary reduction at their sole expense.
- C. Paid Time Off: On the 90th calendar day of employment, and every January 1 thereafter, limited part-time employees shall accrue 40 hours of annual paid time off (leave), which may be used for personal illness, to care for a sick family member, for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if the limited part-time employee is a victim of domestic violence, sexual assault, or stalking. Paid time off must be used in a minimum increment of two hours per calendar day. There is no accrual or carryover of paid time off between or across calendar years. Upon termination from the City, limited part-time employees shall not be compensated for the balance of their paid time off. If a limited part-time employee separates from and is rehired by the City within one year, previously accrued and unused paid time off shall be reinstated.
- D. Educational Assistance: Eligible limited-time employees with the designation "Building Employee" in Exhibit A may participate in the Educational Assistance Program set forth in Exhibit B, attached hereto and incorporated by this reference.

SECTION 6. Employee Assistance Program. The City shall contract for an employee assistance program to provide voluntary, confidential assistance to employees in working through various life challenges that may adversely affect job performance, health, and personal well-being in order to optimize the City's success. All full-time, part-time, and limited part-time employees shall be enrolled in the employee assistance program with the cost of enrollment paid by the City.

SECTION 7. Technology Allowances. The City Manager is authorized to offer technology allowances of either (i) \$25.00 per employee per month to employees who are regularly required to use their personal cellular telephone as part of the City's multi-factor authentication and cyber security protocols, with the exception of the City Manager, or (ii) \$79.50 per employee per month to employees who are regularly required to use their personal cellular telephones, personal computers, and/or other personal technology to conduct City business, with the exception of the City Manager. Such technology allowances shall be added to employee compensation and shall be paid in the first pay period of each month, subject to any applicable wage withholding or similar taxes. Employees must be in paid status on regularly scheduled workdays during the first pay period of each month in order to receive payment.

SECTION 8. Notary Public Stipends. The City Manager is authorized to offer notary public stipends of \$100.00 per employee per month to employees who regularly provide notary public and foreign pension acknowledgement services in the course of City business, with the exception of the City Manager. Such notary public stipends shall be added to employee compensation and shall be paid in the first pay period of each month, subject to any applicable wage withholding or similar taxes. Employees must be in paid status on regularly scheduled workdays during the first pay period of each month, and in possession of an active and valid notary public commission from the State of California as of the payroll processing date for the first pay period of each month, in order to receive payment. The City Manager is also authorized to incur and pay, on behalf of the City, costs related to the education and commission of employees who regularly provide notary public services in the course of City business, with the exception of the City Manager.

SECTION 9. Acting Appointments. Employees temporarily assigned to a higher level job classification (based on the comparative starting compensations set forth in Exhibit A) for 14 consecutive calendar days or more shall receive acting status pay equivalent to the starting compensation for the job classification to which they are temporarily assigned, unless their increase in compensation would be less than 10% in which case they shall receive acting status pay equivalent to a 10% increase in compensation. Benefits shall remain unchanged during temporary assignments.

SECTION 10. Unpaid Leave. The City Manager may grant employees other than the City Manager leaves of absence without pay, upon written request of the employee setting forth the reason for the request. The City Manager shall evaluate requests on the basis of need, duration, and work requirements. No employee shall expect that requests will be granted. The City Manager shall respond to the employee's request in writing. The City Manager has discretion, in accordance with applicable law and regulation, to grant less than the full amount of leave requested. Any unpaid leave of absence lasting more than seven consecutive calendar days shall preclude the employee from accruing paid time off and floating holidays, and from receiving holiday pay, after the seventh consecutive calendar day until their return to paid status. Upon expiration of an approved unpaid leave of absence and at the City Manager's sole discretion, unless otherwise required by law or

regulation, the employee shall be reinstated in the position held at the time leave was granted, assuming the position still exists. An employee who fails to report to duty promptly at expiration of an approved unpaid leave of absence shall be subject to disciplinary action up to and including termination and/or subject to separation due to job abandonment.

SECTION 11. City Manager's Compensation and Benefits. The City Manager shall receive such other compensation and benefits as set forth in the employment agreement separately approved by the City Council on May 17, 2023 and as may be subsequently amended.

SECTION 12. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED this XX day of XX 2026.

ANNIE MCCARY, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 26-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2026, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

EXHIBIT A
COMPENSATION SCHEDULE

Exempt Full-Time Employees (Annual Equivalent)	
Administrative Services Director/City Treasurer [■]	\$139,391.20 – \$195,147.68
Assistant to the City Manager	\$106,988.57 – \$149,784.00
Building Official*	\$132,753.52 – \$185,854.93
City Clerk [■]	\$98,975.00 – \$138,565.00
City Manager	\$229,569.32
Conservation Administrator	\$89,674.00 – \$125,543.60
Deputy City Clerk	\$76,375.00 – \$106,925.00
Management Analyst	\$80,300.00 – \$112,420.00
Planning & Environmental Services Director [■]	\$139,391.20 – \$195,147.68
Public Works Administrator	\$106,294.29 – \$148,812.00
Senior Management Analyst	\$94,450.00 – \$132,230.00
Senior Planner	\$97,727.14 – \$136,818.00
Non-Exempt Full-Time Employees (Hourly Rate)	
Accountant	\$37.29 – \$52.21
Accounting Clerk	\$25.88 – \$36.23
Building Inspector*	\$38.74 – \$54.24
Code Enforcement Officer	\$34.95 – \$48.92
Permit Technician*	\$29.54 – \$41.36
Senior Accountant	\$42.36 – \$59.31
Non-Exempt Part-Time/Limited Part-Time Employees (Hourly Rate)	
Receptionist	\$23.00 – \$31.00

* Designated as “Building Employee”

■ Designated as a “department head” for the purpose of California Government Code Section 3511.1(d)(2)

EXHIBIT B
EDUCATIONAL ASSISTANCE PROGRAM

This City of Laguna Woods Educational Assistance Program (Plan) is intended to be a qualified educational assistance program that provides nontaxable Educational Assistance to Eligible Employees of the City of Laguna Woods (Employer) under Internal Revenue Code (Code) Section 127.

I. ELIGIBILITY

- A. The Eligible Employees covered under this Plan include the following:
 - i. Employees currently employed by the Employer;
 - ii. Employees currently employed by the Employer who are on leave, as for example, in the Armed Forces of the United States; and
- B. This Plan includes the following additional conditions for eligibility:
 - i. Full-time employees are eligible to participate in this Plan beginning on the 183rd day of their employment with the Employer;
 - ii. Part-time employees are eligible to participate in this Plan beginning on the 183rd day of their employment with the Employer;
 - iii. Limited part-time employees with the designation “Building Employee” are eligible to participate in this Plan beginning on the 183rd day of their employment with the Employer; and
 - iv. Other limited part-time employees are not eligible to participate in this Plan.

II. EDUCATIONAL ASSISTANCE

- A. The benefits provided under this Plan consist solely of the types of Educational Assistance specified in Section II.C and are limited to up to \$5,250.00 per Eligible Employee per calendar year, based on the Eligible Employee’s length of employment as per the schedule specified in Section II.B below. If an Eligible Employee receives Educational Assistance under this Plan that exceeds \$5,250.00 in a calendar year, the excess amount may be subject to federal income tax and applicable federal employment taxes. Notwithstanding the benefits provided under this Plan, the Employer may directly pay for education and/or training for its employees outside of the Plan.

- i. “Educational Assistance” includes the payment by the Employer of expenses incurred by or on behalf of an Eligible Employee for Education of the Eligible Employee or the provision by the Employer of Education to an Eligible Employee. Expenses for Educational Assistance must be approved by the Employer per Section II.D and be job-related. Eligible Employees must provide all documentation under Section III.A in order to receive reimbursement after a course is completed. Eligible expenses for approved courses includes tuition, fees, and similar payments. “Educational Assistance” does not include (a) payment for, or the provision of, tools or supplies (other than required textbooks) that the Eligible Employee may retain after completing a course of instruction; (b) meals, lodging, or transportation; (c) any payment for, or the provision of any benefits with respect to, any course or other Education involving sports, games, or hobbies, unless such Education involves the business of the Employer or is required as part of a degree program; or (d) fees for late registration or for withdrawing from or dropping a course. The types of Educational Assistance covered by this Plan are specified in Section II.C.
- B. Eligible Employees will be eligible for Educational Assistance up to the following annual maximums, based on their length of continuous employment with the Employer:
 - i. 183 calendar days to less than 2 years of employment: Eligible for reimbursement of up to \$1,050.00 per calendar year (20% of the annual \$5,250.00 limit).
 - ii. 2 years but less than 6 years of employment: Eligible for reimbursement of up to \$2,625.00 per calendar year (50% of the annual \$5,250.00 limit).
 - iii. 6 years or more of employment: Eligible for reimbursement of up to \$5,250.00 per calendar year (100% of the annual limit).
- C. This Plan provides the following types of Educational Assistance:
 - i. For courses approved by the Employer pursuant to Section II.C below, reimbursement for tuition, fees, and similar payments, to an Eligible Employee; and
 - ii. The provision, by the Employer, of courses of instruction for an Eligible Employee.
- D. Applying for Course Approval:

- i. To receive course approval, an employee must submit a written request in the format required by the Employer. If the Employer approves the course, the Employer will provide a written statement noting the course approval, the expenses that are reimbursable, and the maximum amount of reimbursement that will be provided for the course. Until an employee has received a written course approval, the employee should consider a course unapproved, regardless of any discussions that the employee may have had with any representative of the Employer regarding the course.
- ii. An employee may submit a course approval request before a course begins or while the course is ongoing. If an employee elects to sign up for a course before obtaining course approval, however, there is no assurance that the course will be approved for reimbursement. If the employee's decision to take a course is dependent on a particular amount of reimbursement being available under this Plan, the employee should make sure to obtain course approval before registering. To ensure that course approval is determined in time, course approval requests for advanced approval should be submitted at least 15 business days before the registration deadline for the course.
- iii. No course will be considered for approval if a course approval request is submitted after the course ends.
- iv. In addition to course approval, Eligible Employees must provide all of the information under Section III.A in order to receive reimbursement.

E. The annual limit specified in Section II.B applies to amounts paid and expenses incurred by the Eligible Employee during a calendar year. For courses that span multiple calendar years, the reimbursable expenses will be allocated proportionally between the years based on course length, credits, or other reasonable method determined by the Employer to determine when expenses are treated as incurred for purposes of applying each year's annual reimbursement limit. If an Eligible Employee seeks reimbursement for expenses incurred, the expenses must not have been incurred prior to employment. "Unused" amounts of the annual limit cannot be carried forward to subsequent years.

III. CLAIM REIMBURSEMENT

- A. To obtain reimbursement for a course, which will be paid after the course is completed provided all requirements of the Plan are met, the following must be submitted to the Employer within 30 calendar days after course completion:
 - i. a signed and fully completed benefits request in the form required by the Employer;

- ii. a copy of the course approval request already submitted and approved by the Employer;
- iii. for courses that are graded, documentation showing completion of the course with a grade equivalent of "C" or better (or a pass for a course that is graded on a pass/fail basis); and
- iv. documentation substantiating any course-related expenses for tuition, fees, or similar expenses required for the course that were incurred or paid by the employee and for which reimbursement is sought.

B. Courses that are dropped, withdrawn from, or completed with a grade equivalent to "C-" or less will not be eligible for reimbursement, and employees will be responsible for any associated penalties or fees.

IV. EXCLUSIVE BENEFIT

This Plan provides Educational Assistance for the exclusive benefit of Eligible Employees. Spouses and dependents of an Eligible Employee may not participate in this Plan, unless the spouse or dependent is also an Eligible Employee.

V. SUBSTANTIATION

An Eligible Employee receiving payments under this Plan must provide substantiation to the Employer of expenses incurred.

VI. NON-DISCRIMINATION

- A. This Plan shall not discriminate in favor highly compensated employees (as defined in section 414(q) of the Code) of the Employer.
- B. This Plan shall not be considered discriminatory under Treasury Regulation § 1.127-2(e) merely because: (a) Different types of Educational Assistance available under the Plan are utilized to a greater degree by Eligible Employees with respect to whom discrimination is prohibited than by other Eligible Employees, or (b) Conditions are required or considered in determining the availability of benefits with respect to a course of study for which benefits are otherwise available, including, but not limited to, successful completion of the course or attaining a particular coursegrade.

VII. NOTICE

The Employer shall provide each Eligible Employee with reasonable notice of the availability and terms of this Plan. This Plan shall be made available for review by Eligible

Employees on the Employer's Human Resources website. An Eligible Employee shall receive a paper copy of this Plan upon written request.

VIII. FUNDING

The Employer will pay Educational Assistance benefits from its general assets. Employees are not required or permitted to contribute to the Plan.

IX. MISCELLANEOUS

The Employer may amend or terminate this Plan at any time, provided that any amendment or termination shall not affect the right of Eligible Employees to claim Education Assistance for courses in which they enrolled and which were approved by the Employer for reimbursement prior to such amendment or termination.

The City Manager or their designee shall have the authority to interpret and administer this Plan, except as may pertain to their own use of this Plan in which case the City Manager (in case of a designee thereof) or the Mayor (in case of the City Manager) shall have the authority to interpret and administer this Plan. In the event of ambiguity, inconsistency, or uncertainty in the application of any provision, the City Manager or their designee (or City Council in case of the City Manager) is authorized to make final determinations, which shall be binding and not subject to further review.

This Plan shall be construed and enforced according to the laws of the State of California, to the extent not preempted by federal law.

X. EFFECTIVE DATE

This Plan is effective as of February 18, 2026.

**CITY OF LAGUNA WOODS
RESOLUTION NO. 26-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 25-2731, AND ESTABLISHING AND MODIFYING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES, INCLUDING THE CITY MANAGER AND OTHER LOCAL AGENCY EXECUTIVES AS DEFINED IN CALIFORNIA GOVERNMENT CODE SECTION 3511.1

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Resolution No. 25-2731 is hereby repealed. The effective date of this resolution is September 20, 2025February 18, 2026.

SECTION 2. Compensation Schedule. The compensation schedule for City employees is established as set forth in Exhibit A, attached hereto and incorporated by this reference.

The City Manager is authorized to hire, promote, and compensate employees within established compensation ranges, to offer benefits, to fill any full-time position as a part-time or limited part-time position, and to hire employees for time-limited periods, consistent with City Council-adopted budgets and this resolution.

SECTION 3. Full-Time Employee Benefits. All employees who work 40 or more hours per week on a regularly assigned basis shall be considered “full-time employees” for the purpose of this resolution. Full-time employees shall receive the following benefits:

A. Paid Holidays: The City shall observe the following holidays with full-time employees receiving eight hours of compensation for each weekday on which a holiday is observed: Martin Luther King Jr. Day, Presidents’ Day, Cesar Chavez Day, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, Friday after Thanksgiving, and Winter Holiday (December 24 through January 1; when December 24 falls on a Tuesday, Winter Holiday shall be observed beginning on December 23; when January 1 falls on a Sunday or Thursday, Winter Holiday shall be observed through January 2). Except for Winter Holiday, which is observed on specified dates, when a holiday falls on a Saturday, it shall be observed the on prior Friday; when a holiday falls on a Sunday, it shall be observed on the following Monday.

Full-time employees with the designation “Building Employee” in Exhibit A shall be required to work on the days Martin Luther King, Jr. Day, Cesar Chavez Day, and Juneteenth National Independence Day are observed but shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30

calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued administrative leave time.

Except for the City Manager, full-time employees who are required by their supervisor to work on any City-observed holiday, with such requirement made in writing, shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30 calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued administrative leave time.

B. Floating Holidays: The City shall provide each full-time employee with two floating holidays per calendar year, equivalent to 16 hours of pay credited the first pay period of each calendar year. Floating holidays are not accrued on a pro-rata basis throughout the calendar year. Full-time employees must be in paid status on regularly scheduled workdays before and after using floating holiday time. Floating holiday time shall be used in increments of eight hours.

Full-time employees may maintain a balance of no more than 16 hours of unused floating holiday time (Floating Holiday Accrual Limit) and shall not accrue additional floating holiday time when the Floating Holiday Accrual Limit has been reached. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued floating holiday time.

C. Retirement: All City employees, including full-time employees, are required to participate in the Social Security system. In addition, the City shall contract with the California Public Employees' Retirement System (CalPERS) for retirement benefits for all eligible full-time employees, unless excluded in the City's agreement with CalPERS. Full-time employees considered "classic" by CalPERS shall pay the 7% employee contribution pursuant to the terms of Resolution No. 12-18. Full-time employees considered "new members" by CalPERS shall pay the employee contribution rate established by CalPERS, as may change from time to time. The CalPERS plans have the following additional Class 1 Benefit Provisions: One Year Final Compensation (FAC 1) (classic employees only) and Increased Industrial Disability Retirement (IDR) Allowance to 75% of Compensation (75% IDR) (all employees).

D. Retiree Medical: As required by, and in an amount established by California Government Code Section 22892, the City shall contribute toward CalPERS retiree health insurance for retiring full-time employees who meet the applicable statutory and CalPERS contract requirements to obtain CalPERS retiree medical benefits. Part-time service for employees who transition from part-time to full-time

employment with the City may be used to meet applicable statutory and CalPERS contract requirements, with each 174 hours counting as one month.

- E. Monthly Benefit Allowance: The City shall provide each full-time employee with a monthly benefit allowance of \$1,500.00 per month. A portion of the allowance shall be allocated to pay for health insurance, as provided in this resolution. The remaining balance of the monthly benefit allowance may be allocated by the employee to elect benefits available through the City's Internal Revenue Code Section 125 Flexible Benefits Plan, in accordance with applicable plan documents. Any amount of the monthly benefit allowance that remains after the allocations described above shall be forfeited. Full-time employees shall be required to make elections for the annual calendar year use of the entirety of monthly benefit allowances during an enrollment/election period established by the City Manager, as may change from time to time. Modifications of annual calendar year elections following any enrollment/election period shall be limited to qualifying events as set forth in applicable plan documents.
- F. Health Insurance: All employees shall be covered by basic health insurance that qualifies as Minimum Essential Coverage under California law. The City shall contract for health insurance through CalPERS; enrollment in a CalPERS health plan shall be mandatory for all full-time employees unless proof of coverage under a qualifying, alternate non-individual market basic health insurance plan is provided. The cost of enrollment in a CalPERS health plan shall be deducted first from each full-time employee's monthly benefit allowance and then from salary (if necessary).
- G. Flexible Benefits Plan: The City shall contract for the provision of an Internal Revenue Code Section 125 Flexible Benefits Plan; enrollment in the plan shall be voluntary for all full-time employees. Full-time employees may contribute to the plan by electing to allocate a portion of their monthly benefit allowance and/or through a salary reduction at their sole expense.
- H. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all full-time employees. Full-time employees may contribute to the plan through a pre-tax and/or Roth salary reduction at their sole expense.
- I. Paid Time Off: Full-time employees shall accrue 160 hours per calendar year of annual paid time off (leave), which may be used for doctors' appointments, personal and family sick time, bereavement leave, jury duty leave, vacation, and personal business. Hours earned are accrued on a pro-rata basis by pay period.

Full-time employees may maintain a balance of no more than 480 hours of paid time off (Leave Accrual Limit) and shall cease to accrue additional paid time off

when the Leave Accrual Limit has been reached. When a full-time employee's balance of paid time off falls below the Leave Accrual Limit, accrual shall resume beginning with the first pay period following the pay period in which the balance of paid time off fell below the Leave Accrual Limit. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued paid time off.

- J. Paid Bereavement Leave: Full-time employees shall be eligible for a total of up to 40 hours per 12-month period of paid bereavement leave in the event of any death in the immediate family or reproductive loss event. For the purpose of this provision, "immediate family" includes spouse, registered domestic partner, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, child, stepchild, grandparent, stepgrandparent, grandchild, and stepgrandchild of the full-time employee or the full-time employee's spouse or registered domestic partner. For the purpose of this provision, "reproductive loss event" shall have the meaning set forth in California Government Code 12945.6.
- K. Paid Court Leave: While California Government Code Section 1230 does not require the City to grant full-time employees paid leaves of absence to appear as a witness in court other than as a litigant, to serve on a jury, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the full-time employee, full-time employees shall be eligible for a total of up to 80 hours per 12-month period of paid court leave for those purposes when proof of such obligation is provided and proof of any amounts received for jury and/or witness fees is provided (if applicable). During paid court leave, full-time employees shall (i) be paid the amount of the difference between his/her/their regular earnings and any amounts received for jury and/or witness fees, and (ii) be responsive to the City's telephone and other communications when not precluded by the purposes for which paid court leave is granted.
- L. Educational Assistance: Eligible full-time employees may participate in the Educational Assistance Program set forth in Exhibit B, attached hereto and incorporated by this reference.

SECTION 4. Part-Time Employee Benefits. All employees who are not full-time employees, but who work 20 or more hours per week on a regularly assigned basis, shall be considered "part-time employees" for the purpose of this resolution. Part-time employees shall receive the following benefits:

- A. Paid and Unpaid Holidays: The City shall observe the following holidays with part-time employees receiving eight hours of compensation for each weekday on which a holiday is observed: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Cesar Chavez Day, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, and Friday after

Thanksgiving. The City shall also observe the following unpaid holidays: Winter Holiday (December 24 through January 1; when December 24 falls on a Tuesday, Winter Holiday shall be observed beginning on December 23; when January 1 falls on a Sunday or Thursday, Winter Holiday shall be observed through January 2). Except for Winter Holiday, which is observed on specified dates, when a holiday falls on a Saturday, it shall be observed on the prior Friday; when a holiday falls on a Sunday, it shall be observed on the following Monday.

Part-time employees with the designation “Building Employee” in Exhibit A shall be required to work on the days Martin Luther King, Jr. Day, Cesar Chavez Day, and Juneteenth National Independence Day are observed but shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30 calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued administrative leave time.

Except for the City Manager, part-time employees who are required by their supervisor to work on any City-observed holiday, with such requirement made in writing, shall (i) receive one hour of administrative leave for every hour worked, which shall be used within 30 calendar days of the date earned, if exempt, or (ii) receive 1.5 times pay for every such hour required to work, if non-exempt. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued administrative leave time.

- B. **Floating Holidays:** The City shall provide each part-time employee with two floating holidays per calendar year, equivalent to 16 hours of pay credited the first pay period of each calendar year. Floating holidays are not accrued on a pro-rata basis throughout the calendar year. Part-time employees must be in paid status on regularly scheduled workdays before and after using floating holiday time. Floating holiday time shall be used in increments of eight hours and only between December 24 and 31.

Part-time employees may maintain a balance of no more than 16 hours of unused floating holiday time (Floating Holiday Accrual Limit) and shall not accrue additional floating holiday time when the Floating Holiday Accrual Limit has been reached. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued floating holiday time. The use of floating holiday time need not correspond to a part-time employee’s hours regularly worked.

- C. **Retirement:** All City employees, including part-time employees, are required to participate in the Social Security system. Part-time employees who work 1,000 hours or more in a fiscal year, shall be eligible for membership in CalPERS for retirement benefits, unless excluded in the City’s agreement with CalPERS. Eligible

part-time employees considered “classic” by CalPERS shall pay the 7% employee contribution pursuant to the terms of Resolution No. 12-18. Eligible part-time employees considered “new members” by CalPERS shall pay the employee contribution rate established by CalPERS, as may change from time to time. The CalPERS plans have the following additional Class 1 Benefit Provisions: One Year Final Compensation (FAC 1) (classic employees only) and Increased Industrial Disability Retirement (IDR) Allowance to 75% of Compensation (75% IDR) (all employees).

- D. Retiree Medical: As required by, and in an amount established by California Government Code Section 22892, the City shall contribute toward CalPERS retiree health insurance for retiring full-time employees who meet the applicable statutory and CalPERS contract requirements to obtain CalPERS retiree medical benefits. Part-time service for employees who transition from part-time to full-time employment with the City may be used to meet applicable statutory and CalPERS contract requirements, with each 174 hours counting as one month.
- E. Monthly Benefit Allowance: The City shall provide part-time employees with a monthly benefit allowance of \$1,200.00 per month. A portion of the allowance shall be allocated to pay for health insurance, as provided in this resolution. The remaining balance of the monthly benefit allowance may be allocated by the employee to elect benefits available through the City’s Internal Revenue Code Section 125 Flexible Benefits Plan, in accordance with applicable plan documents. Any amount of the monthly benefit allowance that remains after the allocations described above shall be forfeited. Part-time employees shall be required to make elections for the annual calendar year use of the entirety of monthly benefit allowances during an enrollment/election period established by the City Manager, as may change from time to time. Modifications of annual calendar year elections following any enrollment/election period shall be limited to qualifying events as set forth in applicable plan documents.
- F. Health Insurance: All employees shall be covered by basic health insurance that qualifies as Minimum Essential Coverage under California law. The City shall contract for health insurance through CalPERS; enrollment in a CalPERS health plan shall be mandatory for all part-time employees unless proof of coverage under a qualifying, alternate non-individual market basic health insurance plan is provided. The cost of enrollment in a CalPERS health plan shall be deducted first from each part-time employee’s monthly benefit allowance and then from salary (if necessary).
- G. Flexible Benefits Plan: The City shall contract for the provision of an Internal Revenue Code Section 125 Flexible Benefits Plan; enrollment in the plan shall be voluntary for all part-time employees. Part-time employees may contribute to the plan through a salary reduction at their sole expense and/or by electing to allocate a

portion of their monthly benefit allowance, if provided.

- H. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all part-time employees. Part-time employees may contribute to the plan through a pre-tax and/or Roth salary reduction at their sole expense.
- I. Paid Time Off: Part-time employees shall accrue 160 hours per calendar year of annual paid time off (leave), which shall be pro-rated based on the number of hours regularly worked less than 40 hours per week. Paid time off may be used for doctors' appointments, personal and family sick time, bereavement leave, jury duty leave, vacation, and personal business. Paid time off may also be used up to the number of hours regularly worked during unpaid holidays that fall on weekdays (less any floating holiday time used). Hours earned are accrued on a pro-rata basis by pay period.

Part-time employees may maintain a balance of no more than 300 hours of paid time off (Leave Accrual Limit) and shall cease to accrue additional paid time off when the Leave Accrual Limit has been reached. When a part-time employee's balance of paid time off falls below the Leave Accrual Limit, accrual shall resume beginning with the first pay period following the pay period in which the balance of paid time off fell below the Leave Accrual Limit. Upon separation from the City, part-time employees shall be compensated for the balance of their accrued paid time off.

- J. Paid Bereavement Leave: Part-time employees shall be eligible for a total of up to 40 hours per 12-month period of paid bereavement leave in the event of any death in the immediate family or reproductive loss event. For the purpose of this provision, "immediate family" includes spouse, registered domestic partner, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, child, stepchild, grandparent, stepgrandparent, grandchild, and stepgrandchild of the part-time employee or the part-time employee's spouse or registered domestic partner. For the purpose of this provision, "reproductive loss event" shall have the meaning set forth in California Government Code 12945.6.
- K. Paid Court Leave: While California Government Code Section 1230 does not require the City to grant part-time employees paid leaves of absence to appear as a witness in court other than as a litigant, to serve on a jury, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the part-time employee, part-time employees shall be eligible for a total of up to 64 hours per 12-month period of paid court leave for those purposes when proof of such obligation is provided and proof of any amounts received for jury and/or witness fees is provided (if applicable). During paid court leave, part-time employees shall (i) be paid the amount of the difference between

his/her/their regular earnings and any amounts received for jury and/or witness fees, and (ii) be responsive to the City's telephone and other communications when not precluded by the purposes for which paid court leave is granted.

- L. Educational Assistance: Eligible part-time employees may participate in the Educational Assistance Program set forth in Exhibit B, attached hereto and incorporated by this reference.

SECTION 5. Limited Part-Time Employee Benefits. All employees who work less than 20 hours per week on a regularly assigned basis shall be considered "limited part-time employees" for the purpose of this resolution. Limited part-time employees shall receive the following benefits:

- A. Retirement: All City employees, including limited part-time employees, are required to participate in the Social Security system.
- B. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all limited part-time employees. Limited part-time employees may contribute to the plan through a pre-tax and/or Roth salary reduction at their sole expense.
- C. Paid Time Off: On the 90th calendar day of employment, and every January 1 thereafter, limited part-time employees shall accrue 40 hours of annual paid time off (leave), which may be used for personal illness, to care for a sick family member, for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if the limited part-time employee is a victim of domestic violence, sexual assault, or stalking. Paid time off must be used in a minimum increment of two hours per calendar day. There is no accrual or carryover of paid time off between or across calendar years. Upon termination from the City, limited part-time employees shall not be compensated for the balance of their paid time off. If a limited part-time employee separates from and is rehired by the City within one year, previously accrued and unused paid time off shall be reinstated.
- D. Educational Assistance: Eligible limited-time employees with the designation "Building Employee" in Exhibit A may participate in the Educational Assistance Program set forth in Exhibit B, attached hereto and incorporated by this reference.

SECTION 6. Employee Assistance Program. The City shall contract for an employee assistance program to provide voluntary, confidential assistance to employees in working through various life challenges that may adversely affect job performance, health, and personal well-being in order to optimize the City's success. All full-time, part-time, and limited part-time employees shall be enrolled in the employee assistance program with the cost of enrollment paid by the City.

SECTION 7. Technology Allowances. The City Manager is authorized to offer technology allowances of either (i) \$25.00 per employee per month to employees who are regularly required to use their personal cellular telephone as part of the City's multi-factor authentication and cyber security protocols, with the exception of the City Manager, or (ii) \$79.50 per employee per month to employees who are regularly required to use their personal cellular telephones, personal computers, and/or other personal technology to conduct City business, with the exception of the City Manager. Such technology allowances shall be added to employee compensation and shall be paid in the first pay period of each month, subject to any applicable wage withholding or similar taxes. Employees must be in paid status on regularly scheduled workdays during the first pay period of each month in order to receive payment.

SECTION 8. Notary Public Stipends. The City Manager is authorized to offer notary public stipends of \$100.00 per employee per month to employees who regularly provide notary public and foreign pension acknowledgement services in the course of City business, with the exception of the City Manager. Such notary public stipends shall be added to employee compensation and shall be paid in the first pay period of each month, subject to any applicable wage withholding or similar taxes. Employees must be in paid status on regularly scheduled workdays during the first pay period of each month, and in possession of an active and valid notary public commission from the State of California as of the payroll processing date for the first pay period of each month, in order to receive payment. The City Manager is also authorized to incur and pay, on behalf of the City, costs related to the education and commission of employees who regularly provide notary public services in the course of City business, with the exception of the City Manager.

SECTION 9. Acting Appointments. Employees temporarily assigned to a higher level job classification (based on the comparative starting compensations set forth in Exhibit A) for 14 consecutive calendar days or more shall receive acting status pay equivalent to the starting compensation for the job classification to which they are temporarily assigned, unless their increase in compensation would be less than 10% in which case they shall receive acting status pay equivalent to a 10% increase in compensation. Benefits shall remain unchanged during temporary assignments.

SECTION 10. Unpaid Leave. The City Manager may grant employees other than the City Manager leaves of absence without pay, upon written request of the employee setting forth the reason for the request. The City Manager shall evaluate requests on the basis of need, duration, and work requirements. No employee shall expect that requests will be granted. The City Manager shall respond to the employee's request in writing. The City Manager has discretion, in accordance with applicable law and regulation, to grant less than the full amount of leave requested. Any unpaid leave of absence lasting more than seven consecutive calendar days shall preclude the employee from accruing paid time off and floating holidays, and from receiving holiday pay, after the seventh consecutive calendar day until their return to paid status. Upon expiration of an approved unpaid leave of absence and at the City Manager's sole discretion, unless otherwise required by law or

regulation, the employee shall be reinstated in the position held at the time leave was granted, assuming the position still exists. An employee who fails to report to duty promptly at expiration of an approved unpaid leave of absence shall be subject to disciplinary action up to and including termination and/or subject to separation due to job abandonment.

SECTION 11. City Manager's Compensation and Benefits. The City Manager shall receive such other compensation and benefits as set forth in the employment agreement separately approved by the City Council on May 17, 2023 and as may be subsequently amended.

SECTION 12. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED this XX day of XX 2026.

ANNIE MCCARY, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 26-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2026, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

EXHIBIT A
COMPENSATION SCHEDULE

Exempt Full-Time Employees (Annual Equivalent)	
Administrative Services Director/City Treasurer■	\$134,030.00 139,391.20 – \$187,642.00 195,147.68
Assistant to the City Manager	\$103,090.00 106,988.57 – \$144,326.00 149,784.00
Building Official*	\$127,320.00 132,753.52 – \$178,248.00 185,854.93
City Clerk■	\$98,975.00 – \$138,565.00
City Manager	\$225,067.96 <i>(Existing)</i> \$229,569.32 <i>(Effective 12/13/25)</i>
Conservation Administrator	\$89,674.00 – \$125,543.60
Deputy City Clerk	\$76,375.00 – \$106,925.00
Management Analyst	\$80,300.00 – \$112,420.00
Planning & Environmental Services Director■	\$134,030.00 139,391.20 – \$187,642.00 195,147.68
Public Works Administrator	\$96,252.00 106,294.29 – \$134,752.80 148,812.00
Senior Management Analyst	\$94,450.00 – \$132,230.00
Senior Planner	\$89,918.40 97,727.14 – \$125,881.60 136,818.00
Non-Exempt Full-Time Employees (Hourly Rate)	
Accountant	\$35.45 37.29 – \$49.63 52.21
Accounting Clerk	\$25.27 25.88 – \$35.38 36.23
Building Inspector*	\$38.74 – \$54.24
Code Enforcement Officer	\$34.95 – \$48.92
Permit Technician*	\$29.54 – \$41.36
Senior Accountant	\$38.91 42.36 – \$54.47 59.31
Non-Exempt Part-Time/Limited Part-Time Employees (Hourly Rate)	
Receptionist	\$20.00 23.00 – \$28.00 31.00

* Designated as “Building Employee”

■ Designated as a “department head” for the purpose of California Government Code Section 3511.1(d)(2)

EXHIBIT B
EDUCATIONAL ASSISTANCE PROGRAM

This City of Laguna Woods Educational Assistance Program (Plan) is intended to be a qualified educational assistance program that provides nontaxable Educational Assistance to Eligible Employees of the City of Laguna Woods (Employer) under Internal Revenue Code (Code) Section 127.

I. ELIGIBILITY

- A. The Eligible Employees covered under this Plan include the following:
 - i. Employees currently employed by the Employer;
 - ii. Employees currently employed by the Employer who are on leave, as for example, in the Armed Forces of the United States; and
- B. This Plan includes the following additional conditions for eligibility:
 - i. Full-time employees are eligible to participate in this Plan beginning on the 183rd day of their employment with the Employer;
 - ii. Part-time employees are eligible to participate in this Plan beginning on the 183rd day of their employment with the Employer;
 - iii. Limited part-time employees with the designation “Building Employee” are eligible to participate in this Plan beginning on the 183rd day of their employment with the Employer; and
 - iv. Other limited part-time employees are not eligible to participate in this Plan.

II. EDUCATIONAL ASSISTANCE

- A. The benefits provided under this Plan consist solely of the types of Educational Assistance specified in Section II.C and are limited to up to \$5,250.00 per Eligible

Employee per calendar year, based on the Eligible Employee's length of employment as per the schedule specified in Section II.B below. If an Eligible Employee receives Educational Assistance under this Plan that exceeds \$5,250.00 in a calendar year, the excess amount may be subject to federal income tax and applicable federal employment taxes. Notwithstanding the benefits provided under this Plan, the Employer may directly pay for education and/or training for its employees outside of the Plan.

- i. "Educational Assistance" includes the payment by the Employer of expenses incurred by or on behalf of an Eligible Employee for Education of the Eligible Employee or the provision by the Employer of Education to an Eligible Employee. Expenses for Educational Assistance must be approved by the Employer per Section II.D and be job-related. Eligible Employees must provide all documentation under Section III.A in order to receive reimbursement after a course is completed. Eligible expenses for approved courses includes tuition, fees, and similar payments. "Educational Assistance" does not include (a) payment for, or the provision of, tools or supplies (other than required textbooks) that the Eligible Employee may retain after completing a course of instruction; (b) meals, lodging, or transportation; (c) any payment for, or the provision of any benefits with respect to, any course or other Education involving sports, games, or hobbies, unless such Education involves the business of the Employer or is required as part of a degree program; or (d) fees for late registration or for withdrawing from or dropping a course. The types of Educational Assistance covered by this Plan are specified in Section II.C.
- B. Eligible Employees will be eligible for Educational Assistance up to the following annual maximums, based on their length of continuous employment with the Employer:
 - i. 183 calendar days to less than 2 years of employment: Eligible for reimbursement of up to \$1,050.00 per calendar year (20% of the annual \$5,250.00 limit).
 - ii. 2 years but less than 6 years of employment: Eligible for reimbursement of up to \$2,625.00 per calendar year (50% of the annual \$5,250.00 limit).
 - iii. 6 years or more of employment: Eligible for reimbursement of up to \$5,250.00 per calendar year (100% of the annual limit).
- C. This Plan provides the following types of Educational Assistance:
 - i. For courses approved by the Employer pursuant to Section II.C below,

reimbursement for tuition, fees, and similar payments, to an Eligible Employee; and

- ii. The provision, by the Employer, of courses of instruction for an Eligible Employee.

D. Applying for Course Approval:

- i. To receive course approval, an employee must submit a written request in the format required by the Employer. If the Employer approves the course, the Employer will provide a written statement noting the course approval, the expenses that are reimbursable, and the maximum amount of reimbursement that will be provided for the course. Until an employee has received a written course approval, the employee should consider a course unapproved, regardless of any discussions that the employee may have had with any representative of the Employer regarding the course.
- ii. An employee may submit a course approval request before a course begins or while the course is ongoing. If an employee elects to sign up for a course before obtaining course approval, however, there is no assurance that the course will be approved for reimbursement. If the employee's decision to take a course is dependent on a particular amount of reimbursement being available under this Plan, the employee should make sure to obtain course approval before registering. To ensure that course approval is determined in time, course approval requests for advanced approval should be submitted at least 15 business days before the registration deadline for the course.
- iii. No course will be considered for approval if a course approval request is submitted after the course ends.
- iv. In addition to course approval, Eligible Employees must provide all of the information under Section III.A in order to receive reimbursement.

E. The annual limit specified in Section II.B applies to amounts paid and expenses incurred by the Eligible Employee during a calendar year. For courses that span multiple calendar years, the reimbursable expenses will be allocated proportionally between the years based on course length, credits, or other reasonable method determined by the Employer to determine when expenses are treated as incurred for purposes of applying each year's annual reimbursement limit. If an Eligible Employee seeks reimbursement for expenses incurred, the expenses must not have been incurred prior to employment. "Unused" amounts of the annual limit cannot be carried forward to subsequent years.

III. CLAIM REIMBURSEMENT

A. To obtain reimbursement for a course, which will be paid after the course is completed provided all requirements of the Plan are met, the following must be submitted to the Employer within 30 calendar days after course completion:

- i. a signed and fully completed benefits request in the form required by the Employer;
- ii. a copy of the course approval request already submitted and approved by the Employer;
- iii. for courses that are graded, documentation showing completion of the course with a grade equivalent of "C" or better (or a pass for a course that is graded on a pass/fail basis); and
- iv. documentation substantiating any course-related expenses for tuition, fees, or similar expenses required for the course that were incurred or paid by the employee and for which reimbursement is sought.

B. Courses that are dropped, withdrawn from, or completed with a grade equivalent to "C-" or less will not be eligible for reimbursement, and employees will be responsible for any associated penalties or fees.

C. ~~Employees who voluntarily leave employment with the Employer or are terminated for cause (as defined by the Employer's policies) within 12 months of receiving Educational Assistance under the Plan shall be required to repay the amount received within 60 calendar days of separation. Exceptions may be made for involuntary separations not for cause or separations due to extenuating circumstances, at the discretion of the Employer.~~

IV. EXCLUSIVE BENEFIT

This Plan provides Educational Assistance for the exclusive benefit of Eligible Employees. Spouses and dependents of an Eligible Employee may not participate in this Plan, unless the spouse or dependent is also an Eligible Employee.

V. SUBSTANTIATION

An Eligible Employee receiving payments under this Plan must provide substantiation to the Employer of expenses incurred.

VI. NON-DISCRIMINATION

- A. This Plan shall not discriminate in favor highly compensated employees (as defined in section 414(q) of the Code) of the Employer.
- B. This Plan shall not be considered discriminatory under Treasury Regulation § 1.127-2(e) merely because: (a) Different types of Educational Assistance available under the Plan are utilized to a greater degree by Eligible Employees with respect to whom discrimination is prohibited than by other Eligible Employees, or (b) Conditions are required or considered in determining the availability of benefits with respect to a course of study for which benefits are otherwise available, including, but not limited to, successful completion of the course or attaining a particular coursegrade.

VII. NOTICE

The Employer shall provide each Eligible Employee with reasonable notice of the availability and terms of this Plan. This Plan shall be made available for review by Eligible Employees on the Employer's Human Resources website. An Eligible Employee shall receive a paper copy of this Plan upon written request.

VIII. FUNDING

The Employer will pay Educational Assistance benefits from its general assets. Employees are not required or permitted to contribute to the Plan.

IX. MISCELLANEOUS

The Employer may amend or terminate this Plan at any time, provided that any amendment or termination shall not affect the right of Eligible Employees to claim Education Assistance for courses in which they enrolled and which were approved by the Employer for reimbursement prior to such amendment or termination.

The City Manager or their designee shall have the authority to interpret and administer this Plan, except as may pertain to their own use of this Plan in which case the City Manager (in case of a designee thereof) or the Mayor (in case of the City Manager) shall have the authority to interpret and administer this Plan. In the event of ambiguity, inconsistency, or uncertainty in the application of any provision, the City Manager or their designee (or City Council in case of the City Manager) is authorized to make final determinations, which shall be binding and not subject to further review.

This Plan shall be construed and enforced according to the laws of the State of California, to the extent not preempted by federal law.

X. EFFECTIVE DATE

This Plan is effective as of July 1, 2025February 18, 2026.