AGENDA

Orange City Council

August 25, 2026

6:00 PM Regular Session

City Council Chamber
300 E. Chapman Avenue
Orange, CA 92866

Jarad L. Hildenbrand
City Manager

Nathalie Adourian
City Attorney

Pamela Coleman
City Clerk

DAN SLATER
Mayor

DENIS BILODEAU
Mayor pro tem, District 4

ARIANNA BARRIOS
Councilmember, District 1

JON DUMITRU
Councilmember, District 2

KATHY TAVOULARIS
Councilmember, District 3

ANA GUTIERREZ
Councilmember, District 5

JOHN GYLLENHAMMER
Councilmember, District 6

The City of Orange City Council welcomes you to this meeting and encourages your participation. Regular City Council meetings are held on the second and fourth Tuesday of each month at 6:00 p.m.

Agenda Information

The agenda contains a brief general description of each item to be considered. The City Council may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or on the agenda. The agenda and supporting documentation is available after 5:00 p.m. on the Thursday prior to the Council meeting on the City's website at www.cityoforange.org, at the City Clerk's Office located at 300 E. Chapman Avenue, and at the Main Public Library located at 407 E. Chapman Avenue. Written materials relating to an item on the agenda that are provided to the City Council after agenda packet distribution and within 72 hours before Council is to consider the item will be made available for public inspection on the City's website; in the City Clerk's Office during normal business hours; and at the City Council meeting.

Public Participation

Regular meetings are televised live on Spectrum Cable Channel 3 and AT&T U-verse Channel 99, streamed live on the City's website at www.cityoforange.org, and remotely via Zoom.

To join Zoom meeting online using a personal computer or smart device:
https://www.zoomgov.com/j/1656814425?pwd=kkolXX5D4diWS9q7Dhi0jJTDlnbdS9.1

Meeting ID: 165 681 4425
Passcode: 356107

To join Zoom meeting from any phone, dial (669) 216-1590

Meeting ID: 165 681 4425
Passcode: 356107

(Continued on page 2)

Public Participation (continued)

Pursuant to Government Code Section 54954.3, members of the public may address the City Council on any agenda item before or during Council's consideration of the item, and on any other matters within the City Council's jurisdiction by using any of the following methods:

1) In-Person

To speak on an item on the agenda, complete a speaker card indicating your name, address, and identify the agenda item number or subject matter you wish to address. The card should be given to the City Clerk prior to the start of the meeting. General comments are received during the "Public Comments" section at the beginning of the Regular Session. No action may be taken on off-agenda items unless authorized by law. Public Comments are limited to three (3) minutes per speaker unless a different time limit is announced. It is requested that you identify yourself for the record, then proceed to address the City Council. All speakers shall observe civility, decorum, and good behavior.

2) Written Public Comments via eComment

Members of the public can submit their written comments electronically for City Council consideration by using the eComment feature on the Agenda page of the City's website at www.cityoforange.org. To ensure distribution to the City Council prior to consideration of the agenda, members of the public are encouraged to submit written comments by 3:00 p.m. the day of the meeting. All written comments will be posted on the City's website after the meeting.

3) Remote Public Comments

Members of the public may provide live public comments via Zoom during City Council meetings. To join the meeting, follow the instructions above. Instruction on how to participate will be provided during the meeting.

Please provide your name in the Zoom application to allow the City Clerk to identify you when it is your time to speak. Installing and familiarizing yourself with Zoom software prior to the commencement of the meeting is highly recommended.

If participating by telephone, the City Clerk will identify you by the last 4 digits of your phone number when it is your time to speak.

Please note, the City is not responsible for the public's use of Zoom as it relates to the software, configuration, and settings on a personal device. The public is encouraged to visit the Zoom website for information on successful use of this software. The City's use of Zoom is consistent with the platform features and functions as described on the Zoom website.

In accordance with Ordinance No. 10-01, any person making personal, impertinent, slanderous or profane remarks or who becomes boisterous while addressing the Council shall be called to order by the Mayor. If such conduct continues, the Mayor may order the person barred from addressing the City Council further during that meeting, unless permission to continue is granted by a majority vote of the Council.

Please contact the City Clerk's Office at (714) 744-5500 with any questions.

ADA Requirements: In compliance with the Americans with Disabilities Act, if you need accommodations to participate in this meeting, please contact the City Clerk's office at (714) 744-5500. Notification at least 48 hours in advance of meeting will enable the City to make arrangements to assure accessibility to this meeting.

REMINDER: Please silence all electronic devices while City Council is in session.

6:00 PM REGULAR SESSION

1. OPENING/CALL TO ORDER

1.1 INVOCATION

Pastor Rob Curington, Orange Villa Bible Church

1.2 PLEDGE OF ALLEGIANCE

Councilmember John Gyllenhammer

1.3 ROLL CALL

1.4 PRESENTATIONS/ANNOUNCEMENTS

Proclamation recognizing September 2026 as Hunger Action Month

Attachments: Staff Report
Proclamation Hunger Action Month

2. PUBLIC COMMENTS

At this time, members of the public may address the Council on matters not listed on the agenda within the subject matter jurisdiction of the City Council, provided that NO action may be taken on off-agenda items unless authorized by law. Public Comments are limited to three (3) minutes per speaker unless a different time limit is announced.

3. CONSENT CALENDAR

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any member of the City Council, staff, or the public may request an item be removed from the Consent Calendar for discussion or separate action. Unless otherwise specified in the request to remove an item from the Consent Calendar, all items removed shall be considered immediately following action on the remaining items on the Consent Calendar.

3.1. Waive reading in full of all ordinances on the Agenda.

Recommended Action:

Approve.

Attachments: Staff Report

3.2. Approval of minutes of the City of Orange City Council Regular Meetings held on July 28 and August 11, 2026

Recommended Action:

Approve minutes as presented.

Attachments: Staff Report
July 28, 2026, Regular Meeting minutes
August 11, 2026, Regular Meeting minutes

3.3. Agreement and appropriation of $87,182 in grant funding received for Fiscal Year 2025 Operation Stonegarden Grant Program

Recommended Action:

1. Approve the agreement for Fiscal Year 2025 Operation Stonegarden in the amount of $87,182; and authorize the Chief of Police to execute on behalf of the City.
2. Adopt Resolution No. 11715. A Resolution of the City Council of the City of Orange accepting funds in the amount of $87,182 from the Riverside County Sheriff's Department for Fiscal Year 2025 Operation Stonegarden Grant Program and authorizing the Chief of Police to execute the grant program agreement and related documents.
3. Accept into the City's Federal Grants Fund (399) revenue budget $87,182 in grant funds from the Riverside County Sheriff's Department to:
   399-4133-43299-274003 Federal Grants - OPSG
4. Authorize the appropriation of $87,182 into Federal Grants Fund (399):
   399-4133-51003-274003 Overtime - Safety

Attachments: Staff Report
Attachment 1 - Agreement for Fiscal Year 2025 OPSG
Attachment 2 - Resolution No. 11715

3.4. Agreement and appropriation of $97,983 in grant funding received from the State of California, Department of Alcoholic Beverage Control for the Alcohol Policing Partnership Grant for Fiscal Year 2026-2027

Recommended Action:

1. Approve the agreement with the State of California, Department of Alcoholic Beverage Control in the amount of $97,983 for the Alcohol Policing Partnership Grant; and authorize the City Manager to execute on behalf of the City.
2. Adopt Resolution No. 11716. A Resolution of the City Council of the City of Orange accepting funds in the amount of $97,983 from the State of California, Department of Alcoholic Beverage Control for the Alcohol Policing Partnership Grant, and authorize the City Manager to execute the grant program agreement and related documents.
3. Accept into the City's revenue budget $97,983 in grant funds from the State of California, Department of Alcoholic Beverage Control into the State Grants Fund (499) as follows:
   499-4133-43299-274001-43 Alcoholic Beverage Control Grant FY27
4. Authorize the appropriation of $97,983 into the State Grants Fund (499) ABC Grant FY27 as follows:

499-4133-51003-274001-10	Overtime Safety	$93,333
499-4133-57101-274001-20	Local Training	$ 650
499-4133-53199-274001-20	Miscellaneous Operating Supplies	$ 1,500

499-4133-80101-274001-20	Furniture, Fixture, Equipment	$ 2,500

Attachments: Staff Report
ABC Agreement No. 26-APP25
Resolution No. 11716

3.5. Agreements with the California Department of Health Care Services and CalOptima for a one-time Intergovernmental Transfer for Fiscal Year 2026-2027

Recommended Action:

1. Approve the agreements with California Department of Health Care Services and CalOptima authorizing the City's participation in a one-time Intergovernmental Transfer for the Twelve-month period ending December 21, 2025; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize an advance not to exceed $826,000, covering the City's estimated non-federal share of $655,139, the required 20% assessment fee, and a 5% contingency for possible reconciliation adjustments, for a one-time Intergovernmental Transfer from the EMT Fund (225) to the California Department of Health Care Services.

Attachments: Staff Report
Attachment 1 California Welfare and Institutions Code 14301.4 (Medi-Cal Intergovernmental Transfers)
Attachment 2 Intergovernmental Agreement with California Department of Health Care Services
Attachment 3 Health Plan-Provider Agreement with CalOptima
Attachment 4 Agreement No. 7848, Health Plan-Provider Agreement with Kaiser Foundation Health Plan, Inc. approved on June 24, 2025

3.6. Agreement with the State of California Office of Traffic Safety for the Selective Traffic Enforcement Program for Federal Fiscal Year 2026-2027

Recommended Action:

1. Approve grant Agreement No. PT27117 with the State of California Office of Traffic Safety in the amount of $306,450 for the Selective Traffic Enforcement Program grant; and authorize the City Manager and City Clerk to execute on behalf of the City.
2. Accept into the City's revenue budget a $306,450 grant from the State of California Office of Traffic Safety into revenue account number 399-4141-45290-274030, Federal Grants - OTS 26-27.
3. Authorize the appropriation of $306,450 into the following Traffic program expenditure accounts:

399-4141-51003-274030	Overtime - Safety	$267,391
399-4141-51004-274030	Overtime - Miscellaneous	$ 25,136
399-4141-57101-274030	Training/Conference/Meeting	$ 4,942
399-4141-80101-274030	Furniture, Fixture, Equipment	$ 8,981

Attachments: Staff Report
OTS STEP Grant Agreement No. PT27117

3.7. Agreement with Intratek Computer, Inc. for desktop support services

Recommended Action:

Approve the agreement with Intratek Computer, Inc. in the amount of $818,732.98 ($756,652 for three years and $62,080.98 for three months) for desktop support services; and authorize the Mayor and City Clerk to execute on behalf of the City.

Attachments: Staff Report
Agreement with Intratek Computer, Inc.

3.8. First Amendment to Agreement with Siemens Industry, Inc. for maintenance of surveillance cameras, hardware infrastructure, and licensing supporting the City's existing Genetec Security platform

Recommended Action:

Approve the first amendment to agreement with Siemens Industry, Inc. in the amount of $122,061.00 for maintenance of surveillance cameras, hardware infrastructure, and the Genetec security platform license; and authorize the Mayor and City Clerk to execute on behalf of the City.

Attachments: Staff Report
First Amendment with Siemens Industry, Inc.

3.9. Acceptance and appropriation of $600,000 in Comprehensive Transportation Funding Programs - Project X Tier 1 2026 Environmental Cleanup Program Fund and appropriation of $183,000 in matching funds for White Oak Ridge & Palmyra Ave Water Quality Storm Drain Project

Recommended Action:

1. Accept into the City's revenue budget $600,000 in grant funds from the Orange County Transportation Authority Tier 1 Environmental Cleanup Program to Reimbursable Capital Projects (550):
   550-5101-43499-275134-43 White Oak Ridge & Palmyra Ave WQ Storm Drain Project
2. Authorize the appropriation of $600,000 to Reimbursable Capital Projects (550):
   550-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project
3. Authorize the appropriation of $183,000 from the Sewer (601) unreserved fund balance to:
   601-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project
4. Approve the addition of the White Oak Ridge & Palmyra Ave Water Quality Storm Drain Project to the Measure M2 Seven-Year Capital Improvement Program for Fiscal Year 2026-2027 through 2032-2033.

Attachments: Staff Report
Letter Agreement

3.10. Award of Contract to Ultimate Maintenance Services, Inc. for Custodial Services for City Facilities

Recommended Action:

1. Approve the contract with Ultimate Maintenance Services, Inc. in the amount of $1,681,774.68, representing an original proposal amount of $1,462,412.76, plus a 15% contingency of $219,361.91, for Custodial Services for City Facilities; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize the appropriation of $204,353.95 from the General Fund (100) and $19,482.61 from Water (600) unreserved fund balances to:

100-5601-56104-	Janitorial Services	$139,121.24
100-5002-56104-	Janitorial Services	$ 65,232.71
600-5601-56404-	Janitorial Services	$ 19,482.61

Attachments: Staff Report
Attachment 1 Contract with Ultimate Maintenance Services, Inc.
Attachment 2 Proposals Abstract Summary
Attachment 3 Compensation Schedule for Ultimate Maintenance Services

3.11. First Amendment to Contract with All Cities Engineering, Inc. and Notice of Completion and Acceptance for the Annual Pipeline Renewal Project

Recommended Action:

1. Approve the First Amendment with All Cities Engineering, Inc. in the amount of $363,293; and authorize the Mayor and the City Clerk to execute on behalf of the City.
2. Authorize the appropriation of $363,294 from the Water Fund (600) unreserved fund balance to:
   600-5803-85103-255085-20 Pipeline Renewal Project
3. Accept Annual Pipeline Renewal Project as complete.
4. Authorize City Clerk to file Notice of Completion with the Orange County Clerk-Recorder's Office.

Attachments: Staff Report
First Amendment to Contract with All Cities Engineering
Notice of Completion and Acceptance

3.12. First Amendment to Contract with CJ Concrete Construction, Inc. for Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026

Recommended Action:

1. Approve the amendment to the contract with CJ Concrete Construction, Inc. in the amount of $105,100 for Annual Concrete Replacement at Various Locations Fiscal

Year 2025-2026; and authorize the Mayor and the City Clerk to execute on behalf of the City.

2. Authorize the continuing appropriation of $161,604.93 from the Fiscal Year 2026 CIP budget account into the Fiscal Year 2027 budget:
   500-5101-87102-255702- Pavement Management Program

Attachments: Staff Report
First Amendment to Contract

3.13. Response to the 2025-2026 Orange County Grand Jury Report, "PFAS and Public Awareness: A Closer Look at Orange County Drinking Water"

Recommended Action:

Approve the City of Orange response to the 2025-2026 Orange County Grand Jury Report, "PFAS and Public Awareness: A Closer Look at Orange County Drinking Water," and authorize the Mayor to execute the response on behalf of the City Council.

Attachments: Staff Report
Proposed City of Orange Response to the 2025-2026 Orange County Grand Jury Report, "PFAS and Public Awareness: A Closer Look at Orange County Drinking Water
2025-2026 Orange County Grand Jury Report, "PFAS and Public Awareness: A Closer Look at Orange County Drinking Water"

3.14. Adoption of amendments to the City's Conflict of Interest Code following the 2026 biennial review

Recommended Action:

Adopt Resolution No. 11714. A Resolution of the City Council of the City of Orange adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

Attachments: Staff Report
Resolution No. 11714 with Exhibit A
Legislative version of Exhibit A
Notice of Intention to amend the City's Conflict of Interest Code

3.15. Winter Holiday Closure for 2026, 2027, and 2028

Recommended Action:

Adopt Resolution No. 11717. A Resolution of the City Council of the City of Orange regarding the 2026, 2027, and 2028 Winter Holiday Closure.

Attachments: Staff Report
Resolution No. 11717

END OF CONSENT CALENDAR

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4. REPORTS FROM MAYOR SLATER

An opportunity for the Mayor to make a brief announcement, report, or request. Pursuant to Government Code Section 54954.2(a)(3), no action(s) or discussion(s) shall be undertaken on any item not appearing on the posted agenda.

5. REPORTS FROM COUNCILMEMBERS

An opportunity for Councilmembers to make a brief announcement, report, or request. Pursuant to Government Code Section 54954.2(a)(3), no action(s) or discussion(s) shall be undertaken on any item not appearing on the posted agenda.

6. AB 1234 REPORTS

This is the time for all AB 1234 reports required pursuant to Government Code Section 53232.3(d) on meetings and conferences attended at the City's expense.

7. REPORTS FROM BOARDS, COMMITTEES, AND COMMISSIONS

7.1. Appointment to the Community Development Block Grant Program Committee

Recommended Action:

Confirm Mayor Slater's recommendation to appoint James Kushon to the CDBG Program Committee to fill an unexpired term ending on June 30, 2027.

Attachments: Staff Report

8. REPORTS FROM CITY MANAGER

9. ADMINISTRATIVE REPORTS

9.1. Agreements related to the restoration and future conveyance to the City of the approximately 67.7-acre former Sully-Miller property at 6145 E. Santiago Canyon Road for permanent public open space, and finding of California Environmental Quality Act exemption

Recommended Action:

1. Approve the Real Property Transfer Agreement between the City of Orange and Landify ECT Construction Corporation for the future conveyance of the approximately 67.7-acre former Sully-Miller property to the City, subject to the terms and conditions contained therein.
2. Approve the Multiparty Indemnification and Release Agreement among the City of Orange, Landify ECT Construction Corporation, and Milan REI X, LLC concerning environmental liabilities associated with the property.
3. Authorize the Mayor to execute the agreements on behalf of the City.
4. Authorize the City Manager to execute related documents once finalized and made available, including agreement exhibits, and authorize the City Manager take actions necessary to incorporate those exhibits as a part of the agreements and

implement said agreements, including executing non-substantive modifications, amendments, or extensions consistent with the purpose and intent of the agreements and approved as to form by the City Attorney, provided that such modifications, amendments, or extensions do not materially increase the City's financial obligations or environmental liability or materially alter the conditions to the City's acquisition of the property.

5. Find that approval of the agreements is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15060(c), and is further exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the approvals will not have a significant effect on the environment; and direct staff to file a Notice of Exemption.

Attachments: Staff Report
Attachment 1 Real Property Transfer Agreement
Attachment 2 Multiparty Indemnification and Release Agreement
Attachment 3 Property Location Map
Attachment 4 Orange Park Acres Specifc Plan
Attachment 5 Historic Santiago Creek Greenbelt Map

9.2. County of Orange Unincorporated Island Annexation Study and Policy Direction (Continued from August 11, 2026)

Recommended Action:

1. Receive and file the presentation regarding the potential annexation of the remaining County islands within the City of Orange's Sphere of Influence.
2. Provide policy direction regarding whether staff should pursue annexation of all, some, or none of the remaining County islands, and identify any additional analysis desired before initiating formal proceedings.

Attachments: Staff Report
County Island Profiles (OC LAFCO)
1980 Property Tax Agreement

9.3. Result of the Independent Accountants' Report on the Agreed Upon Procedures for Payroll

Recommended Action:

Receive and file the results of the Agreed Upon Procedures for Payroll.

Attachments: Staff Report
City of Orange Payroll AUP

10. ADJOURNMENT

The next Regular City Council meeting will be held on Tuesday, September 8, 2026, at 6:00 p.m., in the Council Chamber, with Closed Session beginning at 5:00 p.m., if necessary.

I, Pamela Coleman, CMC, City Clerk for the City of Orange, do hereby declare, under penalty of perjury, that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at the following locations: Orange Civic Center kiosk and Orange City Clerk's Office at 300 E. Chapman Avenue, Orange Main Public Library at 407 E. Chapman Avenue, Police facility at 1107 N. Batavia Street, and uploaded to the City's website www.cityoforange.org.

Date posted: August 20, 2026

Agenda Item

Orange City Council

Item #: 8/25/2026 **File #:** 26-0489

1. SUBJECT

Proclamation recognizing September 2026 as Hunger Action Month

2. SUMMARY

The month of September has been designated as “Hunger Action Month” in order to bring attention to food insecurity in our communities and to enlist the public in the movement to end hunger by taking action - including volunteering, donating, and advocating - to ensure every community, and everybody in it, has the food they need to thrive.

3. ATTACHMENTS

- Draft Proclamation

Agenda Item

Orange City Council

Item #:	8/25/2026	**File #:** 26-0489

1. SUBJECT

Proclamation recognizing September 2026 as Hunger Action Month

2. SUMMARY

The month of September has been designated as “Hunger Action Month” in order to bring attention to food insecurity in our communities and to enlist the public in the movement to end hunger by taking action - including volunteering, donating, and advocating - to ensure every community, and everybody in it, has the food they need to thrive.

3. ATTACHMENTS

- Draft Proclamation

Proclamation

Recognizing

September 2026 as Hunger Action Month

WHEREAS, hunger and poverty are issues of vital concern in California, where 22% of California households and 27% of households with children experience food insecurity and do not know where their next meal will come from; and

WHEREAS, everyone needs nutritious food to thrive, and people are working hard to provide for themselves and their families—yet over 387,000 individuals, including over 112,000 children – that's 1 in 6 children, here in Orange County are food insecure; and

WHEREAS, the City of Orange is committed to taking steps to combat hunger in every part of our community and to provide additional resources that those in our community need; and

WHEREAS, the City of Orange is committed to working with the Orange County Hunger Alliance in educating people about the role and importance of food banks and food care in addressing hunger and raising awareness of the need to devote more resources and attention to hunger issues; and

WHEREAS, in 2025, Orange County Food Bank and Second Harvest Food Bank collectively recorded an average of 808,473 individual food distribution visits per month from our community members facing food insecurity and distributed 72,837,548 pounds of food through their partner networks of food pantries at senior centers, schools, colleges, universities, houses of worship, soup kitchens, shelters, and other community organizations; and

WHEREAS, Abound Food Care helps to facilitate the recovery of more than 25 million pounds of excess edible food in Orange County each year, reducing food waste and diverting that food to those who need it; and

WHEREAS, the month of September has been designated as "Hunger Action Month" in order to bring attention to food insecurity in our communities and to enlist the public in the movement to end hunger by taking action – including volunteering, donating, and advocating – to ensure every community, and everybody in it, has the food they need to thrive; and

WHEREAS, food banks and other organizations across the country, including the members of the Orange County Hunger Alliance, will host events throughout the month of September to bring awareness and help end food insecurity in our local community.

NOW, THEREFORE, I, Daniel R. Slater, Mayor of the City of Orange do hereby recognize September 2026 as **HUNGER ACTION MONTH** in the City of Orange, and I call this observance to the attention of our residents.

DATED this 25th day of August, 2026.

_____
Daniel R. Slater, Mayor

_____ Arianna Barrios, Councilmember	_____ Jon Dumitru, Councilmember
_____ Kathy Tavoularis, Councilmember	_____ Denis Bilodeau, Mayor pro tem
_____ Ana Gutierrez, Councilmember	_____ John Gyllenhammer, Councilmember

Draft

Agenda Item

Orange City Council

Item #: 3.1. 8/25/2026 **File #:** 26-0330

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Pamela Coleman, City Clerk/City Clerk Services Director**

1. SUBJECT

Waive reading in full of all ordinances on the Agenda.

2. SUMMARY

This item asks the City Council to waive the reading in full of all ordinances on the agenda (if any) and approve their reading by title only.

State law requires that all ordinances be read in full either at the time of the introduction or at the time of passage, unless a motion waiving further reading is adopted by a majority of the City Council (Gov. Code § 36934).

3. RECOMMENDED ACTION

Approve.

4. ATTACHMENTS

- None

Agenda Item

Orange City Council

Item #: 3.1. 8/25/2026 **File #:** 26-0330

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Pamela Coleman, City Clerk/City Clerk Services Director**

1. SUBJECT

Waive reading in full of all ordinances on the Agenda.

2. SUMMARY

This item asks the City Council to waive the reading in full of all ordinances on the agenda (if any) and approve their reading by title only.

State law requires that all ordinances be read in full either at the time of the introduction or at the time of passage, unless a motion waiving further reading is adopted by a majority of the City Council (Gov. Code § 36934).

3. RECOMMENDED ACTION

Approve.

4. ATTACHMENTS

- None

Agenda Item

Orange City Council

Item #: 3.2. 8/25/2026 **File #:** 26-0328

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Pamela Coleman, City Clerk/City Clerk Services Director**

1. SUBJECT

Approval of minutes of the City of Orange City Council Regular Meetings held on July 28 and August 11, 2026

2. SUMMARY

Submitted for your consideration and approval are the minutes of the above meetings.

3. RECOMMENDED ACTION

Approve minutes as presented.

4. ATTACHMENTS

- July 28, 2026, Regular Meeting minutes
- August 11, 2026, Regular Meeting minutes

Agenda Item

Orange City Council

Item #: 3.2. 8/25/2026 **File #:** 26-0328

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Pamela Coleman, City Clerk/City Clerk Services Director**

1. SUBJECT

Approval of minutes of the City of Orange City Council Regular Meetings held on July 28 and August 11, 2026

2. SUMMARY

Submitted for your consideration and approval are the minutes of the above meetings.

3. RECOMMENDED ACTION

Approve minutes as presented.

4. ATTACHMENTS

- July 28, 2026, Regular Meeting minutes
- August 11, 2026, Regular Meeting minutes

MINUTES - DRAFT

City of Orange

Orange City Council

July 28, 2026

The City Council of the City of Orange, California convened on Tuesday, July 28, 2026, at 5:00 p.m. in a Regular Meeting in the Council Chamber, 300 E. Chapman Avenue, Orange, California.

5:00 PM CLOSED SESSION

1. CALL TO ORDER

Mayor Slater called Closed Session to order at 5:05 p.m.

1.1 ROLL CALL

Present: Bilodeau, Barrios, Tavoularis, Gyllenhammer, and Slater
Absent: Dumitru, and Gutierrez

2. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

None

3. RECESS TO CLOSED SESSION

The City Council recessed to Closed Session at 5:06 p.m. with all Members present, except Councilmembers Dumitru and Gutierrez who were absent, to discuss the following:

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957
Title: City Manager

b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property Location: N. Batavia St., Orange CA 92865 (APN: 374-621-03)
Agency Negotiator: Christopher Cash, Public Works Director
Negotiating Parties: V & E Tree Service, Inc.
Under Negotiation: Price and terms of payment

4. CLOSED SESSION REPORT

None

5. ADJOURNMENT

Closed Session was adjourned at 6:01 p.m.

DRAFT

6:00 PM REGULAR SESSION

1. OPENING/CALL TO ORDER

Mayor Slater called the meeting to order at 6:06 p.m.

1.1 INVOCATION

Given by Pastor Danny Kurimay from Bridge Community Church.

1.2 PLEDGE OF ALLEGIANCE

Led by Mayor pro tem Denis Bilodeau.

1.3 ROLL CALL

Present: Bilodeau, Barrios, Tavoularis, Gyllenhammer, and Slater
Absent: Dumitru, and Gutierrez

1.4 ANNOUNCEMENTS

Mayor Slater announced that Item 8.1, Renaming of the Orange Public Library & History Center, was removed from the agenda and would not be considered. The item may be brought back for consideration at a future meeting if requested by the City Council.

1.5 REPORT ON CLOSED SESSION ACTIONS

None

2. PUBLIC COMMENTS

Public Speakers:
The following spoke in support of efforts to prevent the closure of the Holiday Skate Center: Fred Francis, Daniel Francis, Christina Martinez, Samantha diGirolamo, Valerie Susselman, Jane Susselman, Maggie Susselman, and Kevin Rays.

Rachel Rolnicki expressed concerns regarding the proposed 24/7 warehouse project on Glassell.

Daniel Fallon, Mila Tolbert & group spoke about the MCAS Tustin Young Marines program.

Mary Oberschlake spoke in opposition to the proposed renaming of the Main Library and expressed concerns regarding Flock camera contracts in Orange County.

Diana Zdenck spoke in opposition to the proposed renaming of the Main Library.

Betty Talbert spoke in opposition to the proposed renaming of the Main Library.

Doug Hamilton spoke regarding the Village Meats to Heim Specific Plan and expressed concerns that the plan had not yet been released to the public.

DRAFT

James Kushon spoke in opposition to the proposed renaming of the Main Library and announced the formation of the Orange Parks and Events Foundation.

Written Public Comments

Aileen Vogelvang submitted a letter in support of efforts to prevent the closure of the Holiday Skate Center.

Benjamin Gladstone submitted an email regarding a proposed ticketed outdoor concert at Plaza Park.

Adrienne Gladson submitted an eComment regarding the lack of decorum at the previous City Council meeting.

3. CONSENT CALENDAR

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any member of the City Council, staff, or the public may request an item be removed from the Consent Calendar for discussion or separate action. Unless otherwise specified in the request to remove an item from the Consent Calendar, all items removed shall be considered immediately following action on the remaining items on the Consent Calendar.

3.1. Waive reading in full of all ordinances on the Agenda

ACTION: Approved.

3.2. Approval of minutes of the City of Orange City Council Regular Meeting held on July 14, 2026

ACTION: Approved minutes as presented.

3.3. Agreement with Sagecrest Planning and Environmental for environmental review services

ACTION: Approved the agreement with Sagecrest Planning and Environmental in the amount of $150,000 for environmental review services; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.4. Agreement with Raftelis Financial Consultants, Inc. for preparing the Water and Sewer Rate Study

ACTION: Approved the agreement with Raftelis Financial Consultants, Inc. in the amount of $89,718 for the Water and Sewer Rate Study; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.5. Agreement with the State of California, Department of California Highway Patrol for the Cannabis Tax Fund Program for Fiscal Year 2026-2027

ACTION: 1) Approved the agreement with the State of California, Department of California Highway Patrol in the amount of $330,997.68 for the Cannabis Tax Fund Grant Program; and authorized the City Manager and City Clerk to execute on behalf of the City.

2) Adopted Resolution No. 11712. A Resolution of the City Council of the City of Orange accepting funds in the amount of $330,997.68 from the State of California Highway Patrol for the Cannabis Tax Fund Grant Program, and authorizing the City Manager to execute the grant program Agreement and related documents.

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3) Accepted into the City's General Fund (100) revenue budget $330,997.68 in grant funds from the State of California, Department of California Highway Patrol to:
100-4141-43299-274028-43- State-Other CTFGP FY 26-27
4) Authorized the appropriation of $330,997.68 to General Fund (100):

100-4141-51001-274028-10-	Regular Salaries Safety-CTFGP	$40,000
100-4141-51003-274028-10-	Overtime Safety-CTFGP	$288,650.18
100-4011-57101-274028-20-	Local Training-CTFGP	$2,347.50

3.6. Second Amendment to Agreement with Crosstown Electrical & Data, Inc. for On-Call Maintenance and Repair Services for Advance Traffic Management System and Communication System

Entered into the record: A memo correcting the funding source referenced in the staff report. The $100,000 will be funded through account 790-5702-55999.

ACTION: Approved the Second Amendment to Agreement with Crosstown Electrical & Data, Inc. (Agreement No. 7616) for On-Call Maintenance and Repair Services for Advance Traffic Management System and Communication System; and authorized the Mayor and the City Clerk to execute on behalf of the City.

3.7. Second Amendment to Memorandum of Understanding with Milan REI X, LLC.

Speaker cards were submitted for Item 3.7; therefore, the item was removed from the Consent Calendar for separate consideration.

Public Speakers:
Dru Whitefeather spoke in opposition.
Laurel Maldonado spoke in opposition.
Sherry Hart Panttaya, Orange Park Association, spoke in support.

ACTION: A motion was made by Mayor pro tem Bilodeau, seconded by Councilmember Gyllenhammer, to approve the second amendment to the Memorandum of Understanding with Milan REI X, LLC; and authorize the Mayor and City Clerk to execute on behalf of the City. The motion carried by the following vote:
Ayes: Bilodeau, Tavoularis, Gyllenhammer, and Slater
Noes: Barrios
Absent: Dumitru, and Gutierrez

3.8. Award of Contract to Golden Coast Construction for Community Development Block Grant Fiscal Year 2025-2026 Americans with Disabilities Act Wheelchair Access Ramp Replacement

ACTION: 1) Approved the contract with Golden Coast Construction in the total amount of $71,286, representing an original bid amount of $61,988, plus 15% contingency of $9,298, for the construction of ten ADA Wheelchair Access Ramps; and authorized the Mayor and City Clerk to execute on behalf of the City.
2) Authorized the continuing appropriation of $97,723 from the Community Development Block Grant (310) Fiscal Year 2026 budget:
310-6411-88101-265092-20 ADA Improvements
3) Authorized the following budget transfer in Community Development Block Grant (310):

From:	310-6411-88101-265092-20	ADA Improvements	$97,723
To:	310-6411-87102-265092-20	ADA Improvements	$97,723

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3.9. Award of Contract to R.J. Noble Company, Inc. for Community Development Block Grant Fiscal Year 2025-2026 Street Rehabilitation; and appropriation of project balance from Fiscal Year 2025-2026

ACTION: 1) Approved the contract with R.J. Noble Company, Inc. in the amount of $526,221 representing an original amount of $457,583 plus a 15% contingency of $68,638 for Almond Avenue and Collins Avenue Street Improvements; and authorized the Mayor and City Clerk to execute on behalf of the City.
2) Authorized the continuing appropriation of $488,616 from the Community Development Block Grant (310) Fiscal Year 2026 CIP budget:
310-6411-88101-265086-20 CDBG Street Improvements FY26
3) Authorized the following budget transfer in Community Development Block Grant (310):
From: 310-6411-88101-265086-20 CDBG Street Improvements FY26 $488,616
To: 310-6411-87102-265086-20 CDBG Street Improvements FY26 $488,616

3.10. Award of Contract to Hydroblast, a sole proprietorship, for steam cleaning services at various locations

ACTION: Approved a five-year contract with Hydroblast in the amount of $432,446, at $86,489.20 per year, for steam cleaning services at various locations; and authorized the Mayor and City Clerk to execute the agreement on behalf of the City.

3.11. Notice of Completion and Acceptance for Hart Park Pickleball and Fitness Circuit Site Project

ACTION: 1) Accepted the Hart Park Pickleball and Fitness Circuit Site as complete; and 2) Authorized City Clerk to file Notice of Completion with the Orange County Clerk-Recorder's Office.

3.12. Second Reading and adoption of Ordinance No. 12-26 approving Zone Change No. 1318 to change the zoning classification from Single Family Residential 10,000 square feet (R1-10) to Single Family Residential 10,000 square feet PUD No. 3203 on a 2.02-acre site located at 647 N Rancho Santiago Boulevard

ACTION: Adopted Ordinance No. 12-26.

3.13. Authorize purchase of print and audiovisual materials for the Orange Public Library from Ingram Content Group

ACTION: 1) Approved a purchase order for print and audiovisual materials from Ingram Content Group in the amount of $95,000; and 2) Authorized the City Manager to approve increases to the purchase order should the Library receive donations designated for purchase of additional print and audiovisual materials.

3.14. Authorize the purchase and delivery of diesel fuel and gasoline for an amount not to exceed $1,100,000 from Southern Counties Oil Co. dba SC Fuels, a California Limited Partnership

ACTION: Approved the purchase agreement with Southern Counties Oil Co., a California Limited Partnership dba SC Fuels, in the amount not to exceed $1,100,000 for the purchase and delivery of diesel and gasoline fuel using a cooperative purchasing agreement; and authorized the Mayor and the City Clerk to execute on

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behalf of the City.

3.15. Authorize purchase of Fire Department rescue equipment and safety gear from Allstar Fire Equipment Inc.

ACTION: Approved the purchase of Fire Department rescue equipment and safety gear from Allstar Fire Equipment Inc. in an amount not to exceed $520,000 for Fiscal Year 2026-2027.

3.16. Request to close the Orange Public Libraries for various dates during Fiscal Year 2026-2027

ACTION: Approved closure of the Orange Public Libraries to the public as described in the staff report.

Approval of the Consent Calendar

Item 3.7 was removed from the Consent Calendar and heard separately. All other items were approved as recommended.

A motion was made by Mayor pro tem Bilodeau, seconded by Councilmember Tavoularis, to approve the Consent Calendar as recommended. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Tavoularis, Gyllenhammer, and Slater
Noes: None
Absent: Dumitru, and Gutierrez

END OF CONSENT CALENDAR

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4. REPORTS FROM MAYOR SLATER

4.1. Consider removal of Adrienne Gladson from the Design Review Committee

Written Public Comment
Adrienne Gladson submitted an eComment requesting a resolution or proclamation in recognition of her service years.

A motion was made by Mayor Slater, seconded by Mayor pro tem Bilodeau, to remove Adrienne Gladson from the Design Review Committee effective immediately; and direct the City Clerk to post a Notice of Vacancy pursuant to the Maddy Act. The motion carried by the following vote:

Ayes: Bilodeau, Tavoularis, Gyllenhammer, and Slater
Noes: Barrios
Absent: Dumitru, and Gutierrez

5. REPORTS FROM COUNCILMEMBERS

Councilmember Tavoularis announced upcoming asphalt repairs in the Village parking lot.

6. AB 1234 REPORTS

None

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7. REPORTS FROM CITY MANAGER

7.1. 2026 Fourth of July Update

City Manager Jarad Hildenbrand introduced the item. Staff from the Police Department, Code Enforcement, Fire Department, and Community Services presented the update utilizing a PowerPoint presentation. Staff discussed public education, enforcement of illegal fireworks activity through drone operations, issuance of administrative citations, major fireworks-related incidents, and a summary of Safe & Sane fireworks booths' locations and sales.

8. ADMINISTRATIVE REPORTS

8.1. Renaming of the Orange Public Library and History Center as Mayor Mark and Vikki Murphy Library and History Center

Item previously removed from the agenda.

Written Public Comments
The following submitted eComments in opposition: Rebecca Martinez, Rosemarie Williams, Douglas Howerton, and Caroline.

9. LEGAL AFFAIRS

9.1. Introduction and First Reading of Ordinance No. 13-26 amending Chapter 12.48 of the Orange Municipal Code pertaining to a prohibition of smoking in City parks

Assistant Community Services Director Emily Bustamante presented the staff report. The Council discussed signage, enforcement, and no-smoking policies in parks implemented by surrounding cities.

A motion was made by Councilmember Gyllenhammer, seconded by Mayor pro tem Bilodeau to introduce and conduct First Reading of Ordinance No. 13-26. The motion failed by the following vote:

Ayes: Bilodeau, Gyllenhammer, and Slater
Noes: Barrios, and Tavoularis
Absent: Dumitru, and Gutierrez

A motion was made by Councilmember Tavoularis, seconded by Councilmember Gyllenhammer, to reconsider the item. The motion carried by the following vote:

Ayes: Bilodeau, Tavoularis, Gyllenhammer, and Slater
Noes: Barrios
Absent: Dumitru, and Gutierrez

A motion was made by Mayor pro tem Bilodeau, seconded by Councilmember Gyllenhammer to introduce and conduct First Reading of Ordinance No. 13-26. An Ordinance of the City Council of the City of Orange amending Chapter 12.48 of the Orange Municipal Code pertaining to parks to update sections related to smoking and vaping. The motion carried by the following vote:

Ayes: Bilodeau, Tavoularis, Gyllenhammer, and Slater
Noes: Barrios
Absent: Dumitru, and Gutierrez

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10. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:53 p.m.

The next Regular City Council meeting will be held on Tuesday, August 11, 2026, at 6:00 p.m., in the Council Chamber, with Closed Session beginning at 5:00 p.m., if necessary.

PAMELA COLEMAN
CITY CLERK

DANIEL R. SLATER
MAYOR

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MINUTES - DRAFT

City of Orange

Orange City Council

August 11, 2026

The City Council of the City of Orange, California convened on Tuesday, August 11, 2026, at 5:00 p.m. in a Regular Meeting in the Council Chamber, 300 E. Chapman Avenue, Orange, California.

5:00 PM CLOSED SESSION

1. CALL TO ORDER

Mayor Slater called Closed Session to order at 5:00 p.m.

1.1 ROLL CALL

Present: Bilodeau, Barrios, Dumitru, Tavoularis, Gyllenhammer, and Slater
Absent: Gutierrez

2. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

None

3. RECESS TO CLOSED SESSION

The City Council recessed to Closed Session at 5:01 p.m. with all Members present, except Councilmember Gutierrez who was absent, to discuss the following:

a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(a) & (d)(1) – One case
Name of Case: John Nelson v. City of Orange
Orange County Superior Court Case No. 30-2025-01581964

4. CLOSED SESSION REPORT

None

5. ADJOURNMENT

Closed Session was adjourned at 5:20 p.m.

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6:00 PM REGULAR SESSION

1. OPENING/CALL TO ORDER

Mayor Slater called the meeting to order at 6:01 p.m.

1.1 INVOCATION

Given by Pastor Brenton Fessler from Orange Police Chaplain.

1.2 PLEDGE OF ALLEGIANCE

Led by Mayor Dan Slater.

1.3 ROLL CALL

Present: Bilodeau, Barrios, Dumitru, Tavoularis, Gyllenhammer, and Slater
Absent: Gutierrez

1.4 PRESENTATIONS/ANNOUNCEMENTS

Mayor Slater announced that Item 9.1, County of Orange Unincorporated Island Annexation Study, would be postponed to the August 25, 2026, Regular City Council meeting, when all Councilmembers would be present.

Recognition of outgoing Boards, Commissions, and Committees members. Council recognized Park Planning & Community Events Commissioner Adam Litwin for four years of service. A certificate of appreciation was mailed to the following members who were not able to attend the meeting: Planning Commissioner Rick Martinez for seven years of service, Design Review Committee member Greg Ledesma for three years of service, Traffic Commissioner Matt Hamilton for three years of service, Traffic Commissioner Seimone Jurjis for three years of service, Audit Advisory Committee member Jeff Grampp for two years of service, Audit Advisory Committee member Jack Shroeder for two years of service, Design Review Committee member Mike Lopez for two years of service, and Design Review Committee member Adrienne Gladson for 2 years of service.

1.5 REPORT ON CLOSED SESSION ACTIONS

None

2. PUBLIC COMMENTS

Public Speakers:

The following spoke in support of efforts to prevent the closure of the Holiday Skate Center: Shelby Smith, Billy Crowder, Madison Aibies, Larry Himmel, Amy Haskins Vallin, Tara French, Olga Oreshkina, Scott Sackin, Ryan Baldasari, Annabelle Baldasari, Val Susselman, Jane Susselman, Maggie Susselman, Avida Martinez, Natalie Chen, Lisa Barker, Aleeya Hart, Kevin Reyes, and Tammy.

Richard Sanchez spoke regarding Orange County United Way initiatives.

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David Stevens spoke in opposition of the proposed 24/7 warehouse project on Glassell.

Rachel Rolnicki spoke in opposition of the proposed 24/7 warehouse project on Glassell.

Craig Attanasio spoke regarding First Amendment rights and ongoing immigration issues.

Mary Oberschlake announced that DeFlock National Week of Action would take place August 16-22.

Stacey Schuerman stated that the installation of parking meters have negatively impacting her business and requested consideration of a validation program for repeat customers.

Written Public Comment
Sam Miles submitted an eComment requesting that the Council reconsider Ordinance No. 08-26A, which temporarily restricts the issuance of new massage parlor business licenses in Orange.

3. CONSENT CALENDAR

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any member of the City Council, staff, or the public may request an item be removed from the Consent Calendar for discussion or separate action. Unless otherwise specified in the request to remove an item from the Consent Calendar, all items removed shall be considered immediately following action on the remaining items on the Consent Calendar.

3.1. Waive reading in full of all ordinances on the Agenda.

ACTION: Approved.

3.2. Confirmation of accounts payable warrant registers dated July 7, 9, 16, 21, 23, and 30, 2026 and payroll check registers dated July 2, 17, and 31, 2026

ACTION: Ratified the accompanying registers.

3.3. Agreement with UltraSystems Environmental, Inc. for environmental and survey services for the Riverdale Avenue Complete Street Improvement Project and authorize continuation of unspent grant balance and required match for Riverdale Avenue Complete Streets project

Note: Councilmember Tavoularis recused herself from Item 3.3 due to a potential conflict with a nearby property interest.

ACTION: 1) Approved the agreement with UltraSystems Environmental, Inc. in the amount of $89,540 for environmental and survey services; and authorized the Mayor and City Clerk to execute the agreement on behalf of the City.
2) Authorized the continuation of the project budget in the amount of $426,000 to:
263-5101-87102-255039-20 Riverdale Avenue Complete Streets

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3) Authorized the continuation of the project budget in the amount $2,560,720.33 to:
550-5101-87102-255039-20 Riverdale Avenue Complete Streets

3.4. Second Amendment to the Agreement with Willdan Engineering for on-call building services

ACTION: Approved the Second Amendment to the Agreement with Willdan Engineering in the amount of $200,000 for on-call building services; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.5. First Amendment to Contract with G.M. Sager Construction Co., Inc. for Asphalt Repair Services

ACTION: Approved the First Amendment to the Contract with G.M. Sager Construction Co., Inc. in the amount of $135,000, plus a 10% contingency of $13,500 for asphalt repairs; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.6. Second Reading and adoption of Ordinance No. 13-26 amending Chapter 12.48 of the Orange Municipal Code pertaining to parks to update sections related to smoking and vaping

Note: Councilmember Barrios registered a no vote.

ACTION: Adopted Ordinance No. 13-26.

3.7. Annual review and approval of the Statement of Investment Policy for Fiscal Year 2026-27

ACTION: Adopted the Fiscal Year 2026-2027 City of Orange Statement of Investment Policy.

3.8. Investment Portfolio Update report for April, May, and June 2026

ACTION: Received and filed the Investment Portfolio Update report for April, May, and June 2026.

3.9. Response to the 2025-2026 Orange County Grand Jury Report, “Wildfires Hit Home”

Item 3.9 was removed from the Consent Calendar for separate consideration by Councilmember Gyllenhammer.

Fire Chief Velasco responded to Council's questions regarding the Firewise community-based program. Staff is researching options for implementing a local Firewise program in Orange.

ACTION: A motion was made by Councilmember Gyllenhammer, seconded by Councilmember Dumitru, to approve the City of Orange's response to the 2025-2026 Orange County Grand Jury Report, "Wildfires Hit Home," and authorize the Mayor to execute the response on behalf of the City Council. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Tavoularis, Gyllenhammer, and Slater
Noes: None
Absent: Gutierrez

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3.10. Response to the 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods"

ACTION: Approved the City of Orange response to the 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods," and authorized the Mayor to execute the response on behalf of the City Council.

Approval of the Consent Calendar

Item 3.9 was removed from the Consent Calendar and heard separately. Councilmember Tavoularis recused herself from Item 3.3. Councilmember Barrios registered a no vote on Item 3.6. All other items were approved as recommended.

A motion was made by Mayor pro tem Bilodeau, seconded by Councilmember Gyllenhammer, to approve the Consent Calendar as recommended. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Tavoularis, Gyllenhammer, and Slater
Noes: None
Absent: Gutierrez

END OF CONSENT CALENDAR

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4. REPORTS FROM MAYOR SLATER

None

5. REPORTS FROM COUNCILMEMBERS

5.1. Highlight Local Business (Gutierrez)

Item 5.1 was not heard.

6. AB 1234 REPORTS

None

7. REPORTS FROM CITY MANAGER

None

8. PUBLIC HEARINGS

8.1. Public Hearing pursuant to Government Code Section 53083 to consider approval of the Vehicle Incentive Program Participation Agreement with five Orange franchised automobile dealerships, contingent upon voter approval of a future Transactions and Use Tax Measure

Senior Administrative Analyst Taylor Samuelson provided the staff report utilizing a PowerPoint presentation.

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Mayor Slater opened the Public Hearing at 7:09 p.m.

Public Speakers:
Reggie Mundekis spoke in support of the vehicle incentive program.
Curt Peterson spoke in opposition of the vehicle incentive program.
Mary Oberschlake agreed with the premise of the program but expressed concerns with the timing of the program.
Chip O'Neal spoke in opposition to the vehicle incentive program.

Written Public Comment
A.J. Ricci submitted an eComment in opposition of the vehicle incentive program.

Mayor Slater closed the Public Hearing at 7:18 p.m.

During deliberation, Council discussed the differences between franchised dealerships and independent used vehicle dealers, the City's anticipated costs for marketing the program, and vehicle incentive programs implemented by other cities.

A motion was made by Councilmember Dumitru, seconded by Mayor Slater, to approve the recommended action as presented in the staff report.

A substitute motion was made by Councilmember Gyllenhammer, seconded by Councilmember Barrios to approve a vehicle purchase incentive program which grants a rebate to any resident purchasing a vehicle within the City, regardless of location and does not include marketing costs paid to sellers.

An amended substitute motion was made by Councilmember Gyllenhammer, seconded by Councilmember Barrios, to direct staff to return to the City Council with a revised vehicle purchase incentive program that considers a broader scope, including both franchised and independent dealerships. The motion failed by the following vote:

Ayes: Barrios, and Gyllenhammer
Noes: Bilodeau, Dumitru, Tavoularis, and Slater
Absent: Gutierrez

Following the failed substitute motion, Mayor Slater called for the vote on the main motion.

A motion was made by Councilmember Dumitru, seconded by Mayor Slater, to: 1) Authorize the Mayor and City Clerk to execute a Participation Agreement with the participating Orange franchised vehicle dealers (Mazda of Orange, Selman Chevrolet, Nissan of Orange, Toyota of Orange, and Villa Ford of Orange) to establish the Vehicle Incentive Program for the period of April 1, 2027 to April 1, 2040, for an amount not to exceed $1,550,000 per year in rebates ($20,150,000 over the 13-year term), contingent upon voter approval of a future Transactions and Use Tax (sales tax) Measure; and 2) Approve the Vehicle Incentive Program Guidelines as established by the City Manager and Economic Development Subsidy Report and direct staff to return following the November 3, 2026, election with any necessary implementation actions and budget appropriation requests, contingent upon voter approval of the proposed Transactions and Use Tax Measure. The motion carried by the following vote:

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Ayes: Bilodeau, Dumitru, Tavoularis, and Slater
Noes: Barrios, and Gyllenhammer
Absent: Gutierrez

9. ADMINISTRATIVE REPORTS

9.1. County of Orange Unincorporated Island Annexation Study and Policy Direction

Item 9.1 was postponed to the August 25, 2026, Regular City Council meeting.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:48 p.m.

The next Regular City Council meeting will be held on Tuesday, August 25, 2026, at 6:00 p.m., in the Council Chamber, with Closed Session beginning at 5:00 p.m., if necessary.

PAMELA COLEMAN
CITY CLERK

DANIEL R. SLATER
MAYOR

DRAFT

Agenda Item

Orange City Council

Item #: 3.3. 8/25/2026 **File #:** 26-0436

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Adam Jevec, Chief of Police**

1. SUBJECT

Agreement and appropriation of $87,182 in grant funding received for Fiscal Year 2025 Operation Stonegarden Grant Program

2. SUMMARY

The U.S. Department of Homeland Security, through the California Governor's Office of Emergency Services, awarded funds towards the Operation Stonegarden Grant Program. The eligible allocation amount awarded to the Riverside County Sheriff's Department, as the fiscal agent, is $2.7 million, of which $87,182 is allocated to the City of Orange Police Department.

3. RECOMMENDED ACTION

1. Approve the agreement for Fiscal Year 2025 Operation Stonegarden in the amount of $87,182; and authorize the Chief of Police to execute on behalf of the City.
2. Adopt Resolution No. 11715. A Resolution of the City Council of the City of Orange accepting funds in the amount of $87,182 from the Riverside County Sheriff's Department for Fiscal Year 2025 Operation Stonegarden Grant Program and authorizing the Chief of Police to execute the grant program agreement and related documents.
3. Accept into the City's Federal Grants Fund (399) revenue budget $87,182 in grant funds from the Riverside County Sheriff's Department to:
   399-4133-43299-274003 Federal Grants - OPSG
4. Authorize the appropriation of $87,182 into Federal Grants Fund (399):
   399-4133-51003-274003 Overtime - Safety

4. FISCAL IMPACT

There is no direct fiscal impact to the City. The additional revenue received from the Riverside County Sheriff's Department will fund the expense for this program.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

6. DISCUSSION AND BACKGROUND

The U.S. Department of Homeland Security, through the Federal Emergency Management Agency (FEMA), administers the Operation Stonegarden (OPSG) Grant Program to enhance coordination and cooperation among U.S. Customs and Border Protection (CBP), the U.S. Border Patrol (USBP),

and federal, state, local, tribal, and territorial law enforcement agencies. The program provides funding to support collaborative efforts to strengthen border security along routes of ingress from international borders, including travel corridors in states bordering Mexico and Canada, as well as states and territories with international water borders. The primary objective of the program is to enhance border and California coastline security, reduce border-related criminal activity, and promote regional law enforcement collaboration.

The Riverside County Sheriff's Department (RCSD) applied for and was awarded Fiscal Year 2025 OPSG funding from the U.S. Department of Homeland Security, passed through the California Governor's Office of Emergency Services (CalOES). RCSD will serve as the fiscal agent and grant administrator for the regional award. The total grant award is approximately $2.7 million, of which $87,182 has been allocated to the City of Orange Police Department.

As the grant administrator, RCSD is responsible for overseeing the application process and coordinating participation among the 11 partner agencies receiving funding. Participating agencies include the County of Riverside, County of Los Angeles, Cities of Costa Mesa, Hawthorne, Huntington Beach, La Habra, Laguna Beach, Newport Beach, Orange, and Seal Beach, as well as the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (LA IMPACT).

The Orange Police Department will utilize its grant allocation to reimburse overtime costs incurred by the Special Investigations Unit in support of regional, multi-agency enforcement operations. These operations will focus on disrupting organized narcotics trafficking, identifying and dismantling drug trafficking and money laundering organizations, and enhancing intelligence gathering and information sharing among local, state, and federal law enforcement partners throughout the City of Orange and Orange County.

The CalOES grant performance period extends from September 1, 2025, through May 31, 2028. However, the sub-recipient performance period is April 10, 2026, through February 28, 2028.

7. ATTACHMENTS

- Attachment 1 - Agreement for Fiscal Year 2025 OPSG
- Attachment 2 - Resolution No. 11715

Agenda Item

Orange City Council

Item #: 3.3. 8/25/2026 **File #:** 26-0436

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Adam Jevec, Chief of Police**

1. SUBJECT

Agreement and appropriation of $87,182 in grant funding received for Fiscal Year 2025 Operation Stonegarden Grant Program

2. SUMMARY

The U.S. Department of Homeland Security, through the California Governor's Office of Emergency Services, awarded funds towards the Operation Stonegarden Grant Program. The eligible allocation amount awarded to the Riverside County Sheriff's Department, as the fiscal agent, is $2.7 million, of which $87,182 is allocated to the City of Orange Police Department.

3. RECOMMENDED ACTION

1. Approve the agreement for Fiscal Year 2025 Operation Stonegarden in the amount of $87,182; and authorize the Chief of Police to execute on behalf of the City.
2. Adopt Resolution No. 11715. A Resolution of the City Council of the City of Orange accepting funds in the amount of $87,182 from the Riverside County Sheriff's Department for Fiscal Year 2025 Operation Stonegarden Grant Program and authorizing the Chief of Police to execute the grant program agreement and related documents.
3. Accept into the City's Federal Grants Fund (399) revenue budget $87,182 in grant funds from the Riverside County Sheriff's Department to:
   399-4133-43299-274003 Federal Grants - OPSG
4. Authorize the appropriation of $87,182 into Federal Grants Fund (399):
   399-4133-51003-274003 Overtime - Safety

4. FISCAL IMPACT

There is no direct fiscal impact to the City. The additional revenue received from the Riverside County Sheriff's Department will fund the expense for this program.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

6. DISCUSSION AND BACKGROUND

The U.S. Department of Homeland Security, through the Federal Emergency Management Agency (FEMA), administers the Operation Stonegarden (OPSG) Grant Program to enhance coordination and cooperation among U.S. Customs and Border Protection (CBP), the U.S. Border Patrol (USBP),

and federal, state, local, tribal, and territorial law enforcement agencies. The program provides funding to support collaborative efforts to strengthen border security along routes of ingress from international borders, including travel corridors in states bordering Mexico and Canada, as well as states and territories with international water borders. The primary objective of the program is to enhance border and California coastline security, reduce border-related criminal activity, and promote regional law enforcement collaboration.

The Riverside County Sheriff's Department (RCSD) applied for and was awarded Fiscal Year 2025 OPSG funding from the U.S. Department of Homeland Security, passed through the California Governor's Office of Emergency Services (CalOES). RCSD will serve as the fiscal agent and grant administrator for the regional award. The total grant award is approximately $2.7 million, of which $87,182 has been allocated to the City of Orange Police Department.

As the grant administrator, RCSD is responsible for overseeing the application process and coordinating participation among the 11 partner agencies receiving funding. Participating agencies include the County of Riverside, County of Los Angeles, Cities of Costa Mesa, Hawthorne, Huntington Beach, La Habra, Laguna Beach, Newport Beach, Orange, and Seal Beach, as well as the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (LA IMPACT).

The Orange Police Department will utilize its grant allocation to reimburse overtime costs incurred by the Special Investigations Unit in support of regional, multi-agency enforcement operations. These operations will focus on disrupting organized narcotics trafficking, identifying and dismantling drug trafficking and money laundering organizations, and enhancing intelligence gathering and information sharing among local, state, and federal law enforcement partners throughout the City of Orange and Orange County.

The CalOES grant performance period extends from September 1, 2025, through May 31, 2028. However, the sub-recipient performance period is April 10, 2026, through February 28, 2028.

7. ATTACHMENTS

- Attachment 1 - Agreement for Fiscal Year 2025 OPSG
- Attachment 2 - Resolution No. 11715

AGREEMENT FOR
FISCAL YEAR 2025
OPERATION STONEGARDEN (OPSG)

1. PARTIES TO THE AGREEMENT

This Agreement is between the COUNTY OF RIVERSIDE ("COUNTY"), COUNTY OF LOS ANGELES (“LAC”), CITY OF COSTA MESA, CITY OF HAWTHORNE, CITY OF HUNTINGTON BEACH, CITY OF LA HABRA, CITY OF LAGUNA BEACH, CITY OF ORANGE, CITY OF NEWPORT BEACH, CITY OF SEAL BEACH (collectively the “CITIES”), and LA IMPACT (“LAI”), each a "PARTY” and collectively the "PARTIES", for support of the Operation Stonegarden ("OPSG") program.

1.1 Party Departments or Agencies Participating In The Agreement

1.1.1 For the COUNTY, participating agency is the Sheriff's Office ("SHERIFF").

1.1.2 For the CITIES, participating agencies are their respective police department.

1.1.3 For LAC, participating agency is their respective Sheriff's department.

1.1.4 For LAI, participating agency is Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force.

2. RECITALS

2.1 WHEREAS, COUNTY through SHERIFF applied for, and was awarded grant funds from the U. S. Department of Homeland Security (“DHS”) passed through the California Governor's Office of Emergency Services (“Cal OES”), under the Funding Year (FY) 2025 Operation Stonegarden (OPSG) grant program. As an applicant for the San Diego Border Patrol Sector, SHERIFF shall be the lead agency to manage the OPSG program.

2.2 WHEREAS, funds shall be used to support the OPSG program to enhance law enforcement preparedness and operational readiness along the land and water borders of the United States.

2.3 WHEREAS, Government Code §55632 authorizes COUNTY and PARTIES to contract for provision of joint law enforcement services.

2.4 WHEREAS, PARTIES desire to enter into an agreement with provisions concerning the nature and extent of OPSG collaboration, services rendered, and compensation.

2.5 WHEREAS, COUNTY, by action of the Board of Supervisors Minute Order 3.19 on April 1, 2025, approved the application, appropriation, and use of FY 2025 OPSG funds to

reimburse PARTIES for program related overtime and fringe benefits; equipment purchases and maintenance costs; fuel; mileage; flight; and management and administration costs incurred not to exceed the amounts described in Exhibit A – FY 2025 OPSG Budget Worksheet in paragraph 2.9 (a) below, during the period of performance (POP) September 1, 2025 through May 31, 2028 but, the operational project period for PARTIES shall be the date of FEMA's approval, April 10, 2026 through February 28, 2028.

2.6 WHEREAS, PARTIES shall retain documentation supporting all expenditures reimbursed from OPSG grant funds, ensure all expenditures are allowable under grant requirements, adhere to the federal procurement standards found in Title 2 of the Code of Federal Regulations, Part 200, Subpart D, Section §200.317-200.327, and comply with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F - Audit Requirements regarding organization-wide financial and compliance audit reports if $1,000,000 or more of OPSG federal funds are expended in a fiscal year.

2.6.1 Documentation shall be retained in accordance with the FEMA Preparedness Grants Manual and other OPSG grant requirements and shall be available for audit and inspection.

2.7 WHEREAS, PARTIES agree that this Agreement does not provide Federal authority to PARTIES to enforce immigration laws (Title 8 USC).

2.8 WHEREAS, PARTIES acknowledge the following information for the OPSG grant program:

(a) Federal Grantor Agency: U. S. Department of Homeland Security (DHS)
(b) Administrative Authority: Federal Emergency Management Agency (FEMA)
(c) Operational Oversight: U. S. Customs and Border Protection (CBP)
(d) State Administrative Agency (SAA) or Pass-Through Agency: California Governor's Office of Emergency Services (Cal OES)
(e) Program Title: Homeland Security Grant Program (HSGP) Operation Stonegarden (OPSG)
(f) Grant Identification Number: 2025-5020
(g) Federal CFDA Number: 97.067

2.9 WHEREAS, PARTIES agree and shall utilize and adhere to the following Exhibits attached hereto and/or available using the referenced link:

(a) Exhibit A - FY 2025 OPSG Budget Worksheet
(b) Exhibit B - FY 2025 OPSG Standard Assurances & Program Standard Assurances Addendum
(c) Exhibit C- FY 2025 OPSG Operations Order (CONFIDENTIAL, for Official Use Only/Law Enforcement Sensitive)
(d) Exhibit D - Title 2 of the Code of Federal Regulations Part 200,
(e) Exhibit E - Federal Contract Provisions

(language to be developed and incorporated within a contract)

(f) Exhibit F - FY 2025 Homeland Security Grant Program (HSGP) Notice of Funding Opportunity (NOFO)

(g) Exhibit G - FY 2025 Homeland Security Grant Program (HSGP) California Supplement to the Federal NOFO

(h) Exhibit H - FEMA Preparedness Grants Manual

Nothing in the Exhibits above shall limit the requirements of this Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, PARTIES jointly intend that COUNTY will reimburse, and PARTIES will provide, a level of OPSG services as set forth in this Agreement.

3. PURPOSE AND INTENT

The purpose of this Agreement is to satisfy the OPSG grant program proposal awarded by the DHS and passed through to the Cal OES, under the FY 2025 Operation Stonegarden grant program.

4. SCOPE OF SERVICES

4.1 Method of Service Delivery

SHERIFF shall manage the OPSG grant program, oversee the funding allocation of the PARTIES, and be administratively responsible for coordination of PARTIES' obligations under this Agreement. The SHERIFF's OPSG grant program team will be staffed as described in paragraph 6. STANDARDS OF SERVICE: OBLIGATIONS OF THE PARTIES.

4.2 Overview of Basic Services

PARTIES shall perform OPSG Operations ("Operations") by increasing law enforcement presence in each PARTY's designated jurisdiction and in coordination with other OPSG partner agencies to support the U. S. Customs and Border Protection (CBP) efforts to improve border security in the region. PARTIES will enforce local and state laws within their designated jurisdiction subject to the California Values Act (SB 54; Chapter 495) and shall not enforce or aid in the enforcement of immigration laws on behalf of U. S. Customs and Border Protection (CBP) and U. S. Border Patrol (BP). This Agreement does not provide Federal authority to PARTIES to enforce immigration laws (Title 8 USC).

5. TERM OF AGREEMENT

The OPSG grant program period of performance (POP) is September 1, 2025 through May 31, 2028, but the operational project period for PARTIES shall be the date of FEMA's approval, April 10, 2026 through February 28, 2028.

5.1 Initial Term

The term of this Agreement shall be retroactive to 12:01 a.m. on April 10, 2026 and shall continue in effect through and terminate at midnight on May 31, 2028; subject to the termination provision in paragraph 5.3.

5.2 Option to Extend

Renewal or extension of the Agreement beyond May 31, 2028 shall be subject to remaining grant funds and to a time extension approved by Cal OES. Any PARTY that does not agree to renew shall terminate its participation at the end of the term of this Agreement.

5.3 Termination

Subject to the applicable provisions of state law, each PARTY may terminate its participation in this Agreement upon ninety (90) days minimum written notice to the other PARTIES.

5.3.1 A PARTY may terminate its participation in this Agreement immediately upon written notice to the other PARTIES in the event it becomes ineligible to receive grant funds under this Agreement.

5.3.2 As the lead agency, SHERIFF, with approval from either FEMA, CBP, and/or Cal OES as needed, may require the termination of a PARTY's participation if it is determined that the PARTY has violated the provisions of this Agreement, including failure to provide the Anticipated Outcome set forth in section 6.3.

6. STANDARDS OF SERVICE: OBLIGATIONS OF THE PARTIES

6.1 Suspension and Debarment

SHERIFF will request, and PARTIES shall provide a copy of the SAM.gov report for their agency which shows their Active and Inactive Exclusions. Any PARTY with Active Exclusions at the onset of, or any time during, the term of this Agreement is not eligible to participate as set forth in Executive Orders 12549 and 12689, 2 CFR 200.214, and codified in 2 CFR Part 180, and shall terminate its participation in this Agreement as provided for in paragraph 5.3 Termination.

6.2 Byrd Anti-Lobbying Amendment

PARTIES that receive an award greater than $100,000 shall certify to SHERIFF on the Byrd Anti-Lobbying Certification Form attached hereto as Exhibit B, that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each PARTY shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from agency to agency up to the recipient who in turn will forward the certifications to the federal awarding agency.

6.3 Anticipated Outcome

The anticipated outcome of Operations to be performed by PARTIES under this Agreement is increased law enforcement presence in each PARTY's designated jurisdiction to support U. S. DHS and U. S. CBP efforts in the region to improve border security and reduce border related crime. The anticipated outcome will be reached by achieving the goals and accomplishing the missions set forth below by PARTIES and in Exhibit C – FY 2025 OPSG Operations Order.

6.3.1 PARTIES shall provide enhanced enforcement by increasing patrol presence in proximity to the border and/or routes of ingress from the border, including the water borders. In addition, PARTIES shall utilize their unique investigatory areas of expertise in operations.

6.3.2 Increase intelligence/information sharing among PARTIES, including but not limited to:

(a) Conducting bi-monthly meetings with a minimum of one representative from each PARTY.

(b) Increasing information sharing during operations.

6.3.3 Prior to Operations, PARTIES' Designated Operations Coordinator, in paragraph 6.4.3, shall submit an operational plan and schedule to the Integrated Planning Team (IPT) at least 72 hours prior to the operation.

6.3.3.1 The IPT is comprised of SHERIFF and CBP sworn personnel.

6.3.3.2 The role of the IPT is to provide support and guidance to the local, state, and federal law enforcement stakeholders within the grant.

6.3.4 Within 48 hours following the conclusion of each Operation:

6.3.4.1 Each PARTY shall complete a Daily Activity Report (DAR) form in Excel format, which will be submitted as supporting documentation for any reimbursement request. Information entered in the Narrative section of the DAR form shall include statistical data and report from Field Interviews (FIs), Arrest Reports, and/or Citations.

6.3.4.2 PARTIES' Designated Operations Coordinator in paragraph 6.4.3, or designee, shall enter and submit the same DAR information directly into DHS's Homeland Security Information Network (HSIN).

6.3.4.3 PARTIES' Designated Operations Coordinator or designee shall ensure DAR information entered in HSIN is correct and shall make necessary corrections until it is processed for approval.

6.4 Personnel Qualifications and Assignment

6.4.1 Qualifications

Each PARTY shall ensure that personnel assigned to perform Operations pursuant to this Agreement meet the minimum qualifications for their specific classification.

6.4.2 Management, Direction, and Supervision; Independent Contractors

The hiring, firing, management, direction, and supervision of each PARTY's personnel, the standards of performance, the discipline of each PARTY's personnel, and all other matters incident to the performance of such services, shall be performed by and be the responsibility of each PARTY in each PARTY's sole but reasonable judgment and in accord with the provisions of applicable labor agreements. Each PARTY shall be the appointing authority for all its personnel provided to OPSG by this Agreement. PARTIES shall have no liability for any direct payment of salary, wages, indemnity, or other compensation or benefit to any other PARTY's personnel.

Each PARTY and its respective officers, agents, and employees are independent contractors and are not officers, agents, and employees of any other PARTY. Each PARTY's personnel are under the direct and exclusive supervision of that PARTY, and each PARTY assumes full responsibility for the performance of its own personnel in connection with this Agreement. No PARTY has the authority to bind any other PARTY.

6.4.3 Designated Operations Coordinators

SHERIFF shall select a Designated Operations Coordinator, at the rank of Sheriff's Lieutenant or higher, who shall manage and direct OPSG operations. All other PARTIES shall select a Designated Operations Coordinator for their respective agency under this Agreement. The Designated Operations Coordinator for each PARTY shall serve as their agency contact and shall implement, as needed, appropriate procedures governing the performance of all requirements under this Agreement and shall be responsible for meeting and conferring in good faith to address any disputes which may arise concerning implementation of this Agreement.

6.4.4 Staffing for Basic Services

PARTIES shall ensure that adequate numbers of their qualified respective personnel are always provided to Operations during the term of this Agreement to meet the Basic Services, Scope of Services, and Standards of Service commitments set forth herein.

6.4.5 Equipment and Supplies

COUNTY will provide SHERIFF OPSG personnel with all supplies and/or prescribed safety gear, body armor, and/or standard issue equipment necessary to perform Operations. Similarly, all other PARTIES will provide their respective OPSG personnel with all supplies and/or prescribed safety gear, body armor, and/or standard issue equipment necessary to perform Operations unless otherwise specified in Exhibit C - FY 2025 OPSG Operations Order.

6.4.5.1 PARTIES are responsible for the procurement of their own equipment to be used in Operations.

6.4.5.2 PARTIES shall maintain an inventory list of all equipment purchased with OPSG funds and when practicable, equipment shall be labeled with: "*Purchased with funds provided by the U. S. Department of Homeland Security*".

7. COST OF SERVICES/CONSIDERATION

7.1 General

7.1.1 As full consideration for the satisfactory performance and completion by PARTIES of Operations set forth in this Agreement, COUNTY shall reimburse PARTIES for personnel assigned to perform Operations on the basis of claims and submittals as set forth hereunder. Such payments by COUNTY are dependent on the continued availability of funds from the DHS passed through the Cal OES.

7.1.2 PARTIES agree that awarded funds identified as allowable costs, as set forth in Exhibit F – FY 2025 Homeland Security Grant Program Notice of Funding Opportunity (HSGP NOFO), shall be expended only for approved Operations operating expenses, and equipment as detailed in Exhibit A – FY 2025 OPSG Budget Worksheet, and that unallowable costs are not reimbursable as set forth in Exhibit F – FY 2025 HSGP NOFO.

7.1.3 No reimbursement shall be made to a PARTY during any period of time within which that PARTY is in default on filing any informational or financial reports required by SHERIFF. SHERIFF shall make any necessary adjustments to PARTY claims to correct for overpayments, underpayments, or disallowances.

7.2 Project Costs/Rate of Compensation

SHERIFF shall reimburse PARTIES for overtime worked by personnel assigned to perform Operations and shall reimburse for costs approved in Exhibit C – FY 2025 OPSG Operations Order, based upon available funding and the actual costs incurred by PARTIES to provide Operations.

7.3 Method of Payment

PARTIES shall submit to SHERIFF, accurate and complete reimbursement forms, labor reports, timesheets, DARs, equipment and equipment maintenance invoices, procurement documents, purchase orders and/or contracts, and proof of payment, that represent amounts to be reimbursed under this Agreement within ninety (90) days from the date when expenditure was incurred. All requests for reimbursement shall be sent to:

Riverside County Sheriff's Office
Celine Nguyen / Field Operations Fiscal Unit

4095 Lemon Street
Riverside, CA 92501

7.3.1 Reimbursement forms and invoices must have the signature of PARTY's Authorized Agent, certifying that the invoice and substantiating documentation, e.g., DARs, timesheets, payroll and labor reports, procurement documents, etc., are true and correct.

7.3.2 PARTIES shall provide payroll records for each person whose costs are reimbursable under this Agreement, to include, at a minimum, the person's name, classification, duty position, task, regular hourly rate, overtime hourly rate, overtime hours worked, date(s) overtime worked, and fringe benefit rate and cost.

> **7.3.2.1** PARTIES shall make available to SHERIFF for inspection, upon request, all payroll records and any other records that relate to the Basic Services provided under this Agreement.

7.3.3 PARTIES shall submit to SHERIFF, verifiable and complete supporting documentation to substantiate reimbursement requests for service maintenance and/or equipment purchase, to include the equipment inventory ledger, certified copies of invoice, purchase order, proof of payment to vendor and procurement documentation.

> **7.3.3.1** PARTIES shall provide procurement records that show proof of compliance to 2 CFR 200.317-200.327 requirements, and documents that substantiate full and open competition, to include but not limited to copies of solicitation (RFQ, RFB, RFP), rationale for the method of procurement, contract policy, basis for the contract type and price, purchase request, statement of work and other pre-solicitation documents, cost/price analysis (if applicable), profit negotiation (if applicable), purchase orders, federal contract provisions with required language incorporated within contracts under federal award (as directed herein by Exhibit E – Federal Contract Provision), notice of award, record of protest, performance or other bond documents, specialized endorsements, suspension and debarment listing, etc.
>
> **7.3.3.2** PARTIES shall make available to SHERIFF for inspection and upon request, all procurement records that provide historical and background information to answer inquiries pertaining to the acquisition of service maintenance and/or equipment that may arise in a review or audit or until the grant record retention period expires.

7.3.4 PARTIES shall ensure awareness, understanding and compliance to all grant rules and procurement requirements. PARTIES shall be responsible in making sure that proper authorization are in place for any OPSG equipment purchase that require specialized endorsement or approvals, including waiver request forms or Environmental Planning and Historic Preservation (EHP) compliance.

7.3.5 Noncompetitive procurements of equipment exceeding the $250,000 simplified acquisition threshold established by Federal Acquisition Regulation (FAR) 48 CFR Subpart 2.1, in accordance with 41 U.S.C. 1908, will require prior written approval from Cal OES.

7.3.5.1 Prior to purchasing equipment determined to be noncompetitive, PARTIES shall provide SHERIFF by email a copy of their Purchasing Agent's approval for the noncompetitive procurement which SHERIFF will submit to Cal OES for approval.

7.3.6 PARTIES shall obtain a performance bond from vendors prior to procuring equipment items costing over $250,000, or any vehicle, aircraft, or watercraft, to be paid at the time of purchase, in order to ensure delivery of the equipment within ninety (90) days of the performance period end date.

7.3.6.1 Performance bond shall be included for reimbursement with invoice.

7.3.7 Within ninety (90) business days upon receipt of valid invoice and supporting documentation specified in subparagraphs under 7.3, SHERIFF will reimburse PARTIES for the Basic Services agreed to.

7.3.8 Each PARTY shall manage their allocation and track their claims to ensure they remain within their allocated amount as specified in Exhibit A – FY 2025 OPSG Budget Worksheet.

7.4 Reimbursement Disallowances

PARTIES not in compliance with procedures in paragraph 7.3 above risk having incurred expenditures disallowed for reimbursement by SHERIFF. PARTIES that fail to submit claims for reimbursement within ninety (90) days will be notified in writing by SHERIFF that the claim(s) is/are past due, and funds allocated to the PARTY for that time period may be redistributed among other PARTIES.

8. PROGRAM/FINANCIAL ADMINISTRATION

8.1 PARTIES shall use as the primary reference in all programmatic, financial, and grant administration matters and adhere to the policies and regulations in Exhibit D - Title 2 of the Code of Federal Regulations Part 200 (2 CFR Part 200), Exhibit F – FY 2025 HSGP NOFO, Exhibit G – FY 2025 HSGP CA Supplement to the NOFO, and Exhibit H – FEMA Preparedness Grants Manual, in conjunction with updates issued by the Office of Management and Budget (OMB), Grants & Training (G&T) information bulletins, and Cal OES policy, regulations, and statutes.

8.1.1 Contract Provisions

PARTIES shall ensure that *all* contracts adhere to all applicable contract provisions stated in 2 CFR 200.317–200.327 and found in Appendix II - Contract

Provisions for Non-Federal Entity Contracts under Federal Awards. Reimbursement claims associated with contracts that are found to be in noncompliance will be denied.

8.1.2 Methods of Procurement

PARTIES shall adhere to the procurement methods found in 2 CFR 200, Subpart D, Section 200.320.

9. REPAYMENT OF REIMBURSEMENTS

9.1 Any PARTY found through compliance assessments, audits, or monitoring site visits, to be out of compliance with paragraphs 7.3 and 8 above, shall retroactively repay SHERIFF, within ninety (90) days of notification, any reimbursement found out of compliance which was paid to PARTY during the term of, and even after the term, of this Agreement. This provision shall survive termination or expiration of this Agreement.

10. INDEMNIFICATION – WORKERS' COMPENSATION, EMPLOYMENT AND CLAIMS AND LIABILITY ISSUES

10.1 The COUNTY shall fully indemnify and hold harmless non-County PARTIES and their respective officers, employees and agents, from any claims, losses, fines, expenses (including attorneys' fees and court costs and/or arbitration costs), costs, damages or liabilities arising from or related to (1) any workers' compensation claim or demand or other workers' compensation proceeding arising from or related to, or claimed to arise from or relate to, employment which is brought by an employee of the COUNTY or any contract labor provider retained by the COUNTY, or (2) any claim, demand, suit, or other proceeding arising from or related to, or claimed to arise from or relate to, the status of employment (including without limitation, compensation, demotion, promotion, discipline, termination, hiring, work assignment, transfer, disability, leave or other such matters) which is brought by an employee of the COUNTY or any contract labor provider retained by the COUNTY.

10.2 Each non-County PARTY shall fully indemnify and hold harmless the COUNTY, its officers, employees, and agents, from any claims, losses, fines, expenses (including attorneys' fees and court costs or arbitration costs), costs, damages or liabilities arising from or related to (1) any workers' compensation claim or demand or other workers' compensation proceeding arising from or related to, or claimed to arise from or relate to, employment which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by non-County PARTY, or (2) any claim, demand, suit, or other proceeding arising from or related to, or claimed to arise from or relate to, the status of employment (including without limitation, compensation, demotion, promotion, discipline, termination, hiring, work assignment, transfer, disability, leave or other such matters) which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by the non-County PARTY.

10.3 Each non-County PARTY shall fully indemnify and hold harmless the other non-County PARTIES, its officers, employees, and agents, from any claims, losses, fines, expenses (including attorneys' fees and court costs or arbitration costs), costs, damages or

liabilities arising from or related to (1) any workers' compensation claim or demand or other workers' compensation proceeding arising from or related to, or claimed to arise from or relate to, employment which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by non-County PARTY, or (2) any claim, demand, suit, or other proceeding arising from or related to, or claimed to arise from or relate to, the status of employment (including without limitation, compensation, demotion, promotion, discipline, termination, hiring, work assignment, transfer, disability, leave or other such matters) which is brought by an employee of that respective non-County PARTY or any contract labor provider retained by the non-County PARTY.

11. INDEMNIFICATION RELATED TO ACTS OR OMISSIONS; NEGLIGENCE

11.1 Claims Arising from Sole Acts or Omissions of a PARTY

Each PARTY to this Agreement hereby agrees to defend and indemnify the other PARTIES to this Agreement, their agents, officers, and employees, from any claim, action, or proceeding against the other PARTIES, arising solely out of its own acts or omissions in the performance of this Agreement. At each PARTY's sole discretion, each PARTY may participate at its own expense in the defense of any claim, action, or proceeding, but such participation shall not relieve any PARTY of any obligation imposed by this Agreement. PARTIES shall notify each other promptly of any claim, action, or proceeding and cooperate fully in the defense.

11.2 Claims Arising from Concurrent Acts or Omissions

The PARTIES hereby agree to defend themselves from any claim, action, or proceeding arising out of the concurrent acts or omissions of the PARTIES. In such cases, PARTIES agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph 11.4 below.

11.3 Joint Defense

Notwithstanding paragraph 11.2 above, in cases where PARTIES agree in writing to a joint defense, PARTIES may appoint joint defense counsel to defend the claim, action, or proceeding arising out of the concurrent acts or omissions of PARTIES. Joint defense counsel shall be selected by mutual agreement of PARTIES. PARTIES agree to share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in paragraph 11.4 below. PARTIES further agree that no PARTY may bind the others to a settlement agreement without the written consent of the others.

11.4 Reimbursement and/or Reallocation

Where a trial verdict or arbitration award allocates or determines the comparative fault of the parties, PARTIES may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments, and awards, consistent with such comparative fault.

12. GENERAL PROVISIONS

12.1 Notices

Any notice, request, demand, or other communication required or permitted hereunder shall be in writing and may be personally delivered or given as of the date of mailing by depositing such notice in the United States mail, first-class postage prepaid and addressed as follows, or, to such other place as each PARTY may designate by subsequent written notice to each other:

To SHERIFF:

Sheriff
Riverside County Sheriff's Office
4095 Lemon Street
Riverside, CA 92501

To Non-County PARTIES:

Chief of Police
Costa Mesa Police Department
99 Fair Drive
Costa Mesa, CA 92626

Chief of Police
Hawthorne Police Department
12501 Hawthorne Blvd
Hawthorne, CA 90250

Chief of Police
Huntington Beach Police Department
2000 Main Street
Huntington Beach, CA 92648

Chief of Police
La Habra Police Department
150 N Euclid Street
La Habra, CA 90631

Executive Director
LA IMPACT
5700 S. Eastern Avenue
Commerce, CA 90040

Chief of Police
Laguna Beach Police Department
505 Forest Ave
Laguna Beach, CA 92651

Chief of Police
Orange Police Department
1107 N. Batavia St.
Orange, CA 92867

Chief of Police.
Newport Beach Police Department
870 Santa Barbara Drive
Newport Beach, CA 92660

Chief of Police
Seal Beach Police Department
911 Seal Beach Blvd
Seal Beach, CA 90740

Sheriff
Los Angeles County Sheriff's Dept.
Special Enforcement Bureau
1060 North Eastern Avenue
Los Angeles, CA 90063

A notice shall be effective on the date of personal delivery if personally delivered before 5:00 p.m. on a business day or otherwise on the first business day following personal delivery; or two (2) business days following the date the notice is postmarked, if mailed; or

on the first business day following delivery to the applicable overnight courier, if sent by overnight courier for next business day delivery and otherwise when received.

12.2 Amendment; Assignment

This Agreement may be modified or amended only by a written document signed by the COUNTY through SHERIFF and the affected PARTY or PARTIES, and no oral understanding or agreement shall be binding on any PARTY or PARTIES. No PARTY shall assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other PARTIES.

12.3 Entire Agreement

This Agreement constitutes the complete and exclusive statement of agreement between the COUNTY and non-County PARTIES with respect to the subject matter hereto. As such, all prior written and oral understandings are superseded in total by this Agreement.

12.4 Construction

This Agreement will be deemed to have been made and shall be construed, interpreted, governed, and enforced pursuant to, and in accordance with, the laws of the State of California. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand, or limit the terms of the Agreement and shall not be construed against any one PARTY.

12.5 Waiver

A waiver by COUNTY or non-County PARTIES of a breach of any of the covenants to be performed by COUNTY or non-County PARTIES shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions, or conditions of this Agreement. In addition, the failure of any PARTY to insist upon strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by COUNTY or non-County PARTIES of either performance or payment shall not be considered a waiver of PARTY's preceding breach of this Agreement.

12.6 Authority to Enter Agreement

COUNTY and non-County PARTIES have all requisite power and authority to conduct their respective business and to execute, deliver, and perform the Agreement. Each PARTY warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective PARTY.

12.7 Cooperation

COUNTY through SHERIFF and Non-County PARTIES will cooperate in good faith to implement this Agreement.

12.8 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same

instrument. SHERIFF will provide each PARTY with a copy of this Agreement once fully executed.

12.9 Severability

This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any Court or other legal authority, or is agreed upon by the PARTIES, to be in conflict with any law or regulation, then the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of this Agreement to any PARTY is lost, then the Agreement may be terminated at the option of the affected PARTY, with the notice as required in this Agreement. In all other cases, the remainder of this Agreement shall be severable and shall continue in full force and effect.

12.10 Legislative Changes

If any changes are made to regulations pursuant to which this Agreement is made or to any successor legislation or regulations, or if the DHS imposes any budget requirements or limitations applicable to this Agreement and the services to be provided hereunder, then (1) to the extent any of the changes are of mandatory application, such change(s) shall apply to the PARTIES in this Agreement, and this Agreement shall be deemed to be amended to be consistent with such changes(s) except to the extent that such change(s) alter(s) a material provision of this Agreement in which case such material provision shall be voidable and the PARTIES will negotiate in good faith to amend the Agreement as necessary, and (2) to the extent any of the changes are not of mandatory application, such change(s) shall not affect this Agreement or the right or obligations of COUNTY and non-COUNTY under this Agreement unless the PARTIES mutually agree to subject themselves to such changes(s).

12.11 Representation

Each PARTIES' Chief, and/or Sheriff, or their respective designee, shall represent its PARTY in all discussions pertaining to this Agreement. SHERIFF, or his or her designee, shall represent COUNTY in all discussions pertaining to this Agreement.

12.12 Dispute Resolution Concerning Services and Payment

In the event of any dispute concerning services and payment arising from this Agreement, representatives described in paragraph 12.11, will meet, and confer within ten (10) business days after receiving notice of the dispute to resolve the dispute.

12.13 Termination of Funding

If funding for reimbursement of costs related to Operations is terminated by the DHS, this Agreement in its entirety shall be considered null and void and COUNTY through SHERIFF and PARTIES shall no longer be required to provide Operations as described herein. In such event, PARTIES shall meet immediately, and if agreed upon by the PARTIES, mutually develop and implement within a reasonable time frame, a transition plan for the provision of Operations through alternate means.

12.14 Obligation

This Agreement shall be binding upon the successors of the PARTIES.

12.15 California Law

This Agreement is executed and delivered within the State of California and the rights and obligations of the PARTIES hereto shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

IN WITNESS WHEREOF, the PARTIES hereto approve and agree to the terms of this Agreement, such Agreement being effective April 10, 2026 unless otherwise specified.

RIVERSIDE COUNTY SHERIFF'S OFFICE

Chad Bianco
Sheriff-Coroner

Approved as to form and legality:
Minh C. Tran
OFFICE OF THE COUNTY COUNSEL COUNTY OF RIVERSIDE

Amrit P. Dhillon
Deputy County Counsel

COSTA MESA POLICE DEPARTMENT

Joyce LaPointe
Chief

HAWTHORNE POLICE DEPARTMENT

Eric Lane
Chief

HUNTINGTON BEACH POLICE DEPARTMENT

Eric G. Parra
Chief

LA HABRA POLICE DEPARTMENT

Adam Foster
Chief

LOS ANGELES IMPACT

Michael Burke
Executive Director

LAGUNA BEACH POLICE DEPARTMENT

Jeff Calvert
Chief

ORANGE POLICE DEPARTMENT

_____
Adam Jevec
Chief

NEWPORT BEACH POLICE DEPARTMENT

_____
Dave Miner
Chief

SEAL BEACH POLICE DEPARTMENT

_____
Michael Henderson
Chief

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

_____
Robert G. Luna
Sheriff

Approved as to form:
DAWYN R. HARRISON
OFFICE OF THE COUNTY COUNSEL
COUNTY OF LOS ANGELES

_____
Michele Jackson
Principal Deputy County Counsel

FY 2025 OPERATION STONEGARDEN

RIVERSIDE COUNTY SHERIFF'S OFFICE - SUB-RECIPIENT

SUMMARY

AGENCY NAME	Budget Narrative Category									TOTAL
	A	B	C	D	E	F	G	H	I	
	Operational OT	Fringe Benefits	Vehicle/Vessel Maint	Equip Maint	New/Replace Equip	Fuel Costs	Mileage	Flight Costs	M&A	
Riverside County Sheriff's Department	$ 235,150	$ 18,350					$ 31,500		$ 135,000	**$ 420,000**
Costa Mesa Police Department	$ 139,490						$ 10,510			**$ 150,000**
Hawthorne Police Department	$ 181,600							$ 38,400		**$ 220,000**
Huntington Beach Police Department	$ 170,160	$ 2,467	$ 1,780		$ 124,500			$ 25,593		**$ 324,500**
La Habra Police Department	$ 60,804	$ 7,096					$ 2,100			**$ 70,000**
Laguna Beach Police Department	$ 56,640						$ 3,360			**$ 60,000**
LA IMPACT	$ 234,473							$ 35,527		**$ 270,000**
Los Angeles County Sheriff's Department	$ 800,000									**$ 800,000**
Newport Beach Police Department	$ 128,142	$ 1,858								**$ 130,000**
Orange Police Department	$ 85,912	$ 1,270								**$ 87,182**
Seal Beach Police Department	$ 108,349	$ 1,611			$ 53,318		$ 5,040			**$ 168,318**
Grand Total Riverside County Region	**$ 2,200,720**	**$ 32,652**	**$ 1,780**	**$ -**	**$ 177,818**	**$ -**	**$ 52,510**	**$ 99,520**	**$ 135,000**	**$ 2,700,000**

Homeland Security Grant Program - Operation Stonegarden Grant (OPSG)
FY 2025 Standard Assurances
(All OPSG Participating Agencies)

Name of Agency: _____

Address: _____

City: _____ State: _____ Zip Code: _____

As the duly authorized representative of the Agency ("Agency") named above, I hereby certify that the Agency has the legal authority to apply for federal assistance and has the institutional, managerial, and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

As the duly authorized representative of the Agency, I hereby certify that the Agency will comply with all applicable local, state, and federal statutes, including but not limited to the following state and federal statutes prohibiting hate-based conduct:

(a) California Penal Code section 422.6(a);
(b) California Penal Code section 404.6;
(c) California Penal Code section 422(a);
(d) California Civil Code section 52.1;
(e) 18 U.S.C. § 249;
(f) 42 U.S.C. § 3631;
(g) 18 U.S.C. § 247; and
(h) 18 U.S.C. § 241, 245.

Additionally, the Agency will not engage, and certifies that it will take steps to ensure that its representatives do not engage, in conduct contrary to the purposes of the grant program and/or that threatens the safety and security of Californians, including, but not limited to, acts of violence or unlawful intimidation on the basis of race, gender, religion, national origin, sexual orientation, or other protected classifications. Prohibited conduct includes, but is not limited to, violation of the federal and state laws identified herein.

I further acknowledge that the Agency is responsible for reviewing and adhering to all requirements within the:

(a) Applicable Federal Regulations (see below);
(b) Federal Program Notice of Funding Opportunity (NOFO);
(c) Federal Preparedness Grants Manual; and
(d) California Supplement to the NOFO.

Federal Regulations

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.) and adopted by the Department of Homeland Security (DHS) at 2 C.F.R. Part 3002.10. Updates are issued by the Office of Management and Budget (OMB) and can be found at http://www.whitehouse.gov/omb/.

In the event Cal OES determines that changes are necessary to the subaward after a subaward has been made, including changes to period of performance or terms and conditions, Agency will be notified of the changes in writing. Once notification has been made, any subsequent request for funds will indicate Agency acceptance of the

changes to the subaward.

State and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Agency hereby agrees to comply with the following:

1. Proof of Authority

The Agency will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Agency and the city council, governing board or authorized body agree:

(a) To provide all matching funds required for said project and that any cash match will be appropriated as required;
(b) That any liability arising out of the performance of this agreement shall be the responsibility of the Agency and the city council, governing board or authorized body;
(c) That grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body;
(d) That the Agency is authorized by the city council, governing body, or authorized body to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project cost, if any, or to retroactively repay any reimbursement found out of compliance which was paid to Agency, for as long as the grant is active) to ensure proper planning, management and completion of the project described in this application; and
(e) That the official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Agency is only authorized to perform allowable activities approved under the award, within the period of performance specified in the grant. Allowable activities may be initiated after approval of the award.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Agency certifies that:

(a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
(b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Agencies shall certify and disclose accordingly.

The Agency will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Agency agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders (EO) 12549 and 12689, and 2 C.F.R §200.213 and codified in 2 C.F.R Part 180, Debarment and Suspension, the Agency will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Agency certifies that it and its principals, contractors, or subcontractors:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default.

Where the Agency is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Agency will comply with all state and federal statutes relating to non-discrimination. These include, but are not limited to the following:

(a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;

(b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;

(c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;

(d) Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101et seq.), which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs;

(e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;

(f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;

(g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units — i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators) — be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);

(h) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic

partnerships and those in same sex marriages;

(i) DHS policy to ensure the equal treatment of faith-based organizations, under which the Agency must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;

(j) The California's Fair Employment and Housing Act (FEHA) (California Government Code §§12940-12957), as applicable. FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave, military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions;

(k) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and

(l) The requirements of any other nondiscrimination statute(s) that may apply to this application.

Civil Rights Policies for Program Beneficiaries and Subrecipients of DHS funding, pertaining to the following are available on the Cal OES website:

- Non-discrimination in Programs & Services
- Reasonable Accommodation for Program Beneficiaries
- Language Access Policy

6. Anti-Discrimination

DHS included the following provisions for FY 2025 grant awards:

The Agency must comply with all applicable Federal anti-discrimination laws material to the government's payment decisions for purposes of 31 U.S.C. § 372(b)(4).

(1) Definitions. As used in this clause –

(a) DEI means "diversity, equity, and inclusion."

(b) DEIA means "diversity, equity, inclusion, and accessibility."

(c) Discriminatory equity ideology has the meaning set forth in Section 2(b) of Executive Order 14190 of January 29, 2025.

(d) Federal anti-discrimination laws mean Federal civil rights law that protect individual Americans from discrimination on the basis of race, color, sex, religion, and national origin.

(e) Illegal immigrant means any alien, as defined in 8 U.S.C. § 1101(a)(3), who has no lawful immigration status in the United States.

(2) Grant award certification.

By accepting the grant award, subrecipients are certifying that:

(i) They do not, and will not during the term of this financial assistance award, operate any programs that advance or promote DEI, DEIA, or discriminatory equity ideology in violation of Federal anti-discrimination laws; and

(ii) They do not engage in and will not during the term of this award engage in, a discriminatory prohibited boycott.

7. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Agency certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

8. Environmental Standards

The Agency will comply with State and Federal environmental standards, including:

(a) The California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000-21177), to include coordination with the city or county planning agency;

(b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000-15387);

(c) The Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
(d) The Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
(e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
(f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
(g) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
(h) The Safe Drinking Water Act of 1974, (P.L. 93-523);
(i) The Endangered Species Act of 1973, (P.L. 93-205);
(j) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
(k) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); and
(l) The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Agency shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

9. Audits

For grant recipients expending $1,000,000 or more in federal grant funds annually, the Agency will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

10. Cooperation and Access to Records

The Agency must cooperate with any compliance reviews or investigations conducted by DHS. In accordance with 2 C.F.R. § 200.337, the Agency will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Agency will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

11. Conflict of Interest

The Agency will establish safeguards to prohibit the Agency's employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

12. Financial Management

False Claims for Payment - The Agency will comply with 31 U.S.C § 3729-3733 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

13. Reporting - Accountability

The Agency agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), including but not limited to (a) the reporting of subawards obligating $30,000 or more in federal funds, and (b) executive compensation data for first-tier subawards as set forth in 2 C.F.R. Part 170,

Appendix A. The Agency also agrees to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A.

14. Whistleblower Protections

The Agency must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

15. Human Trafficking

The Agency will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits the Applicant or its subrecipients from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

16. Labor Standards

The Agency will comply with the following federal labor standards:

(a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and

(b) (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.) as they apply to employees of institutes of higher learning (IHE), hospitals and other nonprofit organizations.

17. Worker's Compensation

The Agency must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

18. Property-Related

If applicable to the type of project funded by this federal award, the Agency will:

(a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;

(b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires federal award subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more;

(c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. § 469a-1 et seq.); and

(d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

19. Certifications Applicable Only to Federally Funded Construction Projects

For all construction projects, the Agency will:

(a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;

(b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
(c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

20. Use of Cellular Device While Driving is Prohibited

The Agency is required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services

21. California Public Records Act and Freedom of Information Act

The Agency acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code §7920.000 et seq. The Agency should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

22. Acknowledgement of Federal Funding from DHS

The Agency must acknowledge its use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

23. Activities Conducted Abroad

The Agency must coordinate with appropriate government authorities when performing project activities outside the United States and obtain all appropriate licenses, permits, or approvals.

24. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. If the Agency collects PII, the Agency is required to have a publicly-available privacy policy that describes standards on the usage and maintenance of the PII they collect. The Agency may refer to the DHS Privacy Impact Assessments: Privacy Guidance and Privacy Template as a useful resource.

25. Copyright

Recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 to any work first produced under federal awards and also include an acknowledgement that the work was produced under a federal award (including the federal award number and federal awarding agency). As detailed in 2 C.F.R. § 200.315, a federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes and to authorize others to do so.

26. Duplicative Costs

Agencies are prohibited from charging any cost to this federal award that will be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior budget period. (See 2 C.F.R. § 200.403(f)). However, recipients may shift costs that are allowable under two or more federal awards where otherwise permitted by federal statutes, regulations, or the federal financial assistance award terms and conditions.

27. Energy Policy and Conservation Act

The Agency must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

28. Federal Debt Status

The Agency is required to be non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

29. Fly America Act of 1974

The Agency must comply with Preference for United States Flag Air Carriers: (a list of certified air carriers can be found at: Certificated Air Carriers List | US Department of Transportation, https://www.transportation.gov/policy/aviationpolicy/certificated-air-carriers-list) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

30. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, the Agency must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

31. Non-supplanting Requirement

If the Agency receives federal financial assistance awards made under programs that prohibit supplanting by law, the Agency must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non- federal sources.

32. Patents and Intellectual Property Rights

Recipients are subject to the Bayh-Dole Act, 35 U.S.C. § 200 et seq. and applicable regulations governing inventions and patents, including the regulations issued by the Department of Commerce at 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Awards, Contracts, and Cooperative Agreements) and the standard patent rights clause set forth at 37 C.F.R. § 401.14.

33. SAFECOM

If the Agency receives federal financial assistance awards made under programs that provide emergency communication equipment and its related activities, the Agency must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

34. Terrorist Financing

The Agency must comply with Executive Order 13224 and United States law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. The Agency is legally responsible for ensuring compliance with the Order and laws.

35. Reporting of Matters Related to Subrecipient Integrity and Performance

If the total value of the Agency's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds $10,000,000 for any period of time during the period of performance of this federal financial assistance award, the Agency must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

36. USA Patriot Act of 2001

The Agency must comply with requirements of the Uniting and Strengthening America by Providing Appropriate

Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

37. Use of DHS Seal, Logo, and Flags

The Agency must obtain written permission from DHS prior to using the DHS seals, logos, crests, or reproductions of flags, or likenesses of DHS agency officials. This includes use of DHS component (e.g., FEMA, CISA, etc.) seals, logos, crests, or reproductions of flags, or likenesses of component officials.

38. Applicability of DHS Standard Terms and Conditions to Tribes

The DHS Standard Terms and Conditions are a restatement of general requirements imposed upon the Agency and flow down to any of its subrecipients as a matter of law, regulation, or executive order. If the requirement does not apply to Indian tribes or there is a federal law or regulation exempting its application to Indian tribes, then the acceptance by Tribes of, or acquiescence to, DHS Standard Terms and Conditions does not change or alter its inapplicability to an Indian tribe. The execution of grant documents is not intended to change, alter, amend, or impose additional liability or responsibility upon the Tribe where it does not already exist.

39. Required Use of American Iron, Steel, Manufactured Products, and Construction Materials

The Agency must comply with the "Build America, Buy America" Act (BABAA), enacted as part of the Infrastructure Investment and Jobs Act and Executive Order 14005. Agencies receiving a federal award subject to BABAA requirements may not use federal financial assistance funds for infrastructure projects unless:

(a) All iron and steel used in the project are produced in the United States – this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(b) All manufactured products used in the project are produced in the United States – this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

(c) All construction materials are manufactured in the United States – this means that all manufacturing processes for the construction material occurred in the United States. The "Buy America" preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. It does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project. Per section 70914(c) of BABAA, FEMA may waive the application of a Buy America preference under an infrastructure program in certain cases.

40. Presidential Executive Orders

DHS included the following provision for FY 2025 grant awards:

The Applicant/Subrecipient must comply with the requirements of Presidential Executive Orders that are currently in effect related to grants (also known as federal assistance and financial assistance) and are incorporated by reference.

41. Limited Waiver of Sovereign Immunity by Federally Recognized California Indian Tribe

The Agency recognize nothing outlined in these assurances shall be constructed as consent by any federally recognized California Indian tribe to be bound by the laws of the State of California or the laws of the United States to which the federally recognized California Indian tribe is not bound, except as expressly agreed herein. This limited waiver of sovereign immunity shall be strictly construed.

IMPORTANT

The purpose of these assurances is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. Agency recognizes and agrees that state financial assistance will be extended based on the representations made in these assurances. These assurances are binding on Agency, its successors, transferees, assignees, etc. as well as any of its subrecipients. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Agency and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the Agency may be ineligible for award of any future grants if Cal OES determines that the Agency: (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers.

The undersigned represents that he/she is authorized to enter into this Agreement for and on behalf of the above-named Agency. Agency understands that failure to comply with this Agreement and Addendum or any of the assurances may result in suspension, termination, reduction, or de-obligation of funding. Agency agrees to repay funds in the event there is a violation of grant assurances.

Name of Agency: _____

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____

Email Address: _____

RESOLUTION NO. 11715

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE ACCEPTING FUNDS IN THE AMOUNT OF $87,182 FROM THE RIVERSIDE COUNTY SHERIFF'S DEPARTMENT FOR FISCAL YEAR 2025 OPERATION STONEGARDEN GRANT PROGRAM, AND AUTHORIZING THE CHIEF OF POLICE TO EXECUTE THE GRANT PROGRAM AGREEMENT AND RELATED DOCUMENTS

WHEREAS, the City of Orange (City) is interested in participating in Fiscal Year 2025 Operation Stonegarden Grant Program ("the Grant Program"), which is made available through the U.S. Department of Homeland Security, through the California Governor's Office of Emergency Services, and administered by the Riverside County Sheriff's Department (hereafter referred to as RCSD); and

WHEREAS, following the City's submittal of Grant Program application to RCSD, the City was awarded $87,182 in Grant funds; and

WHEREAS, the City is familiar with and willing and able to comply with each of the terms, conditions and limitations imposed upon the City pursuant to the Grant in providing collaborative efforts to strengthen border security along the land and water borders of the United States; and

WHEREAS, in order to be considered eligible to receive Grant Program funding, the City must adopt a Resolution accepting the award and execute the required documents in relation thereto.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Orange as follows:

1. The submission of the application for Grant Program funding on behalf of the City is hereby ratified and approved.

2. The City of Orange hereby accepts an award in the amount of $87,182 from the RCSD for the Grant Program.

3. The City hereby agrees to comply with each and all of the terms, conditions and limitations imposed by the Grant Program.

4. The Chief of Police is hereby authorized and directed, on behalf of the City, to execute any documents related to acceptance of Grant Program funding or implementation of the Grant Program including, without limitation, agreements, amendments, extensions, and other documents.

5. The Chief of Police is hereby authorized and directed to establish all required accounts and make any and all expenditures, appropriations, transfers, and/or distributions of funds on behalf of the City as are necessary and appropriate to carry out the purpose and intent of this Resolution.

6. Grant Program funds received hereunder shall not be used to supplant ongoing law enforcement expenditures.

ADOPTED this____ day of _____, 2026.

_____
Daniel R. Slater, Mayor, City of Orange

ATTEST:

_____
Pamela Coleman, City Clerk, City of Orange

APPROVED AS TO FORM:

_____
Nathalie Adourian, City Attorney,
City of Orange

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

I, PAMELA COLEMAN, City Clerk of the City of Orange, California, do hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the ____ day of _____, 2026, by the following vote:

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

_____
Pamela Coleman, City Clerk, City of Orange

Agenda Item

Orange City Council

Item #: 3.4. 8/25/2026 **File #:** 26-0366

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Adam Jevec, Chief of Police**

1. SUBJECT

Agreement and appropriation of $97,983 in grant funding received from the State of California, Department of Alcoholic Beverage Control for the Alcohol Policing Partnership Grant for Fiscal Year 2026-2027

2. SUMMARY

Funding for the Alcohol Policing Partnership Grant is being awarded in the amount of $97,983 to support enforcement efforts aimed at reducing crime and public nuisance activities associated with problem alcoholic beverage outlets.

3. RECOMMENDED ACTION

1. Approve the agreement with the State of California, Department of Alcoholic Beverage Control in the amount of $97,983 for the Alcohol Policing Partnership Grant; and authorize the City Manager to execute on behalf of the City.

2. Adopt Resolution No. 11716. A Resolution of the City Council of the City of Orange accepting funds in the amount of $97,983 from the State of California, Department of Alcoholic Beverage Control for the Alcohol Policing Partnership Grant, and authorize the City Manager to execute the grant program agreement and related documents.

3. Accept into the City's revenue budget $97,983 in grant funds from the State of California, Department of Alcoholic Beverage Control into the State Grants Fund (499) as follows:
   499-4133-43299-274001-43 Alcoholic Beverage Control Grant FY27

4. Authorize the appropriation of $97,983 into the State Grants Fund (499) ABC Grant FY27 as follows:

499-4133-51003-274001-10	Overtime Safety		$ 93,333
499-4133-57101-274001-20	Local Training		$ 650
499-4133-53199-274001-20	Miscellaneous Operating Supplies	$ 1,500	
499-4133-80101-274001-20	Furniture, Fixture, Equipment		$ 2,500

4. FISCAL IMPACT

There is no direct fiscal impact to the City. The additional revenue received from the State of

California, Department of Alcoholic Beverage Control will fund the expense for this program.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Public Safety Services

6. DISCUSSION AND BACKGROUND

The mission of the California Department of Alcoholic Beverage Control (ABC) is to administer the provisions of the Alcoholic Beverage Control Act in a manner that fosters and protects the health, safety, welfare, and economic well-being of the people of the State of California.

In support of this mission, the Orange Police Department has been awarded an Alcohol Policing Partnership (APP) Grant in the amount of $97,983 from ABC for Fiscal Year 2026-2027 (FY27). The grant will support the development and implementation of a strategic approach to reducing crime and public nuisance issues associated with licensed alcoholic beverage establishments. Grant funding will also facilitate the establishment and operation of a multi-agency working group to assist with business inspections and the enforcement of state laws and local ordinances.

Grant funded objectives include:

- Facilitate three, *Licensee Education on Alcohol and Drugs* (LEAD) trainings for business owners and staff to educate them on responsible alcohol services.
- Conduct three, *Informed Merchants Preventing Alcohol-Related Crime Tendencies* (IMPACT) operations to educate and reduce alcohol-related crime.
- Conduct five *Minor Decoy* operations and five *Shoulder Tap* operations to eliminate the sale and distribution of alcohol to minors.
- Conduct five *general enforcement* operations to address ABC and city ordinance violations, and narcotic and gambling violations.
- Facilitate four *Target Responsibility for Alcohol Connected Emergencies* (TRACE) trainings to educate officers on proper protocol.
- Conduct four *briefing trainings* for patrol to educate officers on proper and effective enforcement techniques.

The training of law enforcement personnel, combined with proactive prevention and enforcement efforts and ongoing collaboration with the local ABC district office, will support a comprehensive and effective strategy for addressing crime and public nuisance problems associated with licensed alcohol establishments.

Acceptance of the APP Grant will provide funding for overtime, training, and equipment costs necessary to accomplish the grant objectives during FY27 and will enhance the Department's ability to promote public safety and regulatory compliance within the community.

7. ATTACHMENTS

- ABC Agreement No. 26-APP25
- Resolution No. 11716

Agenda Item

Orange City Council

Item #: 3.4. 8/25/2026 **File #:** 26-0366

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Adam Jevec, Chief of Police**

1. SUBJECT

Agreement and appropriation of $97,983 in grant funding received from the State of California, Department of Alcoholic Beverage Control for the Alcohol Policing Partnership Grant for Fiscal Year 2026-2027

2. SUMMARY

Funding for the Alcohol Policing Partnership Grant is being awarded in the amount of $97,983 to support enforcement efforts aimed at reducing crime and public nuisance activities associated with problem alcoholic beverage outlets.

3. RECOMMENDED ACTION

1. Approve the agreement with the State of California, Department of Alcoholic Beverage Control in the amount of $97,983 for the Alcohol Policing Partnership Grant; and authorize the City Manager to execute on behalf of the City.

2. Adopt Resolution No. 11716. A Resolution of the City Council of the City of Orange accepting funds in the amount of $97,983 from the State of California, Department of Alcoholic Beverage Control for the Alcohol Policing Partnership Grant, and authorize the City Manager to execute the grant program agreement and related documents.

3. Accept into the City's revenue budget $97,983 in grant funds from the State of California, Department of Alcoholic Beverage Control into the State Grants Fund (499) as follows:
   499-4133-43299-274001-43 Alcoholic Beverage Control Grant FY27

4. Authorize the appropriation of $97,983 into the State Grants Fund (499) ABC Grant FY27 as follows:

499-4133-51003-274001-10	Overtime Safety		$ 93,333
499-4133-57101-274001-20	Local Training		$ 650
499-4133-53199-274001-20	Miscellaneous Operating Supplies	$ 1,500	
499-4133-80101-274001-20	Furniture, Fixture, Equipment		$ 2,500

4. FISCAL IMPACT

There is no direct fiscal impact to the City. The additional revenue received from the State of

California, Department of Alcoholic Beverage Control will fund the expense for this program.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Public Safety Services

6. DISCUSSION AND BACKGROUND

The mission of the California Department of Alcoholic Beverage Control (ABC) is to administer the provisions of the Alcoholic Beverage Control Act in a manner that fosters and protects the health, safety, welfare, and economic well-being of the people of the State of California.

In support of this mission, the Orange Police Department has been awarded an Alcohol Policing Partnership (APP) Grant in the amount of $97,983 from ABC for Fiscal Year 2026-2027 (FY27). The grant will support the development and implementation of a strategic approach to reducing crime and public nuisance issues associated with licensed alcoholic beverage establishments. Grant funding will also facilitate the establishment and operation of a multi-agency working group to assist with business inspections and the enforcement of state laws and local ordinances.

Grant funded objectives include:

- Facilitate three, *Licensee Education on Alcohol and Drugs* (LEAD) trainings for business owners and staff to educate them on responsible alcohol services.
- Conduct three, *Informed Merchants Preventing Alcohol-Related Crime Tendencies* (IMPACT) operations to educate and reduce alcohol-related crime.
- Conduct five *Minor Decoy* operations and five *Shoulder Tap* operations to eliminate the sale and distribution of alcohol to minors.
- Conduct five *general enforcement* operations to address ABC and city ordinance violations, and narcotic and gambling violations.
- Facilitate four *Target Responsibility for Alcohol Connected Emergencies* (TRACE) trainings to educate officers on proper protocol.
- Conduct four *briefing trainings* for patrol to educate officers on proper and effective enforcement techniques.

The training of law enforcement personnel, combined with proactive prevention and enforcement efforts and ongoing collaboration with the local ABC district office, will support a comprehensive and effective strategy for addressing crime and public nuisance problems associated with licensed alcohol establishments.

Acceptance of the APP Grant will provide funding for overtime, training, and equipment costs necessary to accomplish the grant objectives during FY27 and will enhance the Department's ability to promote public safety and regulatory compliance within the community.

7. ATTACHMENTS

- ABC Agreement No. 26-APP25
- Resolution No. 11716

Reset Form | Print Form | **SCO ID:** 2100-26APP25

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
26-APP25	ABC-2100

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTOR NAME
City of Orange through the Orange Police Department

2. The term of this Agreement is:

START DATE
July 1, 2026

THROUGH END DATE
June 30, 2027

3. The maximum amount of this Agreement is:
$97,983.00 Ninety seven thousand nine hundred eighty three dollars and no cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits		Title	Pages
	Exhibit A	Scope of Work	3
	Exhibit B	Budget Detail and Payment Provisions	3
	Exhibit C *	General Terms and Conditions (GTC 02/2025)	5
+ -	Exhibit D	Special Terms and Conditions	1

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
City of Orange through the Orange Police Department

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
1107 N. Batavia Street	Orange	CA	92867

PRINTED NAME OF PERSON SIGNING	TITLE
Jarad Hildenbrand	City Manager

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
3927 Lennane Drive, Suite 100	Sacramento	CA	95834

PRINTED NAME OF PERSON SIGNING	TITLE
Pattye Baker	Chief, Business Management Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)

RESOLUTION NO. 11716

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE ACCEPTING FUNDS IN THE AMOUNT OF $97,983 FROM THE STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL FOR THE ALCOHOL POLICING PARTNERSHIP GRANT, AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE GRANT PROGRAM AGREEMENT AND RELATED DOCUMENTS

WHEREAS, the City of Orange (City) is interested in participating in the 2026/2027 Alcohol Policing Partnership Grant ("the Grant Program"), which is made available through the Grant Assistance Program (GAP) and administered by the Department of Alcoholic Beverage Control (hereafter referred to as ABC); and

WHEREAS, following the City's submittal of Grant Program application to the State of California and ABC, the City was awarded $97,983 in Grant funds; and

WHEREAS, the City is familiar with and willing and able to comply with each of the terms, conditions and limitations imposed upon the City pursuant to the Grant in implementing education, prevention and enforcement of public nuisance problems associated with ABC establishments; and

WHEREAS, in order to be considered eligible to receive Grant Program funding, the City must adopt a Resolution accepting the award and execute the required documents in relation thereto.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Orange does resolve as follows:

1. The submission of the application for Grant Program funding on behalf of the City is hereby ratified and approved.

2. The City of Orange hereby accepts an award in the amount of $97,983 from the State of California and ABC for the Grant Program.

3. The City hereby agrees to comply with each and all of the terms, conditions and limitations imposed by the Grant Program.

4. The City Manager is hereby authorized and directed, on behalf of the City, to execute any documents related to acceptance of Grant Program funding or implementation of the

Grant Program including, without limitation, agreements, amendments, extensions, and other documents.

5. The City Manager is hereby authorized and directed to establish all required accounts and make any and all expenditures, appropriations, transfers, and/or distributions of funds on behalf of the City as are necessary and appropriate to carry out the purpose and intent of this Resolution.

6. Grant Program funds received hereunder shall not be used to supplant ongoing law enforcement expenditures.

ADOPTED this____ day of _____, 2026.

_____
Daniel R. Slater, Mayor, City of Orange

ATTEST:

_____
Pamela Coleman, City Clerk, City of Orange

APPROVED AS TO FORM:

_____
Nathalie Adourian, City Attorney,
City of Orange

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

I, PAMELA COLEMAN, City Clerk of the City of Orange, California, do hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the ____ day of _____, 2026, by the following vote:

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

_____
Pamela Coleman, City Clerk, City of Orange

Agenda Item

Orange City Council

Item #: 3.5. 8/25/2026 **File #:** 26-0445

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Alan Velasco, Fire Chief**

1. SUBJECT

Agreements with the California Department of Health Care Services and CalOptima for a one-time Intergovernmental Transfer for Fiscal Year 2026-2027

2. SUMMARY

Request for City Council approval to participate in a one-time Intergovernmental Transfer for the twelve-month period ending December 31, 2025, to secure additional federal Medicaid funding for unreimbursed ambulance transport costs through the California Department of Health Care Services.

3. RECOMMENDED ACTION

1. Approve the agreements with California Department of Health Care Services and CalOptima authorizing the City's participation in a one-time Intergovernmental Transfer for the Twelve-month period ending December 21, 2025; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize an advance not to exceed $826,000, covering the City's estimated non-federal share of $655,139, the required 20% assessment fee, and a 5% contingency for possible reconciliation adjustments, for a one-time Intergovernmental Transfer from the EMT Fund (225) to the California Department of Health Care Services.

4. FISCAL IMPACT

Reimbursable funds of $826,000 will be advanced to obtain approximately $1,840,000 in additional federal Medicaid funds received through increased Medi Cal managed care capitation rates, resulting in a net benefit of approximately $1,000,000, and will be advanced through the Emergency Transport Fund (225) respectively: 225-0000-12101.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Stability

6. DISCUSSION AND BACKGROUND

The Intergovernmental Transfer (IGT) program is a financing mechanism authorized under the California Welfare and Institutions Code that allows local governmental entities to contribute public funds to the California Department of Health Care Services (DHCS), which in turn uses those funds to draw down additional federal Medicaid dollars. These federal funds are used to increase Medi-Cal managed care capitation rates paid to contracted health plans. Through this process, local government entities-such as the City of Orange-can recover a portion of unreimbursed Medi-Cal

costs associated with providing essential services.

Because the City provides ambulance transport services to Medi-Cal beneficiaries and incurs unreimbursed costs as a result, it is eligible to participate in the IGT program. Other local participants include Huntington Beach, Newport Beach, and the University of California, Irvine. In Fiscal Year 2025-26, the City received net IGT program revenue totaling $934,850.

DHCS invited the City to participate in the Calendar Year 2025 (CY25) cycle. Participation requires an Intergovernmental Agreement regarding the transfer of public funds with DHCS and separate Health Plan-Provider Agreements with CalOptima and Kaiser Foundation Health Plan Inc. (Kaiser). The previously approved Health Plan-Provider Agreement with Kaiser, which automatically renews unless terminated by either party, is attached for reference.

Under the Agreement, the City transfers funds to DHCS based on estimated unreimbursed Medi Cal charges, along with the required 20% administrative fee. DHCS uses these funds to support the non federal share of Medi Cal managed care capitation rate increases, consistent with Section 14301.4 of the California Welfare & Institutions Code. DHCS then obtains federal matching funds and pays the enhanced rates to the contracted health plans, CalOptima and Kaiser. The health plans subsequently return payments to the City, including the original IGT contribution, the 20% administrative fee, and 98% of the additional federal reimbursement revenue generated.

DHCS also reconciles the City's initial transfer to actual member months after the service period concludes. If the actual amount needed is lower, DHCS returns the surplus; if higher, the City must remit the difference. To account for any potential increase identified during DHCS's reconciliation process, a 5% contingency is included.

For CY25, DHCS has provided the following projections:

IGT Contribution from City	$	655,139
20% Admin Fee	$	131,038
Total IGT Transfer to DHCS for CY25 Program	**$ 786,177**	
Estimated unreimbursed IGT Revenue available for CY25	$ 1,076,060	
Where of,		
The City of Orange receives 98% of the net IGT transaction revenue	$ 1,054,538	
CalOptima and Kaiser retain 2% of the net IGT transaction revenue	$	21,521
Upon reimbursement,		
CalOptima and Kaiser will return to the City the original IGT contribution, 20% administrative fee, and 98% of IGT revenue available	**$ 1,840,715**	
Estimated net revenue that will be received by the City in Fiscal Year 2026-2027	**$ 1,054,538**	

In March 2026, the City submitted a non-binding letter to DHCS confirming interest in program

participation. If the City intends to move forward, two agreements must be executed:

1. Intergovernmental Agreement between the City and DHCS
2. Health Plan-Provider Agreement between the City and CalOptima.

Approximate Timeframe for IGT participation:

March 2026: CalOptima and Kaiser advised DHCS the City will be participating in the IGT program.

August 2026: Agreements will be signed and submitted to DHCS for their review and approval.

October 2026: City will receive an invoice from DHCS representing estimated unreimbursed Medicaid expenses for the twelve months ending December 31, 2025.

After DHCS processes the City's transfer, the enhanced capitation payments are made to CalOptima and Kaiser. Under the separate Health Plan-Provider Agreements, CalOptima and Kaiser are expected to return approximately $1,840,715 to the City, within the 30 days specified, of which $1,054,538 is the City's calculated share of additional Medicaid revenue generated through the IGT.

Additional revenue received through the IGT must be used to cover the portion of emergency ambulance service costs that exceed Medi Cal fee for service rates, as required under the Health Plan-Provider Agreements. Future funding cycles are not guaranteed, so this revenue should be considered one time. - - -

DHCS requires program participants to obtain City Council approval prior to execution of the final agreement. While funding is not guaranteed, previous participation has generated supplementary revenue for the City and staff recommends that the City pursue this additional reimbursement.

7. ATTACHMENTS

- Attachment 1 California Welfare and Institutions Code 14301.4 (Medi-Cal Intergovernmental Transfers)
- Attachment 2 Intergovernmental Agreement with California Department of Health Care Services
- Attachment 3 Health Plan-Provider Agreement with CalOptima
- Attachment 4 Agreement No. 7848, Health Plan-Provider Agreement with Kaiser Foundation Health Plan, Inc. approved on June 24, 2025

Agenda Item

Orange City Council

Item #: 3.5. 8/25/2026 **File #:** 26-0445

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Alan Velasco, Fire Chief**

1. SUBJECT

Agreements with the California Department of Health Care Services and CalOptima for a one-time Intergovernmental Transfer for Fiscal Year 2026-2027

2. SUMMARY

Request for City Council approval to participate in a one-time Intergovernmental Transfer for the twelve-month period ending December 31, 2025, to secure additional federal Medicaid funding for unreimbursed ambulance transport costs through the California Department of Health Care Services.

3. RECOMMENDED ACTION

1. Approve the agreements with California Department of Health Care Services and CalOptima authorizing the City's participation in a one-time Intergovernmental Transfer for the Twelve-month period ending December 21, 2025; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize an advance not to exceed $826,000, covering the City's estimated non-federal share of $655,139, the required 20% assessment fee, and a 5% contingency for possible reconciliation adjustments, for a one-time Intergovernmental Transfer from the EMT Fund (225) to the California Department of Health Care Services.

4. FISCAL IMPACT

Reimbursable funds of $826,000 will be advanced to obtain approximately $1,840,000 in additional federal Medicaid funds received through increased Medi Cal managed care capitation rates, resulting in a net benefit of approximately $1,000,000, and will be advanced through the Emergency Transport Fund (225) respectively: 225-0000-12101.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Stability

6. DISCUSSION AND BACKGROUND

The Intergovernmental Transfer (IGT) program is a financing mechanism authorized under the California Welfare and Institutions Code that allows local governmental entities to contribute public funds to the California Department of Health Care Services (DHCS), which in turn uses those funds to draw down additional federal Medicaid dollars. These federal funds are used to increase Medi-Cal managed care capitation rates paid to contracted health plans. Through this process, local government entities-such as the City of Orange-can recover a portion of unreimbursed Medi-Cal

costs associated with providing essential services.

Because the City provides ambulance transport services to Medi-Cal beneficiaries and incurs unreimbursed costs as a result, it is eligible to participate in the IGT program. Other local participants include Huntington Beach, Newport Beach, and the University of California, Irvine. In Fiscal Year 2025-26, the City received net IGT program revenue totaling $934,850.

DHCS invited the City to participate in the Calendar Year 2025 (CY25) cycle. Participation requires an Intergovernmental Agreement regarding the transfer of public funds with DHCS and separate Health Plan-Provider Agreements with CalOptima and Kaiser Foundation Health Plan Inc. (Kaiser). The previously approved Health Plan-Provider Agreement with Kaiser, which automatically renews unless terminated by either party, is attached for reference.

Under the Agreement, the City transfers funds to DHCS based on estimated unreimbursed Medi Cal charges, along with the required 20% administrative fee. DHCS uses these funds to support the non federal share of Medi Cal managed care capitation rate increases, consistent with Section 14301.4 of the California Welfare & Institutions Code. DHCS then obtains federal matching funds and pays the enhanced rates to the contracted health plans, CalOptima and Kaiser. The health plans subsequently return payments to the City, including the original IGT contribution, the 20% administrative fee, and 98% of the additional federal reimbursement revenue generated.

DHCS also reconciles the City's initial transfer to actual member months after the service period concludes. If the actual amount needed is lower, DHCS returns the surplus; if higher, the City must remit the difference. To account for any potential increase identified during DHCS's reconciliation process, a 5% contingency is included.

For CY25, DHCS has provided the following projections:

IGT Contribution from City	$	655,139
20% Admin Fee	$	131,038
Total IGT Transfer to DHCS for CY25 Program	**$ 786,177**	
Estimated unreimbursed IGT Revenue available for CY25	$ 1,076,060	
Where of,		
The City of Orange receives 98% of the net IGT transaction revenue	$ 1,054,538	
CalOptima and Kaiser retain 2% of the net IGT transaction revenue	$	21,521
Upon reimbursement,		
CalOptima and Kaiser will return to the City the original IGT contribution, 20% administrative fee, and 98% of IGT revenue available	**$ 1,840,715**	
Estimated net revenue that will be received by the City in Fiscal Year 2026-2027	**$ 1,054,538**	

In March 2026, the City submitted a non-binding letter to DHCS confirming interest in program

participation. If the City intends to move forward, two agreements must be executed:

1. Intergovernmental Agreement between the City and DHCS
2. Health Plan-Provider Agreement between the City and CalOptima.

Approximate Timeframe for IGT participation:

March 2026: CalOptima and Kaiser advised DHCS the City will be participating in the IGT program.

August 2026: Agreements will be signed and submitted to DHCS for their review and approval.

October 2026: City will receive an invoice from DHCS representing estimated unreimbursed Medicaid expenses for the twelve months ending December 31, 2025.

After DHCS processes the City's transfer, the enhanced capitation payments are made to CalOptima and Kaiser. Under the separate Health Plan-Provider Agreements, CalOptima and Kaiser are expected to return approximately $1,840,715 to the City, within the 30 days specified, of which $1,054,538 is the City's calculated share of additional Medicaid revenue generated through the IGT.

Additional revenue received through the IGT must be used to cover the portion of emergency ambulance service costs that exceed Medi Cal fee for service rates, as required under the Health Plan-Provider Agreements. Future funding cycles are not guaranteed, so this revenue should be considered one time. - - -

DHCS requires program participants to obtain City Council approval prior to execution of the final agreement. While funding is not guaranteed, previous participation has generated supplementary revenue for the City and staff recommends that the City pursue this additional reimbursement.

7. ATTACHMENTS

- Attachment 1 California Welfare and Institutions Code 14301.4 (Medi-Cal Intergovernmental Transfers)
- Attachment 2 Intergovernmental Agreement with California Department of Health Care Services
- Attachment 3 Health Plan-Provider Agreement with CalOptima
- Attachment 4 Health Plan-Provider Agreement with Kaiser Foundation Health Plan Inc.

STATE OF CALIFORNIA
AUTHENTICATED
ELECTRONIC LEGAL MATERIAL

State of California

WELFARE AND INSTITUTIONS CODE

Section 14301.4

14301.4. (a) It is the intent of the Legislature, to the extent federal financial participation is not jeopardized and consistent with federal law, that the intergovernmental transfers described in this section provide support for the nonfederal share of risk-based payments to managed care health plans to enable those plans to compensate providers designated by the transferring entity for Medi-Cal health care services and for support of the Medi-Cal program.

(b) For the purposes of this section, the following definitions apply:

(1) "Intergovernmental transfer" or "IGT" means the transfer of public funds by the transferring entity to the state in accordance with the requirements of this section.

(2) "Managed care health plan" means a Medi-Cal managed care plan contracting with the department under this chapter or Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.81 (commencing with Section 14087.96), or Article 2.91 (commencing with Section 14089) of Chapter 7.

(3) "Public provider" means any provider that is able to certify public expenditures under state and federal Medicaid law.

(4) "Rate range increases" means increases to risk-based payments to managed care health plans to increase the payments from the lower bound of the range determined to be actuarially sound to the upper bound of that range, as determined by the department's actuaries to take into account the variations in underwriting, risk, return on investment, and contingencies.

(5) "Transferring entity" means a public entity, which may be a city, county, special purpose district, or other governmental unit in the state, regardless of whether the unit of government is also a health care provider, except as prohibited by federal law.

(c) To the extent permitted by federal law, a transferring entity may elect to make an intergovernmental transfer to the state, and the department may accept all intergovernmental transfers from a transferring entity, for the purposes of providing support for the nonfederal share of risk-based payments to managed care health plans to enable those plans to compensate providers designated by the transferring entity for Medi-Cal health care services and for the support of the Medi-Cal program. The transferring entity shall certify to the department that the funds it proposes to transfer satisfy the requirements of this section and are in compliance with all federal rules and regulations.

(d) (1) Pursuant to paragraphs (2), (3), and (4), the state shall, upon acceptance of the IGT described in subdivision (c), assess a fee of 20 percent on each IGT subject

to this section to reimburse the department for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

(2) The IGTs subject to the fee shall be limited to those made by a transferring entity to provide the nonfederal share of rate range increases.

(3) The 20-percent assessment shall not apply to IGTs designated for increases to risk-based payments to managed care health plans intended to increase reimbursement for designated public providers for purposes of equaling the amount of reimbursement the public provider would have received through certified public expenditures under the fee-for-service payment methodology.

(4) The 20-percent assessment shall not apply to IGTs authorized pursuant to Sections 14168.7 and 14182.15.

(e) Participation in the intergovernmental transfers pursuant to this section is voluntary on the part of the transferring entities for the purposes of all applicable federal laws.

(f) The director shall seek any necessary federal approvals for the implementation of this section.

(g) To the extent that the director determines that the payments made pursuant to this section do not comply with the federal Medicaid requirements, the director retains the discretion to return the IGTs or not accept the IGTs.

(h) This section shall be implemented only to the extent that federal financial participation is not jeopardized.

(i) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of policy letters or similar instructions, without taking further regulatory action.

(j) This section shall be implemented on July 1, 2011, or the date on which all necessary federal approvals have been received, whichever is later.

(Added by Stats. 2011, Ch. 29, Sec. 19. (AB 102) Effective June 29, 2011.)

INTERGOVERNMENTAL AGREEMENT REGARDING TRANSFER OF PUBLIC FUNDS

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES ("DHCS") and CITY OF ORANGE ("GOVERNMENTAL FUNDING ENTITY") with respect to the matters set forth below.

The parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The GOVERNMENTAL FUNDING ENTITY agrees to make a transfer of funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code. The amount transferred shall be based on the sum of the applicable rate category per member per month ("PMPM") contribution increments multiplied by member months, as reflected in Exhibit 1. The GOVERNMENTAL FUNDING ENTITY agrees to initially transfer amounts that are calculated using the Estimated Member Months in Exhibit 1, which will be reconciled to actual enrollment for the service period of January 1, 2025 through December 31, 2025 in accordance with Sub-Section 1.3 of this Agreement. The funds transferred shall be used as described in Sub-Section 2.2 of this Agreement. The funds shall be transferred in accordance with the terms and conditions, including schedule and amount, established by DHCS.

1.2 The GOVERNMENTAL FUNDING ENTITY shall certify that the funds transferred qualify for Federal Financial Participation pursuant to 42 C.F.R. part 433, subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, Federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-

related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

1.3 DHCS shall reconcile the "Estimated Member Months," in Exhibit 1, to actual enrollment in HEALTH PLAN(S) for the service period of January 1, 2025 through December 31, 2025 using actual enrollment figures taken from DHCS records. Enrollment reconciliation will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment figures will be considered final two years after December 31, 2025. If reconciliation results in an increase to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, the GOVERNMENTAL FUNDING ENTITY agrees to transfer any additional funds necessary to cover the difference. If reconciliation results in a decrease to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, DHCS agrees to return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY. If DHCS and the GOVERNMENTAL FUNDING ENTITY mutually agree, amounts due to or owed by the GOVERNMENTAL FUNDING ENTITY may be offset against future transfers.

2. Acceptance and Use of Transferred Funds

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement as Intergovernmental Transfer (IGTs), to use for the purpose set forth in Sub-Section 2.2.

2.2 The funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to Section 1 and Exhibit 1 of this Agreement shall be used to fund the non-federal share

of Medi-Cal Managed Care actuarially sound capitation rates described in section 14301.4(b)(4) of the Welfare and Institutions Code as reflected in the contribution PMPM and rate categories reflected in Exhibit 1. The funds transferred shall be paid, together with the related Federal Financial Participation, by DHCS to HEALTH PLAN(S) as part of HEALTH PLAN(S)' capitation rates for the service period of January 1, 2025 through December 31, 2025, in accordance with section 14301.4 of the Welfare and Institutions Code.

2.3 DHCS shall seek Federal Financial Participation for the capitation rates specified in Sub-Section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge that DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services.

2.5 DHCS shall not direct HEALTH PLAN(S)' expenditure of the payments received pursuant to Sub-Section 2.2.

3. Assessment Fee

3.1 DHCS shall exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20 percent fee related to the amounts transferred pursuant to Section 1 of this Agreement, except as provided in Sub-Section 3.2. GOVERNMENTAL FUNDING ENTITY agrees to pay the full amount of that assessment in addition to the funds transferred pursuant to Section 1 of this Agreement.

3.2 The 20-percent assessment fee shall not be applied to any portion of funds transferred pursuant to Section 1 that are exempt in accordance with sections 14301.4(d) or 14301.5(b)(4) of the Welfare and Institutions Code. DHCS shall have sole discretion to determine the amount of the funds transferred pursuant to Section 1 that will not be subject to a

20 percent fee. DHCS has determined that $0.00 of the transfer amounts will not be assessed a 20 percent fee, subject to Sub-Section 3.3.

3.3 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to DHCS simultaneously with the transfer amounts made under Section 1 of this Agreement. If at the time of the reconciliation performed pursuant to Sub-Section 1.3 of this Agreement, there is a change in the amount transferred that is subject to the 20-percent assessment in accordance with Sub-Section 3.1, then a proportional adjustment to the assessment fee will be made.

4. Amendments

4.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

4.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in Section 2 of this Agreement.

5. Notices. Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall either be sent via secure email or submitted in writing to the other party personally or by United States First Class, Certified or Registered mail with postage prepaid, addressed to the other party at the address as set forth below:

To the GOVERNMENTAL FUNDING ENTITY:

Bryan Johnson, EMS Manager
1176 E. Chapman Avenue
Orange, CA 92866
(714) 288-2503
bjohnson@cityoforange.org

With copies to:

Nathalia Flores, Admin Analyst
1176 E. Chapman Avenue
Orange, CA 92866
(714) 288-2533
nflores@cityoforange.org

To DHCS:

Vivian Beeck
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., MS 4413
Sacramento, CA 95814
Vivian.Beeck@dhcs.ca.gov

6. Other Provisions

6.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal payments described in Sub-Section 2.2 of this Agreement that are funded by the GOVERNMENTAL FUNDING ENTITY, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY and DHCS relating to the subject matter of this Agreement. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. This Agreement shall not modify the terms of any other agreement, existing or entered into in the future, between the parties.

6.2 The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

6.3 Sections 2 and 3 of this Agreement shall survive the expiration or termination of this Agreement.

6.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals. Accordingly, there shall be no third party beneficiary of this Agreement.

6.5 Time is of the essence in this Agreement.

6.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so. Any required signature(s) on any documents must be in compliance with California Government Code section 16.5 and any other applicable state or federal regulations.

7. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under Federal and State law and regulations.

8. Approval. This Agreement is of no force and effect until signed by the parties.

9. Term. This Agreement shall be effective as of January 1, 2025 and shall expire as of June 30, 2028 unless terminated earlier by DHCS through written notification or by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

CITY OF ORANGE:

By: _____ Date: _____

Daniel R. Slater, Mayor

ATTEST:

_____

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____

Nathalie Adourian, City Attorney √

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____ Date: _____

Sean Barber, Division Chief, Capitated Rates Development Division

Exhibit 1

Health Plan	Funding Entity	Rating Region	Service Period	Participation %
Kaiser Foundation Health Plan	City of Orange	Orange	1/2025 - 12/2025	3.69%
Category of Aid	**SIS/UIS**	**Contribution PMPM**	**Estimated Member Months***	**Estimated Contribution (Non-Federal Share)**
Child	SIS	$ 0.22	283,299	$ 62,326
Child	UIS	$ 0.05	4,721	$ 236
Adult	SIS	$ 0.43	108,986	$ 46,864
Adult	UIS	$ 0.18	17,932	$ 3,228
Adult Expansion	SIS	$ -	247,938	$ -
Adult Expansion	UIS	$ -	22,904	$ -
SPD	SIS	$ 0.91	26,890	$ 24,470
SPD	UIS	$ 0.42	2,314	$ 972
SPD Dual	SIS	$ 0.36	119,795	$ 43,126
SPD Dual	UIS	$ 0.16	1,287	$ 206
LTC	SIS	$ 0.92	30	$ 28
LTC	UIS	$ -	-	$ -
LTC Dual	SIS	$ 0.36	983	$ 354
LTC Dual	UIS	$ -	-	$ -
WCM	SIS	$ 1.32	9,425	$ 12,441
WCM	UIS	$ 0.35	206	$ 72
Est. FE Total			846,710	$ 194,322

Health Plan	Funding Entity	Rating Region	Service Period	Participation %
CalOptima	City of Orange	Orange	1/2025 - 12/2025	0.64%
Category of Aid	**SIS/UIS**	**Contribution PMPM**	**Estimated Member Months***	**Estimated Contribution (Non-Federal Share)**
Child	SIS	$ 0.03	2,833,005	$ 84,990
Child	UIS	$ -	210,335	$ -
Adult	SIS	$ 0.07	904,169	$ 63,292
Adult	UIS	$ 0.02	611,283	$ 12,226
Adult Expansion	SIS	$ 0.02	3,060,473	$ 61,209
Adult Expansion	UIS	$ 0.01	823,965	$ 8,240
SPD	SIS	$ 0.20	381,326	$ 76,265
SPD	UIS	$ 0.07	140,678	$ 9,847
SPD Dual	SIS	$ 0.09	1,310,516	$ 117,946
SPD Dual	UIS	$ 0.03	12,948	$ 388
LTC	SIS	$ 0.21	2,061	$ 433
LTC	UIS	$ 0.07	1,575	$ 110
LTC Dual	SIS	$ 0.09	28,943	$ 2,605
LTC Dual	UIS	$ 0.03	271	$ 8
WCM	SIS	$ 0.22	104,167	$ 22,917
WCM	UIS	$ 0.07	4,850	$ 340
Est. FE Total			10,430,565	$ 460,817

* Note that Estimated Member Months are subject to variation, and the actual total Contribution (Non-Federal Share) may differ from the amount listed here.
* FMAP is a weighted blend of multiple FMAPs.

HEALTH PLAN-PROVIDER INTERGOVERNMENTAL TRANSFER RATE RANGE PROGRAM AGREEMENT

This Health Plan-Provider Intergovernmental Transfer Rate Range Program Agreement ("**Agreement**") is effective September 1, 2026 ("**Effective Date**"), by and between Orange County Health Authority, a California local agency doing business as CalOptima Health ("**PLAN**"), and the City of Orange, a California municipal corporation operating through its fire department ("**PROVIDER**"). PLAN and PROVIDER may each be referred to herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, PLAN is a county organized health system formed pursuant to California Welfare and Institutions Code § 14087.54 and Orange County Ordinance No. 3896 (as amended by Ordinance Nos. 00-8, 05-008, 06-012, 09-001, 11-013, 14-002 and 16-001).

WHEREAS, PLAN is party to a Medi-Cal managed care contract with the California Department of Health Care Services ("**DHCS**"), entered into pursuant to Welfare and Institutions Code § 14087.3, under which PLAN arranges and pays for the provision of covered Medi-Cal health care services to eligible members residing in Orange County and enrolled in PLAN's Medi-Cal program ("**Members**").

WHEREAS, PROVIDER is an emergency transport provider that provides transportation on a non-contract basis, including to Members.

WHEREAS, PLAN and PROVIDER desire to enter into this Agreement to provide Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("**IGT Rate Increases**") from PLAN to PROVIDER to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries, as set forth in the Agreement.

NOW, THEREFORE, PLAN and PROVIDER, in consideration of the promises and the mutual covenants herein stated, hereby agree as follows:

AGREEMENT

1. IGT Rate Range Increases

A. Payment

Should PLAN receive any IGT Rate Increases from DHCS where the nonfederal share is funded by PROVIDER specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (Contract # IGT-25-0018) between PROVIDER AND DHCS, ("**Intergovernmental Agreement**") with a term of January 1, 2025 through June 30, 2028 for IGT Rate Increases, PLAN shall pay to PROVIDER the amount of the IGT Rate Increases received from DHCS, in accordance with Section 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range ("**Local Range**") IGT payments. Local Range IGT payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. PLAN Administrative Fee

i. PLAN shall retain two percent (2.0%) of the IGT Rate Increase payments to PROVIDER (after reimbursing PROVIDER's initial contribution to the IGT Rate Increase ("**Administrative Fee**"), prior to disbursing Local Range IGT payments to PROVIDER. PLAN will expend the Administrative Fee to cover expenses for administering the IGT payments. PROVIDER's share of the IGT Rate Increase funds shall be calculated based on PROVIDER's proportionate share of the Local Range IGT Payment made by PLAN in Orange County to the respective funding entities.

ii. Any amounts referenced in this Agreement are estimates. The Parties understand and agree that the total amount of the IGT Rate Increases paid by DHCS to PLAN may fluctuate as a result of Member enrollment in PLAN's Medi-Cal program and the number of entities participating in the IGT program. The Parties further understand and agree that any such fluctuations will likewise affect the amount to be retained by PLAN and the amount payable to PROVIDER by the same percentage as the variance in the IGT Rate Increases, if any.

iii. PLAN will ultimately not retain any other portion of the IGT Rate Increases received from DHCS other than the Administrative Fee.

C. <u>Conditions for PROVIDER Receiving Local Range IGT Payments</u>

As a condition for receiving Local Range IGT payments, PROVIDER shall, as of the date the particular Local Range IGT Payment is due:

i. continue to provide emergency transport services to Members promptly and in a manner that ensures access to care consistent with PROVIDER's regular business practices for providing such services; and

ii. not discriminate against Members or in any way, including based on type of insurance, or impose limitations on the acceptance of Members for care or treatment that are not imposed on other patients of PROVIDER.

D. <u>Schedule and Notice of Transfer of Non-Federal Funds</u>

i. PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of funds to DHCS referred to in the Intergovernmental Agreement within fifteen (15) calendar days of establishing such a schedule with DHCS. Additionally, PROVIDER shall notify PLAN in writing within seven (7) calendar days prior to any changes to an existing schedule with DHCS, including, but not limited to, changes to the amounts specified therein.

ii. PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after funds have been transferred by PROVIDER to DHCS for use as the nonfederal share of any IGT Rate Increases.

E. Form and Timing of Payments

PLAN agrees to pay Local Range IGT Payments owed to PROVIDER under this Agreement in the following form and according to the following schedule:

i. PLAN agrees to pay the Local Range IGT payments to PROVIDER using the same mechanism through which compensation and payments are normally paid by PLAN to PROVIDER (*e.g.*, electronic transfer).

ii. PLAN will pay the Local Range IGT payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT Rate Increases from DHCS, unless PLAN cannot not make the payment until a later date based on no fault of PLAN, in which case PLAN will pay the Local Range IGT payment as soon as reasonably practicable.

F. Consideration

i. As consideration for the Local Range IGT payments, PROVIDER shall use the Local Range IGT payments solely as follows:

a. The Local Range IGT payments are compensation for emergency ambulance services rendered to Members by PROVIDER between January 1, 2025, and December 31, 2025 ("**Payment Period**"), and shall be used by PROVIDER solely to fund the costs that exceed the fee-for-service rates paid by PLAN for Medi-Cal-covered services provided to Members during the Payment Period.

To the extent that total payments received by PROVIDER under this Agreement exceed the cost of Medi-Cal-covered services provided to Members by PROVIDER during the Payment Period, the remaining Local Range IGT payment amounts shall constitute an overpayment, and PROVIDER shall return those funds to PLAN pursuant to Section 1.K.

ii. Both Parties agree that none of these funds, either originally from PROVIDER or the federal matching funds will be recycled back to PROVIDER'S general fund, the State of California ("**State**"), including DHCS, or any other intermediary organization. Payments made by Plan to PROVIDER under the terms of this Agreement constitute patient care revenues.

G. Oversight and Compliance Responsibilities

i. PLAN's oversight responsibilities regarding PROVIDER's use of the Local Range IGT payments are limited to this section. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which Local Range IGT payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Section 1.F. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

ii. PROVIDER shall ensure at all times that its use of Local Range IGT payments received under this Agreement complies with the terms of the Agreement, applicable laws, and Centers for Medicare & Medicaid Services ("**CMS**") and DHCS requirements.

H. Cooperation Among Parties

i. Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the Agreement, including the Local Range IGT payments, PROVIDER and PLAN agree to meet and confer in good faith and cooperate in all respects to resolve the dispute and support and preserve the Local Range IGT payments to the full extent possible on behalf of the safety net in Orange County.

ii. If the Parties are unable to resolve any dispute arising out of or relating to this Agreement under Section 1.H.ii, either Party may submit the dispute for resolution exclusively through confidential, binding arbitration, instead of through trial by court or jury, in Orange County, California. The arbitration will be conducted by Judicial Arbitration and Mediation Services ("JAMS") in accordance with the commercial dispute rules then in effect for JAMS; provided, however, that this Agreement shall control in instances where it conflicts with JAMS's (or the applicable arbitration service's) rules. The arbitration shall be conducted on an expedited basis by a single arbitrator. In making decisions about discovery and case management, it is the Parties' express agreement and intent that the arbitrator at all times promote efficiency without denying either Party the ability to present relevant evidence. In reaching and issuing decisions, the arbitrator shall have no jurisdiction to make errors of law and/or legal reasoning or to give a remedy or award damages that would not be available to such prevailing Party in a court of law, nor will the arbitrator have the authority to award punitive, exemplary, or treble damages. The Parties shall share the costs of arbitration equally, and each Party shall bear its own attorneys' fees and costs.

iii. With the exception of any dispute that under applicable laws may not be settled through arbitration, arbitration under Section I.H.ii is the exclusive method to resolve a dispute between the Parties arising out of or relating to this Agreement that is not resolved through the meet-and-confer processes. Notwithstanding the foregoing, either Party may institute proceedings in a federal or state court of competent jurisdiction to seek temporary or preliminary injunctive relief to enforce the status quo in any dispute relating to this Agreement pending the resolution of that dispute through arbitration.

iv. PROVIDER acknowledges that Government Code § 911.2 requires a claim against a government entity to be brought no later than one (1) year after the accrual of the cause of action. As such, the Parties agree that arbitration under Section 1.H.ii must be initiated within one (1) year of the earlier of the date the dispute arose, was discovered, or should have been discovered with reasonable diligence; otherwise, the dispute will be deemed waived, and the complaining Party shall be barred from initiating arbitration or other proceedings related to the dispute, including any civil action in state or federal court. The deadline to file arbitration shall not be subject to waiver, tolling, alteration, or modification of any kind or for any reason other than fraud.

v. By agreeing to binding arbitration as set forth in Section 1.H.ii, the Parties acknowledge that they are waiving certain substantial rights and protections which otherwise may be available if a dispute between them was determined by litigation in a court, including the right to a jury trial, attorneys' fees, and certain rights of appeal.

I. Reconciliation and Overpayment

i. Within one hundred twenty (120) calendar days after the end of each PLAN fiscal year in which PLAN made Local Range IGT payments to PROVIDER, PLAN shall perform a reconciliation of the Local Range IGT payments transmitted to the PROVIDER during the preceding fiscal year, including requesting PROVIDER to furnish proof of compliance with this Agreement and applicable laws, to ensure that the supporting amount of IGT Rate Increases were received by PLAN from DHCS.

ii. PROVIDER agrees to return to PLAN any overpayment of Local Range IGT payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution process set forth in Section 1.H.

iii. PROVIDER shall report to PLAN any overpayment received under this Agreement and identified by PROVIDER and to repay such overpayment to PLAN within sixty (60) days of such identification by PROVIDER. PROVIDER acknowledges and agrees that, if PLAN determines that an amount has been overpaid or paid in duplicate, or that funds were paid which were not due under this Agreement to PROVIDER, PLAN may recover such amounts from PROVIDER by recoupment or offset from current or future amounts due from PLAN to PROVIDER under any contract between the Parties, after giving notice and an opportunity to return/pay such amounts.

iv. The reconciliation process established under this section is distinct from the indemnification provisions set forth in Section 1.J below. PLAN agrees to transmit to the PROVIDER any underpayment of Local Range IGT payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. DHCS Payment and Indemnification

i. PROVIDER agrees to and acknowledges the following: (1) PLAN has no obligation to make any payments hereunder until PLAN has received IGT Rate Increases from DHCS; (2) PLAN is not responsible for DHCS payments to PLAN, including any mathematical calculations made by DHCS, and (3) PLAN is not responsible for the timing of the payments from DHCS to PLAN (including the conditions precedent to the timing of such payments, which includes the timing of DHCS submission to CMS and/or CMS review and approval). In addition, PLAN and PROVIDER agree and acknowledge that nothing herein is intended to create an obligation on the part of PLAN to agree to delays in capitation payment(s) from DHCS in order to accommodate payments under this Agreement.

ii. Each Party agrees to defend, indemnify, and hold each other and DHCS harmless with respect to any claims, costs, damages and expenses, including reasonable attorneys' fees, that are related to or arise out of (i) the negligent or willful performance or non-performance by the indemnifying Party of any functions, duties, or obligations of the Party under this Agreement, or (ii) a Party's violation of applicable law.

2. Term and Termination

A. This agreement shall commence on the Effective Date and shall expire on June 30, 2028.

B. Either Party may terminate this Agreement upon thirty (30) days' prior written notice to the other Party if the other Party materially breaches a provision of the Agreement and does not cure the breach within the thirty (30)-day notice period.

C. Either Party may terminate this Agreement without cause upon sixty (60) days' prior written notice to the other Party.

3. Miscellaneous Provisions

A. Any failure of a Party to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision of this Agreement. To be effective, a waiver must be in writing and signed and dated by the Parties.

B. Neither Party may assign this Agreement, either in whole or in part, without the prior written consent of the other Party.

C. This Agreement may only be amended in a writing signed by both Parties.

D. Any notices required or permitted under this Agreement shall be in writing and delivered to the addresses set forth below in this Section 3.D. Any notice not related to termination of this Agreement may be sent electronically to the other Party's e-mail address listed in this section or such other address as may be provided by a Party to the other Party from time to time. If notice relates to termination of this Agreement, such notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service that delivers to the noticed destination and provides proof of delivery to the sender. All notices sent to the addresses set forth in this section shall be effective (i) when first received by the Party, or (ii) upon refusal of delivery by the Party to which it was sent. Any Party whose address changes during the term of the Agreement shall promptly notify the other Party in writing. If PLAN cannot complete notice under this Section 3.D because PROVIDER's addresses are incorrect and/or PROVIDER failed to notify PLAN of the change, PLAN shall provide notice under this Section 3.D, including for Agreement termination, by making commercially reasonable efforts to deliver notice in any manner reasonably calculated to give PROVIDER actual notice, and notice shall be deemed delivered upon the completion of those efforts.

If to PLAN: 505 City Parkway West Orange, CA 92868

Attention: Strategic Development

If to PROVIDER: 1176 E. Chapman Avenue Orange, CA 92866

E. Each Party shall be excused from performance hereunder for any period that it is prevented from meeting the terms of this Agreement as a result of a catastrophic occurrence or natural disaster, including an act of war and excluding labor disputes (each a "**Force Majeure**

Event"). A Party invoking this clause shall provide the other Party with prompt written notice of any delay or failure to perform that occurs by reason of a Force Majeure Event. If the Force Majeure Event continues for a period of ten (10) days, the Party unaffected by the Force Majeure Event may terminate this Agreement upon notice to the other Party.

F. Each Party and any of its agents or employees of PROVIDER shall act in an independent capacity and not as officers, employees, or agents of the other Party under this Agreement. PROVIDER's relationship with PLAN under this Agreement is that of an independent contractor. PROVIDER's personnel performing services under this Agreement shall be at all times under PROVIDER's exclusive direction and control and shall be employees and/or agents of PROVIDER. PROVIDER shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.

G. This Agreement shall be governed by and construed in accordance with all laws of the State of California. Subject to the restrictions in Section 1.H, PROVIDER shall bring any and all legal proceedings against PLAN under this Agreement in California State courts in Orange County, California, unless mandated by law to be brought in federal court, in which case such legal proceeding shall be brought in the Central District Court of California.

H. If any provision of this Agreement is rendered invalid or unenforceable by appliable laws or is declared null and void by any court of competent jurisdiction, the remainder of the provisions hereof shall remain in full force and effect as though the invalid or unenforceable parts had not been included herein.

I. This Agreement, including its recitals and attachments, constitutes the entire agreement between the Parties and supersedes and terminates any previous agreements between the Parties. All prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period governed by this Agreement not expressly set forth herein shall be of no further force, effect, or legal consequence after the Effective Date.

J. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument.

K. The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.

[*signature page follows*]

SIGNATURES

PLAN: CalOptima Health

_____ Date: _____

By: Yunkyung Kim, Chief Operating Officer

PROVIDER: City of Orange

_____ Date: _____

By: Daniel R. Slater, Mayor

ATTEST:

_____ Date: _____

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____ Date: _____

Connor Hyland, Senior Assistant City Attorney √

Docusign Envelope ID: 3FFE5CEA-1FB0-473A-9C87-D818A8C20948

AGR-
Entered on July 3, 2025

Initial

HEALTH PLAN-PROVIDER AGREEMENT

BY AND BETWEEN

KAISER FOUNDATION HEALTH PLAN, INC.

AND

CITY OF ORANGE

TO IMPLEMENT THE VOLUNTARY RATE RANGE PROGRAM
INTERGOVERNMENTAL TRANSFERS

This Health Plan-Provider Agreement to implement Voluntary Rate Range Program (VRRP) Intergovernmental Transfers ("IGTs") ("IGT AGREEMENT") is entered into by and between Kaiser Foundation Health Plan, Inc., a California nonprofit public benefit corporation, on behalf of its Southern California region, hereinafter referred to as "PLAN", and City of Orange, hereinafter referred to as "PROVIDER", and is made effective as of the last date it is signed by the parties (the "Effective Date").

RECITALS:

WHEREAS, PLAN is a health care service plan licensed under and subject to the Knox-Keene Care Service Plan Act of 1975, as amended, and is a party to a Medi-Cal managed care contract with the California Department of Health Care Services ("DHCS") pursuant to which PLAN arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members, including Medi-Cal members residing in the Orange Rating Region (as defined by DHCS).

WHEREAS, PROVIDER provides emergency ambulance transports to Medi-Cal beneficiaries residing in the Orange Rating Region.

WHEREAS, PROVIDER desires to maintain the availability of Medi-Cal transportation services to Medi-Cal beneficiaries by making annual IGTs to DHCS, enabling DHCS to secure additional federal funds that DHCS will provide PLAN through capitation rate range increases;

WHEREAS, PLAN desires to transfer an applicable portion of such capitation rate range increases from DHCS to PROVIDER; and

WHEREAS, PLAN and PROVIDER desire to enter into an Agreement to document the IGT process applicable to PLAN and PROVIDER, and the total amounts transferred from PLAN to PROVIDER.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

1. IGT Capitation Rate Range Increases to PLAN

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A. Payment

Should PLAN receive any Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs") from DHCS where the nonfederal share is funded by PROVIDER specifically pursuant to the provisions of this IGT AGREEMENT regarding transfer of public funds effective during the applicable rating period, PLAN shall, subject to the conditions set forth in Section 1.B below, make payments to PROVIDER in the amount of the IGT MMCRRIs received from DHCS. Such payments from PLAN to PROVIDER are referred to herein as Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT payments and shall be made in accordance with Section 1.C below, subject to reconciliation as described in Section 1.D below. LMMCRR IGT payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER under any separate contractual agreements.

B. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition of receiving LMMCRR IGT payments under this IGT AGREEMENT, PROVIDER represents and warrants that it shall, as of the date any LMMCRR IGT payment is payable hereunder:

(1) Remain a Medi-Cal enrolled provider for ambulance transport services;
(2) Remain in material compliance with its obligations under this IGT AGREEMENT and applicable law;

C. Timing of Payments

Subject to Sections 1.B and E hereof, PLAN agrees to pay to PROVIDER LMMCRR IGT payments no later than forty-five (45) calendar days after PLAN's receipt of each IGT MMCRRI payment from DHCS.

D. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRI payments were received by PLAN from DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. The reconciliation processes established under this Section are distinct from the indemnification provisions set forth in Section 4 of this IGT AGREEMENT. PLAN agrees to transmit to the PROVIDER any uncontested underpayment of LMMCRR IGT payments within thirty (30) calendar days of the PLAN's identification of such underpayment. Any disputes between the parties regarding overpayments or underpayments shall be resolved in accordance with Section 5 below.

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E. Plan Compensation

(1) As compensation for its administrative services in connection with this IGT AGREEMENT, PLAN shall retain a two percent (2%) administrative fee based on the total amount of each IGT MMCRRI payment received from DHCS.

(2) PLAN shall not retain any other portion of the IGT MMCRRI payments received from DHCS other than those specified above.

F. Consideration

(1) As consideration for the LMMCRR IGT payments, PROVIDER shall use the LMMCRR IGT payments solely for the following purposes and shall treat the LMMCRR IGT payments in the following manner:

(a) The LMMCRR IGT payments shall represent compensation for Medi-Cal services rendered to PLAN's Medi-Cal members by PROVIDER during the State fiscal year to which the LMMCRR IGT payments apply.

(b) To the extent total payments received by PROVIDER for a State fiscal year under this IGT AGREEMENT exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during such fiscal year, any remaining LMMCRR IGT payment amounts shall be retained by PROVIDER and shall be expended solely for health care services. Retained LMMCRR IGT payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subsection (1)(b) above, if the retained LMMCRR IGT payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received LMMCRR IGT payments pursuant to this IGT AGREEMENT, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT payments received, but not used. These retained PROVIDER funds may be commingled with other PROVIDER funds for cash management purposes, provided that such funds are appropriately tracked, and only the depositing facility is authorized to expend them.

(3) None of these funds, either from the PLAN or federal matching funds, will be recycled back to the PROVIDER's general fund, the State, or any other intermediary organization. Payments made under the terms of this IGT AGREEMENT constitute patient care revenues.

2. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT payments shall be limited as described in this Section. PLAN may request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT payments were made by PLAN to PROVIDER, that PROVIDER submit a written confirmation to PLAN that states

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whether and how PROVIDER complied with the provisions set forth in Section 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation within thirty (30) calendar days of PLAN's request.

3. Dispute Resolution

A. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT payments to the full extent permitted by law, on behalf of the safety net in the Orange Rating Region in which PROVIDER renders services.

B. Meet and Confer

If a dispute arises between the parties relating to this IGT AGREEMENT, either party may by written notice call a meeting regarding such dispute to be attended by a representative of each party who has the authority to negotiate and bind that party to a resolution. The parties will attempt in good faith to resolve the dispute through this process prior to seeking other available remedies or recourse. In the event such informal efforts at dispute resolution are not successful, either party may seek whatever remedies and/or recourse may be available in accordance with this IGT AGREEMENT and applicable law.

4. Indemnification

PROVIDER shall defend, indemnify and hold PLAN, its affiliated and related entities, and its and their respective officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims from injury or damages arising out of the performance of this IGT AGREEMENT but only in proportion to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of PROVIDER, its officers, employees or agents.

PLAN shall defend, indemnify and hold PROVIDER, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this IGT AGREEMENT but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims or injury or damages are caused by or result from the negligent or intentional acts or omissions of PLAN, its officers, employees or agents.

5. Severability

If a court of competent jurisdiction declares any provision of this IGT AGREEMENT or application thereof to any person or circumstances to be invalid or if any provision of this IGT AGREEMENT contravenes any federal, state or county statute, ordinance, or regulation, the

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remaining provisions of this IGT AGREEMENT or the application thereof shall remain valid and the remaining provisions of this IGT AGREEMENT shall remain in full force and effect, to the extent the provisions of this IGT AGREEMENT are severable.

6. Status of Parties

Each party is, and shall always be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this IGT AGREEMENT. Each party is entirely responsible for compensating staff, subcontractors, and consultants employed by that party. This IGT AGREEMENT shall not be construed as creating the relationship of employer and employee, or principal and agent, between PLAN and PROVIDER or any of either party's employees, agents, consultants, or subcontractors. Each party assumes exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they relate to the services to be provided during the course and scope of their employment. Each party, its agents, employees, consultants, or subcontractors shall not be entitled to any rights or privileges of the other party's employees and shall not be considered in any manner to be employees of the other party.

7. Term and Termination

The term of this IGT AGREEMENT shall commence on the Effective Date and, unless terminated earlier in accordance with this Section 7, will continue until the one-year anniversary of the Effective Date. Thereafter, this IGT AGREEMENT shall automatically renew for successive one-year terms, unless either party terminates this IGT AGREEMENT in accordance with this Section 7. Either party may immediately terminate this IGT AGREEMENT, by giving written notice of termination to the other Party, if (1) participation in the VRRP is no longer desired, or (2) DHCS discontinues VRRP. Notice of termination should be sent to the address set forth below.

8. Amendment

This IGT AGREEMENT may only be amended or modified in writing, executed by both Parties.

9. Notice

Any notice required or desired to be given pursuant to or in connection with this IGT AGREEMENT must be given in writing, addressed to the noticed party at the address set forth below. All notices provided under this IGT AGREEMENT shall be in writing, signed by an authorized signatory, and shall be deemed given upon receipt if sent as follows: (i) personally delivered; (ii) sent by registered U.S. mail, postage prepaid by sender, with confirmed delivery; (iii) sent by a commercial service with confirmed delivery; or (iv) sent by certified mail (return receipt requested). Any party may change its address for notice purposes by written notice to the other party.

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If to PLAN:

Kaiser Foundation Health Plan, Inc.
Attention: Kaycee Velarde
1 Kaiser Plaza, 25th Floor
Oakland, CA, 94612
Telephone: (626) 639-5374
Email: Kaycee.B.Velarde@kp.org; and
Medi-Cal-Contract-Management-Regulatory@kp.org

If to PROVIDER:

City of Orange
Attention: Bryan Johnson
300 E. Chapman Avenue
Orange, CA 92866
Telephone: (714) 288-2503
Email: bjohnson@cityoforange.org

[SIGNATURE PAGE FOLLOWS]

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SIGNATURES

PLAN: Kaiser Foundation Health Plan, Inc.

By: Signed by: Mark A Southworth E07B66DF157540B... Date 7/7/2025 | 10:44 AM PDT

Mark A. Southworth
Executive Director, CA & HI Medicaid Finance
Kaiser Foundation Health Plan, Inc.

PROVIDER: City of Orange

By: DocuSigned by: Daniel R. Slater 02D98B777A80417... Date: 7/3/25

Daniel R. Slater, Mayor

ATTEST:

Signed by: Pamela Coleman DB2BEDCB8BEF43A... Date: 7/3/2025

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

DocuSigned by: Nathalie Adourian CDC307DCDA7548A... Date: 07/03/2025

Nathalie Adourian
Senior Asstistant City Attorney

√

Agenda Item

Orange City Council

Item #: 3.6. 8/25/2026 **File #:** 26-0468

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Adam Jevec, Chief of Police**

1. SUBJECT

Agreement with the State of California Office of Traffic Safety for the Selective Traffic Enforcement Program for Federal Fiscal Year 2026-2027

2. SUMMARY

Funding from the Office of Traffic Safety is being provided for the Selective Traffic Enforcement Program grant in the amount of $306,450. The funds will be used for overtime costs associated with DUI checkpoints, saturation patrol, motorcycle safety enforcement, distracted driving, know your limit, bike and pedestrian safety, and special enforcement operations with an emphasis on reducing traffic collisions.

3. RECOMMENDED ACTION

1. Approve grant Agreement No. PT27117 with the State of California Office of Traffic Safety in the amount of $306,450 for the Selective Traffic Enforcement Program grant; and authorize the City Manager and City Clerk to execute on behalf of the City.

2. Accept into the City's revenue budget a $306,450 grant from the State of California Office of Traffic Safety into revenue account number 399-4141-45290-274030, Federal Grants - OTS 26-27.

3. Authorize the appropriation of $306,450 into the following Traffic program expenditure accounts:

399-4141-51003-274030	Overtime - Safety	$267,391
399-4141-51004-274030	Overtime - Miscellaneous	$ 25,136
399-4141-57101-274030	Training/Conference/Meeting	$ 4,942
399-4141-80101-274030	Furniture, Fixture, Equipment	$ 8,981

4. FISCAL IMPACT

There is no direct fiscal impact to the City. The additional revenue received from the State of California Office of Traffic Safety will fund the expense for this program.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Public Safety Services.

6. DISCUSSION AND BACKGROUND

The California Office of Traffic Safety (OTS) administers grant funding provided to the State of California by the National Highway Traffic Safety Administration (NHTSA). Through this program, OTS awards competitive grants to state and local agencies to reduce traffic related fatalities, injuries, and the economic impacts of motor vehicle crashes. OTS analyzes local, county, and statewide collision data to identify traffic safety priorities and funds programs that have demonstrated effectiveness in addressing those issues. The priority areas are listed below.

- Alcohol Impaired Driving
- Drug Impaired Driving
- Motorcycle Safety
- Police Traffic Services
- Traffic Records and Roadway Safety
- Distracted Driving
- Emergency Medical Services
- Occupant Protection
- Pedestrian and Bicycle Safety
- Communications and Public Affairs

In January 2026, the City submitted an application for funding under the OTS Selective Traffic Enforcement Program (STEP). The application was conditionally approved for Federal Fiscal Year 2026-2027 (FFY 26-27) in the amount of $306,450. The STEP grant is a reimbursement-based grant that supports the OTS mission of eliminating traffic fatalities and serious injuries on California roadways.

Grant funded activities for FFY 26-27 include:

- DUI/DL Checkpoints
- DUI Saturation Patrols
- Traffic Enforcement
- Distracted Driving Enforcement
- Motorcycle Safety Enforcement
- Pedestrian and Bicycle Enforcement
- Street Racing and Sideshow Enforcement
- Traffic Safety Education Presentations
- Know Your Limit Campaigns
- Collaborative Traffic Enforcement
- Community Collaboration Engagement

Grant funded enforcement efforts will target distracted driving, speeding, aggressive driving, seat belt compliance, motorcycle safety, and other collision reduction strategies. The grant will also support traffic safety education presentations designed to educate community members on a variety of traffic safety topics. Additionally, grant funding will provide equipment and supplies necessary to support enforcement operations, including on-scene DUI checkpoint supplies and a portable light tower to improve visibility and safety at DUI checkpoints and traffic collision scenes.

Overall, grant-funded initiatives will strengthen the department’s traffic safety program and support its

ongoing commitment to reducing traffic related collisions, saving lives, and protecting the traveling public.

7. ATTACHMENTS

- OTS STEP Grant Agreement No. PT27117

Agenda Item

Orange City Council

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THRU: **Jarad Hildenbrand, City Manager**

FROM: **Adam Jevec, Chief of Police**

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Overall, grant-funded initiatives will strengthen the department’s traffic safety program and support its

ongoing commitment to reducing traffic related collisions, saving lives, and protecting the traveling public.

7. ATTACHMENTS

- OTS STEP Grant Agreement No. PT27117

1. **GRANT TITLE** **Selective Traffic Enforcement Program (STEP)**	
2. **NAME OF AGENCY** **Orange**	3. **Grant Period** From: 10/01/2026 To: 09/30/2027
4. **AGENCY UNIT TO ADMINISTER GRANT** **Orange Police Department**	

5. **GRANT DESCRIPTION**

Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary crash factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary crash factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian crashes, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect. In addition, the department will participate in community collaboration and engagement activities to engage in conversations regarding traffic safety with community members.

6. **Federal Funds Allocated Under This Agreement Shall Not Exceed: $306,450.00**
Allocation is contingent upon availability of federal funds.

7. **TERMS AND CONDITIONS:** The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:

- Schedule A – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable)
- Exhibit A – Certifications and Assurances
- Exhibit B* – OTS Grant Program Manual
- Exhibit C – Grant Electronic Management System (GEMS) Access

*The item shown with an asterisk (*), is hereby incorporated by reference and made a part of this agreement as if attached hereto. This document can be viewed at the OTS home web page under Grants: www.ots.ca.gov.

Use of OTS Grant Agreement template in lieu of the California Model Agreement (CMA)
The California Office of Traffic Safety (OTS) utilizes its standardized OTS Grant Agreement template for awards. The format, structure, and uniformity of the OTS Grant Agreement template allows for processing through Grant Electronic Management System (GEMS). OTS's approach to using the OTS Grant Agreement template is consistent with the California Model Agreement (CMA) developed by University of California Office of the President (UCOP) and directed by the Department of General Service (DGS). For more information, please review the OTS Grant Program Manual.

Pre-Agreement Work
No work shall commence and no costs shall be incurred prior to the grant start date or the grant agreement being fully signed and executed. Any such costs are incurred at the grantee's own risk and may not be reimbursed.

8. Approval Signatures

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the grant terms and conditions described herein.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

A. Grant Director

NAME: Bryce Nielsen
TITLE: Sergeant
EMAIL: bnielsen@orangepd.org
PHONE: (714) 744-7323
ADDRESS: 1107 N. Batavia St.
Orange, CA 92867

Sgt. Bryce Nielsen
Sgt. Bryce Nielsen (Jul 30, 2026 13:23:58 PDT)

Jul 30, 2026

(Signature) *(Date)*

B. Authorizing Official

NAME: Jarad Hildenbrand
TITLE: City Manager
EMAIL: jhildenbrand@cityoforange.org
PHONE: (714) 744-2203
ADDRESS: 300 E. Chapman Ave
Orange, CA 92866

(Signature) *(Date)*

C. Fiscal Official

NAME: Hilda Montoya
TITLE: Administrative Analyst
EMAIL: hmontoya@orangepd.org
PHONE: 714-744-7522
ADDRESS: 1107 N. Batavia Street
Orange, CA 92867

(Signature) *(Date)*

D. Authorizing Official of Office of Traffic Safety

NAME: Stephanie Dougherty
TITLE: Director
EMAIL: stephanie.dougherty@ots.ca.gov
PHONE: (916) 509-3030
ADDRESS: 2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

(Signature) *(Date)*

E. Accounting Officer of Office of Traffic Safety

NAME: Mary Khang
ADDRESS: 2208 Kausen Drive Suite 300
Sacramento, CA 95758

9. SAM Information

SAM #: KF72Q5W8MG44
REGISTERED ADDRESS: 300 East Chapman Ave
CITY: Orange
ZIP+4: 92866-1508

10. PROJECTED EXPENDITURES						
FUND	**CFDA**	**ITEM/APPROPRIATION**	**F.Y.**	**CHAPTER**	**STATUTE**	**PROJECTED EXPENDITURES**
1906-27	20.611	0521-0890-101	2026	19/26	BA/26	$2,200.00
405e DDA-	20.616	0521-0890-101	2026	19/26	BA/26	$40,000.00
402PT-27	20.600	0521-0890-101	2026	19/26	BA/26	$60,000.00
164ID-27	20.608	0521-0890-101	2026	19/26	BA/26	$204,250.00
				AGREEMENT TOTAL		**$306,450.00**

	AMOUNT ENCUMBERED BY THIS DOCUMENT **$306,450.00**
I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above, notwithstanding allocations contingent on availability of federal funds.	PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT **$ 0.00**
OTS ACCOUNTING OFFICER'S SIGNATURE / DATE SIGNED	TOTAL AMOUNT ENCUMBERED TO DATE **$306,450.00**

1. PROBLEM STATEMENT

Describe the city, county, or jurisdiction this grant will impact.
The City of Orange is the seventh largest city the county and 43rd in the state. The City of Orange was founded in 1869 and incorporated in 1888. Orange is renowned for its historic district, Old Towne Orange. This area is a hub for restaurants, boutiques, antique shops, and hosts the annual Orange International Street Fair, celebrating the city's diverse cultural heritage. Orange has many homes built prior to 1920 in its Old Towne District. Walking through the district's delightful tree-lined streets, many visitors are captivated by the architectural beauty and the sense of history that fills the air. Historical charm, rich heritage, cultural attractions, unique dining experiences, antiques shopping, malls, and the Old Towne district are some of the many things that attract visitors to this city.

With a population of approximately 140,000, it serves as an integral component of the county's transportation infrastructure supporting five major freeways, a Metrolink railroad terminal and the 241/261 Eastern Transportation Corridor. The Orange Traffic Study of 2024 identified an average vehicle flow of approximately 3,531,322 trips daily, which was a 2.4% increase from 2022. With the current expansion of Chapman University and the increased economic environment, these numbers are expected to increase.

The City of Orange Police Department is committed to making Orange the safest city in the county. Public safety and well-being is valued and a fundamental component of quality of life within the community, as defined in the City of Orange Public Safety General Plan.

The Orange Police Department is the integral component of the public safety sector that provides for the reduction of criminal activity, crime prevention, and educational programs designed to prevent crime, as outlined in Goal 7.0 of the General Plan. In addition to general public safety for its community members, specifically addressed is the provision for safe pedestrian and bicycle environments as described in Goal 9.0 of the plan. Our priority is to make the City of Orange a safer environment for its community members and the motoring public.

Describe the problem(s) to be addressed, supported by current and relevant crash data. (most recent calendar year data/stats).
In order to accomplish these goals, the Orange Police Department is committed to reducing traffic related injuries and fatalities through an aggressive educational and enforcement driven campaign, targeting impaired/unlicensed drivers, repeat DUI offenders and other traffic related violators. To highlight the department's commitment to keeping our roadways safe, our agency effected 513 DUI arrests in 2025. This is partly due to our aggressive enforcement, targeting impaired driving, but also due to our self-funded full-time DUI enforcement officer. Due to current staffing shortages, this position is currently vacant for 2026. In 2026, we are committed to sending 5 officers to SFST School and 2 to ARIDE training. Additionally, public awareness and aggressive enforcement strategies continue to be the primary component used to address this on-going concern and threat to the community.

The City of Orange experienced 14 fatal traffic crashes in 2022, 9 in 2023, and 5 in 2024. In 2025, the Orange Police Department investigated 6 fatal traffic crashes, with only one of those being DUI-related. This number would likely be much higher, especially given the increase in traffic flow, had it not been for our aggressive impaired driving enforcement efforts and increased activity by our certified Drug Recognition Expert officers. We will continue to strive to reduce the number of victims impacted by impaired drivers and other traffic related offenses.

Additional resources helped maintain enforcement of primary crashes related violations in locations of high frequency as identified by our Multiple Crash Location data. Unsafe speed, right of way violations, DUI and unsafe turning movements remain our leading primary crash factors resulting in injury.

Unsafe speed (22350 VC) was the most common PCF found in our 2025 crash data. Our agency investigated a total of 1135 crashes in 2025 (injury and non-injury). Of those investigated crashes, 580 of

them were reported injury crashes with a total of 807 victims injured. Overall, unsafe speed was found to be the primary crash factor in 343 of our total crashes, (injury and non-injury). The Orange Police Department maintained our aggressive approach towards traffic violators during 2025, issuing 8,088 total traffic citations. Despite these enforcement efforts, unsafe speed in particular continues to be problematic in our community.

Define the target population the grant intends to serve and how they are affected by the problem(s). A growing concern for our community is the development and expansion of Chapman University. It is anticipated that attendance will continue to grow towards 10,000 students this year making safe pedestrian and bicycle travel a concern in the area of the campus and downtown merchant area. The University has aggressively expanded their footprint to include many off-site satellite campuses located throughout the downtown area. Pedestrian and bicycle violations are growing at a concerning rate while speed and right-of-way violations continue to rise as the student population increases.

Chapman University hosts a wide variety of events in and around their campuses, most notably at the Musco Center for the Arts. Additionally, the City of Orange opened a multi-level, free parking structure adjacent to Chapman University which holds a vehicle capacity in excess of 600 vehicles. The parking structure serves to accommodate the continuously evolving downtown area. Old Towne Orange, once known for antique and specialty shops, is now becoming a robust entertainment district featuring fine dining restaurants, multiple bars and coffee houses. These prominent locations have significantly increased the amount of vehicle and pedestrian traffic in the downtown area. This, in turn, has increased pedestrian and bicycle traffic crashes in the area. The Orange Police Department will direct concentrated enforcement efforts in the area while partnering with Chapman University to further student and faculty awareness of the growing concern.

In addition to Chapman University and our downtown area, The Outlets of Orange is a large outdoor shopping mall situated on the western edge of our city. In addition to retail stores within the mall, there are several restaurants and businesses licensed for the sale of alcohol. Traffic is impacted in the area daily, as the mall is a popular shopping and entertainment experience for local residents and tourists visiting nearby theme parks. Angel Stadium and the Honda Center are located within a quarter mile of the Orange City limit and within close proximity to the Outlets of Orange. The City of Anaheim is also beginning to open the OC Vibe entertainment district which will envelope the area around the Honda Center. The OC Vibe is expected to include hotels, movie theaters, a concert hall and numerous dining options. The current established venues have created a considerable increase for vehicular and pedestrian traffic. Patrons park their vehicles in various areas around the adjoining businesses and neighborhoods in order to avoid paying the parking fee at the stadium. During the event periods, there is heavy pedestrian and vehicular traffic in and around the area on Katella and Orangewood Ave. The high volume of traffic has caused an increase in our traffic crashes, with some resulting in injury due to pedestrian violations and unsafe crossings. Despite warning and enforcement signs, this continues to be a concern and requires additional intentional enforcement efforts. The Orange Police Department is committed to proactively working to create the safest possible driving experience for our residents, visitors, and all who travel on our roadways.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. Reduce the number of pedestrians killed in traffic crashes.
4. Reduce the number of pedestrians injured in traffic crashes.
5. Reduce the number of bicyclists killed in traffic crashes.
6. Reduce the number of bicyclists injured in traffic crashes.
7. Reduce the number of persons killed in alcohol-involved crashes.
8. Reduce the number of persons injured in alcohol-involved crashes.
9. Reduce the number of persons killed in drug-involved crashes.
10. Reduce the number of persons injured in drug-involved crashes.
11. Reduce the number of persons killed in alcohol/drug combo-involved crashes.
12. Reduce the number of persons injured in alcohol/drug combo-involved crashes.
13. Reduce the number of motorcyclists killed in traffic crashes.

14. Reduce the number of motorcyclists injured in traffic crashes. 15. Reduce hit & run fatal crashes. 16. Reduce hit & run injury crashes. 17. Reduce nighttime (2100 - 0259 hours) fatal crashes. 18. Reduce nighttime (2100 - 0259 hours) injury crashes.	
B. Objectives: 1. Issue a news release announcing the kick-off of the grant by December 31st. The kick-off news releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 7 days prior to the issuance date of the release.	**Target Number** 1
2. Participate and report data (as required) in the following campaigns; Quarter 1: National Pedestrian Safety Month, National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization; Quarter 3: National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization; Quarter 4: National Speed Prevention Campaigns, NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.	12
3. Develop (by December 31) and/or maintain a "DUI BOLO" program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated DUI BOLOs should be distributed to patrol and traffic officers monthly. Report on the outcomes of the "DUI BOLO" program.	12
4. Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.	5
5. Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.	2
6. Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained.	11
7. Conduct DUI Saturation Patrol operation(s).	8
8. Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.	14
9. Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.	29
10. Conduct highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or crashes resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning, and other primary crash factor violations by motorcyclists and other drivers.	5
11. Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.	4
12. Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.	2
13. Conduct Know Your Limit campaigns with an effort to reach members of the community.	3
14. Participate in highly visible collaborative Traffic Enforcement operations.	2

15. Conduct specialized enforcement operations focusing specifically on street racing and sideshow activities.	3
16. Participate in community collaboration and engagement activities to engage in conversations regarding traffic safety to both share information and receive input from the community members.	2

3. METHOD OF PROCEDURE

A. Phase 1 – Program Preparation (1st Quarter of Grant Year)

- The department will develop operational plans to implement the "best practice" strategies outlined in the objectives section.
- Conduct all training needed to implement the program, in the first quarter.
- Purchase all grant related supplies and materials to implement the program, in the first quarter.
- Items with a unit cost of $5,000 more (including tax and shipping) must comply with the Buy America Act.
- In order to develop/maintain the "DUI BOLOs," research will be conducted to identify repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The DUI BOLO may include the driver's name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. DUI BOLOs should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations.

Media Requirements

Issue a news release approved by the OTS PIO announcing the kick-off of the grant by December 31 and after the grant is signed and executed, but no sooner than October 1, the start of the grant year. The kick-off release must be approved by the OTS PIO. If you are unable to meet the December 31 deadline to issue a kick-off press release, communicate the reasons to your OTS grant coordinator and OTS PIO.

B. Phase 2 – Program Operations (Throughout Grant Year)

Media Requirements

The following requirements are for all grant-related activities:

- Send all media advisories, alerts, videos, graphics, artwork, posters, radio/PSA/video scripts, storyboards, digital and/or print educational materials for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS grant coordinator. Optimum lead time would be 7 days before the scheduled release but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- Send all PowerPoint presentations, online presentations and trainings for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS grant coordinator. Certified training courses are EXEMPT from the approval process.
- The OTS PIO is responsible for the approval of the design and content of materials. The agency understands OTS PIO approval is not authorizing approval of budget expenditure or cost. Any cost approvals must come from the OTS grant coordinator.
- Pre-approval is not required when using any OTS-supplied template for media advisories, news releases, social media graphics, videos or posts, or any other OTS-supplied educational material. However, copy the OTS PIO at pio@ots.ca.gov and your OTS grant coordinator when any material is distributed to the media and public, such as a news release, educational material, or link to social media post.
- If an OTS-supplied template, educational material, social media graphic, post or video is substantially changed, the changes shall be sent to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS grant coordinator.
- News releases, social media posts and alerts on platforms such as NextDoor and Nixle reporting immediate and time-sensitive grant activities (e.g. enforcement operations, day of event highlights or announcements, event invites) are EXEMPT from the OTS PIO approval process. The OTS PIO and your OTS grant coordinator should still be notified when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).
- Enforcement activities such as warrant and probation sweeps, court stings, etc. that are embargoed or could impact operations by publicizing in advance are EXEMPT from the PIO

approval process. However, announcements and results of activities should still be copied to the OTS PIO at pio@ots.ca.gov and your OTS grant coordinator with the embargoed date and time or with "INTERNAL ONLY: DO NOT RELEASE" message in subject line of email.

- Any earned or paid media campaigns for TV, radio, digital or social media that are part of a specific grant objective, using OTS grant funds, or designed and developed using contractual services by a subgrantee, requires prior approval.
- Social media posts highlighting state or national traffic safety campaigns (Distracted Driving Month, Motorcycle Safety Awareness Month, etc.), enforcement operations (DUI checkpoints, etc.), or any other grant-related activity such as Bicycle rodeos, presentations, or events, are highly encouraged but do not require prior approval.
- Submit a draft or rough-cut of all digital, printed, recorded or video material (brochures, posters, scripts, artwork, trailer graphics, digital graphics, social posts connected to an earned or paid media campaign grant objective) to the OTS PIO at pio@ots.ca.gov and copy your OTS grant coordinator for approval prior to the production or duplication.
- Use the following standard language in all press, media, and printed materials, space permitting: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Space permitting, include the OTS logo on all grant-funded print materials, graphics and paid or earned social media campaign grant objective; consult the OTS PIO and copy your OTS grant coordinator for specifics, format-appropriate logos, or if space does not permit the use of the OTS logo.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS grant coordinator at least 21 days in advance, or when first confirmed, a short description of any significant grant-related traffic safety event or program, particularly events that are highly publicized beforehand with anticipated media coverage so the OTS has sufficient notice to arrange for attendance and/or participation in the event. If unable to attend, email the OTS PIO at pio@ots.ca.gov and your OTS grant coordinator brief highlights and/or results, including any media coverage (broadcast, digital, print) of the event within 7 days following significant grant-related event or program. The OTS PIO and your OTS grant coordinator should still be notified in advance when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).
- Any news releases, work plans, scripts, storyboards, artwork, graphics, videos or any educational or informational materials that received OTS PIO approval in a prior grant year must be resubmitted for approval in the current grant year.
- For additional guidance, refer to the OTS Grants Materials Approval Process Guidelines and FAQs .
- Email the OTS PIO at pio@ots.ca.gov or your OTS grant coordinator for consultation when changes from any of the above requirements might be warranted.

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

1. Prepare and submit grant claim invoices (due January 30, April 30, July 30, and October 30)
2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30)

- Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
- Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
- Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
- Collect, analyze and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
1906-27	20.611	Racial Profiling Prohibition Grants	$2,200.00
405e DDA-27	20.616	Distracted Driving Awareness	$40,000.00
402PT-27	20.600	State and Community Highway Safety	$60,000.00
164ID-27	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	$204,250.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
Straight Time				$0.00
Overtime				
DUI/DL Checkpoints	164ID-27	$15,000.00	11	$165,000.00
DUI Saturation Patrols	164ID-27	$2,286.00	8	$18,288.00
Know Your Limit	164ID-27	$2,994.00	3	$8,982.00
Benefits for 164ID - OT @ 1.56%	164ID-27	$192,270.00	1	$2,999.00
Traffic Enforcement	402PT-27	$1,905.00	14	$26,670.00
Motorcycle Safety Enforcement	402PT-27	$1,905.00	5	$9,525.00
Pedestrian and Bicycle Enforcement	402PT-27	$1,315.00	4	$5,260.00
Street Racing and Sideshow Enforcement Operations	402PT-27	$2,495.00	3	$7,485.00
Collaborative Traffic Enforcement	402PT-27	$2,286.00	2	$4,572.00
Traffic Safety Educational Presentations	402PT-27	$350.00	2	$700.00
Benefits for 402PT - OT @ 1.56%	402PT-27	$54,212.00	1	$846.00
Distracted Driving Enforcement	405e DDA-27	$1,358.13	29	$39,386.00
Benefits for 405e DDA - OT @ 1.56%	405e DDA-27	$39,389.00	1	$614.00
Community Collaboration Engagement	1906-27	$1,083.10	2	$2,166.00
Benefits for 1906 - OT @ 1.56%	1906-27	$2,166.00	1	$34.00
Category Sub-Total				$292,527.00
B. TRAVEL EXPENSES				
In State Travel	402PT-27	$4,942.00	1	$4,942.00
				$0.00
Category Sub-Total				$4,942.00
C. CONTRACTUAL SERVICES				
				$0.00
Category Sub-Total				$0.00
D. EQUIPMENT				
				$0.00
Category Sub-Total				$0.00
E. OTHER DIRECT COSTS				
DUI Checkpoint Supplies	164ID-27	$3,981.00	1	$3,981.00
Portable Light Tower	164ID-27	$5,000.00	1	$5,000.00

Category Sub-Total				$8,981.00
F. INDIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
GRANT TOTAL				**$306,450.00**

BUDGET NARRATIVE
PERSONNEL COSTS
DUI/DL Checkpoints - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
DUI Saturation Patrols - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Know Your Limit - Overtime for grant funded traffic safety presentations or campaigns conducted by appropriate department personnel.
Benefits for 164ID - OT @ 1.56% - Claimed amounts must reflect actual benefit costs for overtime hours charged to the grant.
Traffic Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Motorcycle Safety Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Pedestrian and Bicycle Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Street Racing and Sideshow Enforcement Operations - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Collaborative Traffic Enforcement - Overtime for grant funded Collaborative Traffic Enforcement operations conducted by appropriate department personnel
Traffic Safety Educational Presentations - Overtime for grant funded traffic safety educational presentations conducted by appropriate department personnel.
Benefits for 402PT - OT @ 1.56% - Claimed amounts must reflect actual benefit costs for overtime hours charged to the grant.
Distracted Driving Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Benefits for 405e DDA - OT @ 1.56% - Claimed amounts must reflect actual benefit costs for overtime hours charged to the grant.
Community Collaboration Engagement - Overtime for grant funded community collaborative engagement conducted by appropriate department personnel.
Benefits for 1906 - OT @ 1.56% - Claimed amounts must reflect actual benefit costs for overtime hours charged to the grant.
TRAVEL EXPENSES
In State Travel - Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include the OTS Traffic Safety Law Enforcement Forum, OTS Traffic Safety Summit, GHSA Annual Meeting in Anaheim. All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.
CONTRACTUAL SERVICES
-
EQUIPMENT
-
OTHER DIRECT COSTS
DUI Checkpoint Supplies - On-scene supplies needed to conduct sobriety checkpoints. Costs may include 28" traffic cones, MUTCD compliant traffic signs, MUTCD compliant high visibility vests (maximum of 10), traffic counters (maximum of 2), generator, gas for generators, lighting, reflective banners, electronic flares, PAS Device Supplies, PAS Calibration Supplies, heater, propane for heaters, fan, anti-fatigue mats, and

canopies. Additional items may be purchased if approved by OTS. The cost of food and beverages will not be reimbursed.

Portable Light Tower - High intensity light on a telescoping shaft and stabilized platform to illuminate a wide area for greater visibility during night time operations. Costs may include a generator, battery, cart, and accessories.

INDIRECT COSTS

-

STATEMENTS/DISCLAIMERS

There will be no program income generated from this grant.

Salaries may include wages, salaries, special compensations, or authorized absences such as annual leave and sick leave provided the cost for the individual employee is (a) reasonable for the services rendered, and (b) follows an appointment made in accordance with state or local laws and rules and meets federal requirements.

Any non-grant funded vacancies created by reassignment to a grant-funded position must be filled at the expense of the grantee agency.

Nothing in this agreement shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under.

The OTS grant funded activities must be separate from other grant funded program activities and maintained under separate accounting tracking codes (example: the same DUI checkpoint may not be funded by both the CHP Cannabis Tax Fund and the OTS).

Benefits for personnel costs can only be applied to straight time or overtime hours charged to the grant.

Appendix A to Part 1300—Certifications and Assurances for Highway Safety Grants (23 U.S.C. Chapter 4 or Section 1906, Public Law 109-59, as amended by Section 25024, Public Law 117-58)

The officials named on the grant agreement, certify by way of signature on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies, and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

GENERAL REQUIREMENTS

The State will comply with applicable statutes and regulations, including but not limited to:

- 23 U.S.C. Chapter 4—Highway Safety Act of 1966, as amended;
- Sec. 1906, Public Law 109-59, as amended by Sec. 25024, Public Law 117-58;
- 23 CFR part 1300—Uniform Procedures for State Highway Safety Grant Programs;
- 2 CFR part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR part 1201—Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NONDISCRIMINATION

(applies to subrecipients as well as States)

The State highway safety agency [and its subrecipients] will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

- *Title VI of the Civil Rights Act of 1964* (42 U.S.C. 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- *49 CFR part 21* (entitled *Non-discrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964*);
- *28 CFR 50.3* (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);
- *The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,* (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- *Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972,* as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- *Section 504 of the Rehabilitation Act of 1973,* (29 U.S.C. 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- *The Age Discrimination Act of 1975,* as amended, (42 U.S.C. 6101 *et seq.*), (prohibits discrimination on the basis of age);
- *The Civil Rights Restoration Act of 1987*, (Pub. L. 100-209), (broadens scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the
  Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- *Titles II and III of the Americans with Disabilities Act* (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

GENERAL ASSURANCES

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity, for which the Recipient receives Federal financial assistance from DOT, including NHTSA."

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI of the Civil Rights Act of 1964 and other non-discrimination requirements (the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these nondiscrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

SPECIFIC ASSURANCES

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted Highway Safety Grant Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in § 21.23(b) and (e) of 49 CFR part 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with all Highway Safety Grant Programs and, in adapted form, in all proposals for negotiated agreements regardless of funding source:
   "The [name of Recipient], in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."
3. The Recipient will insert the clauses of appendix A and E of this Assurance (also referred to as DOT order 1050.2A) [1] in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of appendix B of DOT Order 1050.2A, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in appendix C and appendix D of this DOT Order 1050.2A, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
   a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the

form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:
    a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
    b. the period during which the Recipient retains ownership or possession of the property.
9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub- grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the State highway safety agency also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing NHTSA's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by NHTSA. You must keep records, reports, and submit the material for review upon request to NHTSA, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The State highway safety agency gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the Highway Safety Grant Program. This ASSURANCE is binding on the State highway safety agency, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the Highway Safety Grant Program. The person(s) signing below is/are authorized to sign this ASSURANCE on behalf of the Recipient.

THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)

The Subgrantee will provide a drug-free workplace by:
- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing a drug-free awareness program to inform employees about:
    1. The dangers of drug abuse in the workplace;
    2. The grantee's policy of maintaining a drug-free workplace;
    3. Any available drug counseling, rehabilitation, and employee assistance programs;
    4. The penalties that may be imposed upon employees for drug violations occurring in the workplace;
    5. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- c. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
    1. Abide by the terms of the statement;
    2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
- d. Notifying the agency within ten days after receiving notice under subparagraph (c)(2) from an employee or otherwise receiving actual notice of such conviction;
- e. Taking one of the following actions, within 30 days of receiving notice under subparagraph (c)(2), with respect to any employee who is so convicted—
    1. Taking appropriate personnel action against such an employee, up to and including termination;
    2. Requiring such employee to participate satisfactorily in a drug abuse assistance or

rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

f. Making a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

POLITICAL ACTIVITY (HATCH ACT)
(applies to subrecipients as well as States)

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING
(applies to subrecipients as well as States)

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

   This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31,
   U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (*e.g.,* "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to subrecipients as well as States)

INSTRUCTIONS FOR PRIMARY TIER PARTICIPANT CERTIFICATION (STATES)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website
(*https://www.sam.gov/*).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate the transaction for cause or default.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—PRIMARY TIER COVERED TRANSACTIONS

1. The prospective primary tier participant certifies to the best of its knowledge and belief, that it and

its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

INSTRUCTIONS FOR LOWER TIER PARTICIPANT CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website
(*https://www.sam.gov/*).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of

records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA
(applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

CERTIFICATION ON CONFLICT OF INTEREST
(applies to subrecipients as well as States)

GENERAL REQUIREMENTS

No employee, officer, or agent of a State or its subrecipient who is authorized in an official capacity to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward. Based on this policy:

1. The recipient shall maintain a written code or standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents.
    a. The code or standards shall provide that the recipient's officers, employees, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subawardees, including contractors or parties to subcontracts.
    b. The code or standards shall establish penalties, sanctions, or other disciplinary actions for violations, as permitted by State or local law or regulations.
2. The recipient shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

DISCLOSURE REQUIREMENTS

No State or its subrecipient, including its officers, employees, or agents, shall perform or continue to perform under a grant or cooperative agreement, whose objectivity may be impaired because of any related past, present, or currently planned interest, financial or otherwise, in
organizations regulated by NHTSA or in organizations whose interests may be substantially affected by NHTSA activities. Based on this policy:

1. The recipient shall disclose any conflict of interest identified as soon as reasonably possible, making an immediate and full disclosure in writing to NHTSA. The disclosure shall include a description of the action which the recipient has taken or proposes to take to avoid or mitigate such conflict.
2. NHTSA will review the disclosure and may require additional relevant information from the recipient. If a conflict of interest is found to exist, NHTSA may (a) terminate the award, or (b) determine that it is otherwise in the best interest of NHTSA to continue the award and include appropriate provisions to mitigate or avoid such conflict.
3. Conflicts of interest that require disclosure include all past, present, or currently planned organizational, financial, contractual, or other interest(s) with an organization regulated by NHTSA or with an organization whose interests may be substantially affected by NHTSA activities, and which are related to this award. The interest(s) that require disclosure include those of any recipient, affiliate, proposed consultant, proposed subcontractor, and key personnel of any of the above. Past interest shall be limited to within one year of the date of award. Key personnel shall include any person owning more than a 20 percent interest in a recipient, and the officers, employees or agents of a recipient who are responsible for making a decision or taking an action under an award where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE
(applies to subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at *www.trafficsafety.org*. The NHTSA website (*www.nhtsa.gov*) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director must sign this form and return it with the Grant Agreement.

GRANT DETAILS	
Grant Number:	PT27117
Agency Name:	Orange Police Department
Grant Title:	Selective Traffic Enforcement Program (STEP)
Agreement Total:	$306,450.00
Authorizing Official:	Jarad Hildenbrand
Fiscal Official:	Hilda Montoya
Grant Director:	Bryce Nielsen

CURRENT GEMS USER(S)

1. Dave Barr
Title: Sergeant
Phone: (714) 744-7323
Email: dbarr@orangepd.org
Media Contact: No

2. Hilda Montoya
Title: Administrative Analyst
Phone: 714-744-7522
Email: hmontoya@orangepd.org
Media Contact: No

3. Bryce Nielsen
Title: Sergeant
Phone: (714) 744-7323
Email: bnielsen@orangepd.org
Media Contact: Yes

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 2 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 3 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 4 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 5 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
Form completed by: Sgt. Bryce Nielsen Sgt. Bryce Nielsen (Jul 30, 2026 13:22:45 PDT)	Date: Jul 30, 2026

As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.

Sgt. Bryce Nielsen Sgt. Bryce Nielsen (Jul 30, 2026 13:23:58 PDT)	Sgt. Bryce Nielsen
Signature	Name
Jul 30, 2026	Grant Director
Date	Title

Agenda Item

Orange City Council

Item #: 3.7. 8/25/2026 **File #:** 26-0485

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Steven Scardina, Information Technology Manager**

1. SUBJECT
Agreement with Intratek Computer, Inc. for desktop support services

2. SUMMARY
The City has contracted for desktop support services since 2019. Following a competitive Request for Proposals process, staff recommends awarding a three-year agreement to Intratek Computer, Inc. for two full-time, on-site desktop support positions. The proposed authorization also includes three months of services provided from July 1 through September 30, 2026, to maintain continuity of service during completion of the procurement and contract process.

3. RECOMMENDED ACTION
Approve the agreement with Intratek Computer, Inc. in the amount of $818,732.98 ($756,652 for three years and $62,080.98 for three months) for desktop support services; and authorize the Mayor and City Clerk to execute on behalf of the City.

4. FISCAL IMPACT
The total proposed authorization is $818,732.98, consisting of $756,652 for the three-year agreement beginning October 1, 2026, and $62,080.98 for services from July 1 through September 30, 2026.

Funding is available in the General Fund (100):

100-1601-55999 - Other Professional/Technical Services

The amount applicable to Fiscal Year 2026-27 is $245,681.

5. STRATEGIC PLAN GOALS
Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND
On August 13, 2019, the City Council approved an agreement with Intratek Computer, Inc. for help desk and desktop support services following a competitive Request for Proposals (RFP) process. Intratek has continued to provide these services to the City, although the contracted help desk position was eliminated in July 2025 due to budget considerations.

On June 4, 2026, the City issued RFP 25-26.24 for desktop support services consisting of two full-

time, on-site positions. The City received 12 proposals, which were evaluated based on the criteria established in the RFP, including qualifications, experience and references, approach to the scope of work, and pricing.

Following the evaluation process, Intratek received the highest overall ranking. While Intratek was not the lowest-cost proposer, its proposal demonstrated strong technical qualifications, experienced personnel, extensive local government experience, strong references, and a clear understanding of the City's operational and technology requirements. In addition, Intratek's existing familiarity with the City's technology environment, systems, and operations will provide continuity of service and minimize transition-related disruption and risk. Based on the combination of technical qualifications, experience, cost, and continuity of service, staff determined that Intratek provides the best overall value to the City.

The three highest-ranked respondents were:

Rank	Respondent	Pricing
1	Intratek Computer, Inc.	$756,652
2	Acorn IT Services	$673,204
3	SDI Presence LLC	$983,811

The proposed agreement with Intratek is for a three-year term beginning October 1, 2026, and ending September 30, 2029, at a cost of $756,652. The proposed authorization also includes $62,080.98 for desktop support services from July 1 through September 30, 2026, which maintained continuity of service while the RFP evaluation and contract negotiations were completed. The total proposed authorization is $818,732.98.

The agreement also provides for two optional one-year extensions, with year four totaling $267,500 and year five totaling $275,525.

Staff recommends approval of the agreement with Intratek Computer, Inc.

7. ATTACHMENTS

- Agreement with Intratek Computer, Inc.

Agenda Item

Orange City Council

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The amount applicable to Fiscal Year 2026-27 is $245,681.

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Goal 5: Improve Infrastructure, Mobility, and Technology

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- Agreement with Intratek Computer, Inc.

Docusign Envelope ID: 2217FF3B-7666-82AC-813D-FCC797AFE30D

PROFESSIONAL SERVICES AGREEMENT
[Desktop Support Services]

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is made at Orange, California, on this _____ day of _____, 2026 (the "Effective Date") by and between the CITY OF ORANGE, a municipal corporation ("City"), and INTRATEK COMPUTER, INC., a California corporation ("Contractor"), who agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to the reasonable satisfaction of City the services set forth in Request for Proposal No. 25-26.24 (the "RFP") incorporated herein by reference, and the Contractor's Final Cost Proposal attached as Exhibit "A", and Contractor's cost proposal dated June 18, 2026 for bridging services for the period July 1, 2026 through September 30, 2026, attached hereto as Exhibit "B," which are attached hereto and incorporated herein by reference. As a material inducement to City to enter into this Agreement, Contractor represents and warrants that it has thoroughly investigated and considered the scope of services and fully understands the difficulties and restrictions in performing the work. The services which are the subject of this Agreement are not in the usual course of City's business and City relies on Contractor's representation that it is independently engaged in the business of providing such services and is experienced in performing the work. Contractor shall perform all services in a manner reasonably satisfactory to City and in a manner in conformance with the standards of quality normally observed by an entity provided such services to a municipal agency. All services provided shall conform to all federal, state and local laws, rules and regulations and to the best professional standards and practices. In the event of any conflict, inconsistency, or discrepancy between the terms of this Agreement and the RFP, any exhibit, attachment, proposal, cost proposal, quotation, or other document incorporated into this Agreement, the terms of this Agreement shall control. No provision contained in any Contractor-provided document shall modify, supersede, limit, or otherwise alter any provision of this Agreement unless expressly set forth in a written amendment executed by City and Contractor.

Steven Scardina, Information Technology Manager ("City's Project Manager"), shall be the person to whom Contractor will report for the performance of services hereunder. It is understood that Contractor's performance hereunder shall be under the supervision of City's Project Manager (or his/her designee), that Contractor shall coordinate its services hereunder with City's Project Manager to the extent required by City's Project Manager, and that all performances required hereunder by Contractor shall be performed to the satisfaction of City's Project Manager and the City Manager.

2. Compensation and Fees.

a. a. Contractor's total compensation for all services performed under this Agreement, shall not exceed EIGHT HUNDRED EIGHTEEN THOUSAND SEVEN HUNDRED THIRTY-TWO DOLLARS and 98/100 ($818,732.98) without the prior written authorization of City. Such amount consists of: (1) SIXTY-TWO THOUSAND EIGHTY DOLLARS and 98/100 ($62,080.98) for bridging services provided during the period commencing July 1, 2026 through September 30, 2026; and (2) SEVEN HUNDRED FIFTY-SIX THOUSAND SIX HUNDRED

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FIFTY-TWO DOLLARS and 00/100 ($756,652.00) for services provided during the Initial Term commencing October 1, 2026 through September 30, 2029. The foregoing not-to-exceed amount does not include compensation authorized for any Extension properly exercised pursuant to Section 2.1.

b. The above compensation shall include all costs, including, but not limited to, all clerical, administrative, overhead, insurance, reproduction, telephone, travel, auto rental, subsistence and all related expenses.

2.1 Term and Extension(s)

a. a. Contractor shall provide bridging services under this Agreement for the period commencing July 1, 2026 through September 30, 2026 (the "Bridging Period"). Notwithstanding the Effective Date of this Agreement, the terms and conditions of this Agreement shall govern all services performed by Contractor for City during the Bridging Period. The Initial Term of this Agreement is three (3) years (the "Initial Term"), commencing October 1, 2026 and expiring on September 30, 2029 (the "Expiration Date"); provided, however, that City has the right to extend the term of this Agreement for the following extensions and upon the following terms:

- First Extension (the "First Extension Term") commencing October 1, 2029, and terminating September 30, 2030, in an annual amount not to exceed TWO HUNDRED SIXTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS and 00/100 ($267,500.00);

- Second Extension (the "Second Extension Term") commencing October 1, 2030, and terminating September 30, 2031, in an annual amount not to exceed TWO HUNDRED SEVENTY-FIVE THOUSAND FIVE HUNDRED TWENTY-FIVE DOLLARS and 00/100 ($275,525.00).

b. The City Manager is hereby authorized on behalf of City to give written notice to Contractor of City's intention to exercise each Extension (if at all) no later than thirty (30) days prior to the Expiration Date of the then-current term; provided, however, that City's notice of its intention to extend the term of this Agreement for each Extension shall be expressly conditioned upon and subject to the approval by the City Council, in its sole and absolute discretion, of an amount sufficient to pay the compensation set forth herein for each Extension as part of its annual budget approval process prior to the beginning of each Extension. While the parties acknowledge that City is required to give its notice of intention to extend the term of this Agreement not later than thirty (30) days prior to the Expiration Date of then-current term, it is possible that the City Council's approval of its annual budget and appropriation of funds for the Extension in question may occur thereafter. Accordingly, if the City Council fails to approve and appropriate funds sufficient to pay the amount of compensation set forth herein for an Extension, this Agreement shall terminate and be of no further force and effect as of the expiration of the then-current term. Notwithstanding anything in this provision to the contrary, in the event City gives Contractor written notice exercising an Extension and City receives notice that appropriation of funds for the Extension in question are not available after Contractor has performed services under the Extension, City agrees that Contractor will be equitably compensated for all services performed under any portion of an Extension through the date of termination of the Agreement.

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Except as specifically set forth herein, the terms and conditions of each Extension will be the same as the Initial Agreement.

c. Any Extension, if properly exercised, shall be memorialized in the form of an amendment to this Agreement. The City Manager is hereby authorized to approve and execute amendments to this Agreement reflecting the exercise of each Extension and the amount of compensation (including the amount of funds to be made available for additional work or services) payable to Contractor for each respective Extension.

3. Payment.

a. As scheduled services are completed, Contractor shall submit to City an invoice for the services completed, authorized expenses and authorized extra work actually performed or incurred.

b. All such invoices shall state the basis for the amount invoiced, including services completed, the number of hours spent and any extra work performed.

c. City will pay Contractor the amount invoiced within thirty (30) days after the approval of the invoice.

d. Payment shall constitute payment in full for all services, authorized costs and authorized extra work covered by that invoice.

4. Change Orders. No payment for extra services caused by a change in the scope or complexity of work, or for any other reason, shall be made unless and until such extra services and a price therefor have been previously authorized in writing and approved by City as an amendment to this Agreement. City's Project Manager is authorized to approve a reduction in the services to be performed and compensation therefor. All amendments shall set forth the changes of work, extension of time, and/or adjustment of the compensation to be paid by City to Contractor and shall be signed by the City's Project Manager, City Manager or City Council, as applicable.

5. Licenses. Contractor represents that it and any subcontractors it may engage, possess any and all licenses which are required under state or federal law to perform the work contemplated by this Agreement and that Contractor and its subcontractors shall maintain all appropriate licenses, including a City of Orange business license, at its cost, during the performance of this Agreement.

6. Independent Contractor. At all times during the term of this Agreement, Contractor shall be an independent contractor and not an employee of City. City shall have the right to control Contractor only insofar as the result of Contractor's services rendered pursuant to this Agreement. City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement. Contractor shall, at its sole cost and expense, furnish all facilities, materials and equipment which may be required for furnishing services pursuant to this Agreement. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its

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subcontractors, agents and employees, including compliance with social security withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever. Contractor acknowledges that it and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

7. Contractor Not Agent. Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, to bind City to any obligation whatsoever.

8. Designated Persons. Only those qualified persons authorized by City's Project Manager, or as designated in exhibits to this Agreement, shall perform work provided for under this Agreement. It is understood by the parties that clerical and other nonprofessional work may be performed by persons other than those designated.

9. Assignment or Subcontracting. No assignment or subcontracting by Contractor of any part of this Agreement or of funds to be received under this Agreement shall be of any force or effect unless the assignment has the prior written approval of City. City may terminate this Agreement rather than accept any proposed assignment or subcontracting. Such assignment or subcontracting may be approved by the City Manager or his/her designee.

10. Time of Completion. Contractor shall provide the bridging services during the Bridging Period and shall thereafter provide the services required under the RFP commencing October 1, 2026 and continuing throughout the Initial Term, unless earlier terminated or extended in accordance with this Agreement.

11. Time Is of the Essence. Time is of the essence in this Agreement. Contractor shall do all things necessary and incidental to the prosecution of Contractor's work.

12. Reserved.

13. Delays and Extensions of Time. Contractor's sole remedy for delays outside its control, other than those delays caused by City, shall be an extension of time. No matter what the cause of the delay, Contractor must document any delay and request an extension of time in writing at the time of the delay to the satisfaction of City. Any extensions granted shall be limited to the length of the delay outside Contractor's control. If Contractor believes that delays caused by City will cause it to incur additional costs, it must specify, in writing, why the delay has caused additional costs to be incurred and the exact amount of such cost at the time the delay occurs. No additional costs can be paid that exceed the not to exceed amount stated in Section 2.a, above, absent a written amendment to this Agreement.

14. Products of Contractor. The documents, studies, evaluations, assessments, reports, plans, citations, materials, manuals, technical data, logs, files, designs and other products

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produced or provided by Contractor for this Agreement shall become the property of City upon receipt. Contractor shall deliver all such products to City prior to payment for same. City may use, reuse or otherwise utilize such products without restriction.

15. Equal Employment Opportunity. During the performance of this Agreement, Contractor agrees as follows:

a. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, mental or physical disability, or any other basis prohibited by applicable law. Contractor shall ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, mental or physical disability, or any other basis prohibited by applicable law. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

b. Contractor shall, in all solicitations and advertisements for employees placed by, or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, mental or physical disability, or any other basis prohibited by applicable law.

c. Contractor shall cause the foregoing paragraphs (a) and (b) to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

16. Conflicts of Interest. Contractor agrees that it shall not make, participate in the making, or in any way attempt to use its position as a consultant to influence any decision of City in which Contractor knows or has reason to know that Contractor, its officers, partners, or employees have a financial interest as defined in Section 87103 of the Government Code. Contractor further agrees that it shall not be eligible to work as the design/build firm for the project that is the subject of this Agreement.

17. Indemnity.

a. To the fullest extent permitted by law, Contractor agrees to indemnify, defend and hold City, its City Council and each member thereof, and the officers, officials, agents and employees of City (collectively the "Indemnitees") entirely harmless from all liability arising out of:

(1) Any and all claims under workers' compensation acts and other employee benefit acts with respect to Contractor's employees or Contractor's subcontractor's employees arising out of Contractor's work under this Agreement, including any and all claims under any law pertaining to Contractor or its employees' status as an independent contractor and

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any and all claims under Labor Code section 1720 related to the payment of prevailing wages for public works projects; and

(2) Any claim, loss, injury to or death of persons or damage to property caused by any act, neglect, default, or omission of Contractor, or person, firm or corporation employed by Contractor, either directly or by independent contract, including all damages due to loss or theft sustained by any person, firm or corporation including the Indemnitees, or any of them, arising out of, or in any way connected with the work or services which are the subject of this Agreement, including injury or damage either on or off City's property; but not for any loss, injury, death or damage caused by the active negligence or willful misconduct of City. Contractor, at its own expense, cost and risk, shall indemnify any and all claims, actions, suits or other proceedings that may be brought or instituted against the Indemnitees on any such claim or liability covered by this subparagraph, and shall pay or satisfy any judgment that may be rendered against the Indemnitees, or any of them, in any action, suit or other proceedings as a result of coverage under this subparagraph.

b. Except for the Indemnitees, the indemnifications provided in this Agreement shall not be construed to extend any third party indemnification rights of any kind to any person or entity which is not a signatory to this Agreement.

c. The indemnities set forth in this section shall survive any closing, rescission, or termination of this Agreement, and shall continue to be binding and in full force and effect in perpetuity with respect to Contractor and its successors.

18. <u>Insurance</u>.

a. a. Contractor shall carry workers' compensation insurance as required by law for the protection of its employees during the progress of the work and employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) per accident or disease. Contractor understands that it is an independent contractor and not entitled to any workers' compensation benefits under any City program. Contractor shall cause its workers' compensation insurer to waive all rights of subrogation against City, its officers, officials, agents, and employees arising from work performed by Contractor under this Agreement and shall provide City with an endorsement evidencing such waiver.

b. Contractor shall maintain during the life of this Agreement the following minimum amount of comprehensive general liability insurance or commercial general liability insurance: the greater of (1) One Million Dollars ($1,000,000) per occurrence; or the full limits of any insurance maintained by Contractor that provides coverage applicable to Contractor's obligations under this Agreement. Said insurance shall cover bodily injury, death and property damage and be written on an occurrence basis.

c. c. Contractor shall maintain during the life of this Agreement, the following minimum amount of automotive liability insurance: the greater of (1) a combined single limit of One Million Dollars ($1,000,000); or the full limits of any insurance maintained by Contractor that provides coverage applicable to Contractor's obligations under this Agreement. Said insurance

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shall cover bodily injury, death and property damage for all owned, non-owned and hired vehicles and be written on an occurrence basis.

d. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits which are applicable to a given loss shall be available to City. If Contractor maintains insurance coverage or limits in excess of the minimum coverage or limits required by this Agreement, including any excess or umbrella liability insurance or cyber liability insurance, City shall be entitled to the full coverage and limits maintained by Contractor that are applicable to the loss, and City and the other additional insureds, where applicable, shall be entitled to such coverage to the fullest extent permitted by the applicable policy. The insurance requirements contained in this Agreement shall not be construed to limit Contractor's liability or indemnification obligations under this Agreement. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Contractor under this Agreement.

e. Each policy of general liability and automotive liability shall provide that City, its officers, officials, agents, and employees are declared to be additional insureds under the terms of the policy, but only with respect to the work performed by Contractor under this Agreement. A policy endorsement to that effect shall be provided to City along with the certificate of insurance. In lieu of an endorsement, City will accept a copy of the policy(ies) which evidences that City is an additional insured as a contracting party. The minimum coverage required by Subsection 18.b and c, above, shall apply to City as an additional insured. Any umbrella liability insurance that is provided as part of the general or automobile liability minimums set forth above, or that otherwise provides coverage applicable to Contractor's obligations under this Agreement, shall provide coverage to City and the other additional insureds to the same extent as the underlying insurance and shall be maintained for the duration of the Agreement.

f. Contractor shall maintain during the life of this Agreement professional liability insurance covering errors and omissions arising out of the performance of this Agreement with a minimum limit of One Million Dollars ($1,000,000) per claim. Contractor agrees to keep such policy in force and effect for at least five (5) years from the date of completion of this Agreement. The professional liability and cyber liability insurance required by this Agreement may be provided under separate policies or a combined policy, provided that all required coverages and limits are maintained.

g. Contractor shall maintain during the life of this Agreement cyber liability insurance, including coverage for privacy liability, network security liability, data breaches, unauthorized access, security failures, cyber incidents, and the loss, disclosure, alteration, or destruction of electronic data, with limits of not less than Two Million Dollars ($2,000,000) per claim and in the aggregate. Such insurance shall include coverage for costs and liabilities arising from notification of affected persons, regulatory investigations and proceedings, forensic investigations, data restoration, and cyber extortion, to the extent commercially available. If such insurance is written on a claims-made basis, Contractor shall maintain such coverage for at least five (5) years following termination or expiration of this Agreement. If Contractor maintains cyber liability insurance with limits greater than the minimum limits required herein, City shall be entitled to the full limits of insurance maintained by Contractor that are applicable to the loss.

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h. The insurance policies maintained by Contractor shall be primary insurance and non-contributory with respect to City, its officers, officials, agents, and employees, and no insurance held or owned by City shall be called upon to cover or contribute to any loss under the policy. Contractor will determine its own needs in procurement of insurance to cover liabilities other than as stated above.

i. Before Contractor performs any work or prepares or delivers any materials, Contractor shall furnish certificates of insurance and endorsements, as required by City, evidencing the aforementioned minimum insurance coverages on forms acceptable to City, which shall provide that the insurance in force will not be canceled or allowed to lapse without at least ten (10) days' prior written notice to City.

j. Except for professional liability insurance coverage that may be required by this Agreement, all insurance maintained by Contractor shall be issued by companies admitted to conduct the pertinent line of insurance business in California and having a rating of Grade A or better and Class VII or better by the latest edition of Best Key Rating Guide. In the case of professional liability insurance coverage, such coverage shall be issued by companies either licensed or admitted to conduct business in California so long as such insurer possesses the aforementioned Best rating.

k. Contractor shall immediately notify City if any required insurance lapses or is otherwise modified and cease performance of this Agreement unless otherwise directed by City. In such a case, City may procure insurance or self-insure the risk and charge Contractor for such costs and any and all damages resulting therefrom, by way of set-off from any sums owed Contractor.

l. Contractor agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, Contractor shall look solely to its insurance for recovery. Contractor hereby grants to City, on behalf of any insurer providing insurance to either Contractor or City with respect to the services of Contractor herein, a waiver of any right to subrogation which any such insurer may acquire against City by virtue of the payment of any loss under such insurance.

m. Contractor shall include all subcontractors, if any, as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to City for review and approval. All coverages for subcontractors shall be subject to all of the requirements stated herein.

19. **Termination**. Notwithstanding anything to the contrary contained in the RFP, any exhibit, proposal, cost proposal, quotation, or other document incorporated into this Agreement, City may for any reason or for no reason, and without cause, terminate this Agreement by giving Contractor not less than thirty (30) days' written notice of termination. City may terminate this Agreement immediately upon written notice for cause, including, without limitation, Contractor's material breach of this Agreement, failure to maintain required insurance, violation of applicable law, unauthorized access to or disclosure of City information or systems, or any act or omission

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that City reasonably determines creates a material threat to the security or operation of City systems.

Upon receipt of such notice, Contractor shall immediately cease work, unless the notice from City provides otherwise. Contractor shall take all actions reasonably requested by City to facilitate an orderly transition of services and shall promptly return or deliver to City all City property, records, data, files, credentials, passwords, access information, work product, and other materials in Contractor's possession or control.

Upon the termination of this Agreement, City shall pay Contractor only for services satisfactorily provided and all allowable reimbursements incurred to the date of termination in compliance with this Agreement, unless termination by City shall be for cause, in which event City may withhold any disputed compensation and any amounts reasonably necessary to protect City against losses, damages, claims, or costs resulting from Contractor's breach. City shall not be liable for any claim of lost profits, anticipated profits, unabsorbed overhead, consequential damages, termination charges, cancellation fees, minimum commitments, or any other amounts arising from or attributable to the termination of this Agreement. City's rights under this Section are cumulative and in addition to any other rights or remedies available under this Agreement or applicable law.

20. Maintenance and Inspection of Records. In accordance with generally accepted accounting principles, Contractor and its subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, and other information (collectively, the "records") pertaining to the costs of and completion of services performed under this Agreement. City and its authorized representatives shall have access to and the right to audit and reproduce any of Contractor's records regarding the services provided under this Agreement. Contractor shall maintain all such records for a period of at least three (3) years after termination or completion of this Agreement. Contractor agrees to make available all such records for inspection or audit at its offices during normal business hours and upon three (3) days' notice from City, and copies thereof shall be furnished if requested.

21. Compliance with all Laws/Immigration Laws.

a. Contractor shall be knowledgeable of and comply with all local, state and federal laws which may apply to the performance of this Agreement.

b. If the work provided for in this Agreement constitutes a "public works," as that term is defined in Section 1720 of the California Labor Code, for which prevailing wages must be paid, to the extent Contractor's employees will perform any work that falls within any of the classifications for which the Department of Industrial Relations of the State of California promulgates prevailing wage determinations, Contractor hereby agrees that it, and any subcontractor under it, shall pay not less than the specified prevailing rates of wages to all such workers. The general prevailing wage determinations for crafts can be located on the website of the Department of Industrial Relations (www.dir.ca.gov/DLSR). Additionally, to perform work under this Contract, Contractor must meet all State registration requirements and criteria, including project compliance monitoring.

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c. Contractor represents and warrants that Contractor:

(1) Has complied and shall at all times during the term of this Agreement comply, in all respects, with all immigration laws, regulations, statutes, rules, codes, and orders, including, without limitation, the Immigration Reform and Control Act of 1986 (IRCA); and

(2) Has not and will not knowingly employ any individual to perform services under this Agreement who is ineligible to work in the United States or under the terms of this Agreement; and

(3) Has properly maintained, and shall at all times during the term of this Agreement properly maintain, all related employment documentation records including, without limitation, the completion and maintenance of the Form I-9 for each of Contractor's employees; and

(4) Has responded, and shall at all times during the term of this Agreement respond, in a timely fashion to any government inspection requests relating to immigration law compliance and/or Form I-9 compliance and/or worksite enforcement by the Department of Homeland Security, the Department of Labor, or the Social Security Administration.

d. Contractor shall require all subcontractors or subconsultants to make the same representations and warranties as set forth in Subsection 21.c.

e. Contractor shall, upon request of City, provide a list of all employees working under this Agreement and shall provide, to the reasonable satisfaction of City, verification that all such employees are eligible to work in the United States. All costs associated with such verification shall be borne by Contractor. Once such request has been made, Contractor may not change employees working under this Agreement without written notice to City, accompanied by the verification required herein for such employees.

f. Contractor shall require all subcontractors or sub-consultants to make the same verification as set forth in Subsection 21.e.

g. If Contractor or subcontractor knowingly employs an employee providing work under this Agreement who is not authorized to work in the United States, and/or fails to follow federal laws to determine the status of such employee, that shall constitute a material breach of this Agreement and may be cause for immediate termination of this Agreement by City.

h. Contractor agrees to indemnify and hold City, its officers, officials, agents and employees harmless for, of and from any loss, including but not limited to fines, penalties and corrective measures City may sustain by reason of Contractor's failure to comply with said laws, rules and regulations in connection with the performance of this Agreement.

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22. **Governing Law and Venue**. This Agreement shall be construed in accordance with and governed by the laws of the State of California and Contractor agrees to submit to the jurisdiction of California courts. Venue for any dispute arising under this Agreement shall be in Orange County, California.

23. **Integration; Order of Precedence**. This Agreement, together with the documents expressly incorporated herein, constitutes the entire agreement of the parties concerning the subject matter hereof and supersedes all prior or contemporaneous agreements, representations, negotiations, and understandings, whether oral or written, concerning such subject matter. No other agreement or document pertaining to the work to be performed under this Agreement shall modify or amend this Agreement unless expressly set forth in a written amendment executed by City and Contractor.

In the event of any conflict, inconsistency, or discrepancy among the documents comprising this Agreement, the following order of precedence shall apply: (1) the body of this Agreement; (2) the RFP and any City-issued addenda thereto; (3) Contractor's Final Cost Proposal attached as Exhibit "A"; and (4) Contractor's June 18, 2026 cost proposal attached as Exhibit "B." Any term or condition contained in a Contractor proposal, quotation, invoice, acknowledgment, website, click-through agreement, purchase document, or other Contractor-provided document that conflicts with or purports to modify this Agreement shall be void and of no force or effect unless expressly accepted by City in a written amendment executed in accordance with this Agreement. Any work performed which is inconsistent with or in violation of the provisions of this Agreement shall not be compensated.

24. **Notice**. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and delivered personally, by e-mail, or by first class U.S. mail, postage prepaid, to each party at the address listed below. Either party may change the notice address by notifying the other party in writing. Notices shall be deemed received upon receipt of same or within three (3) days of deposit in the U.S. Mail, whichever is earlier. Notices sent by e-mail shall be deemed received on the date of the e-mail transmission.

"CONTRACTOR"	"CITY"
Intratek Computer, Inc. 9950 Irvine Center Drive Irvine, CA 92618 Attn.: Paul Ramezani	City of Orange 300 E. Chapman Avenue Orange, CA 92866-1591 Attn.: Steven Scardina
Telephone: (949) 334-4200 E-Mail: pramezani@intrapc.com	Telephone: (714) 744-2283 E-Mail: sscardina@cityoforange.org

25. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures transmitted electronically shall have the same effect as original signatures.

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IN WITNESS of this Agreement, the parties have entered into this Agreement as of the year and day first above written.

"CONTRACTOR"	**"CITY"**
INTRATEK COMPUTER, INC., a California corporation	CITY OF ORANGE, a municipal corporation
*By: DocuSigned by: Paul Ramezani 9B5241347C724BA... Printed Name: Paul Ramezani Title: CEO	By: _____ Daniel R. Slater, Mayor
*By: DocuSigned by: Bahi Ghobbeh F0CA9A3BD158477... Printed Name: Bahi Ghobbeh Title: CFO	ATTEST: _____ Pamela Coleman, City Clerk
	APPROVED AS TO FORM: _____ Nathalie Adourian, City Attorney

***NOTE:** **City requires the following signature(s) on behalf of the Contractor:**

-- **(1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR**

-- **The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to City.**

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EXHIBIT "A"

SCOPE OF SERVICES

[Beneath this sheet.]

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RFP 25-26.24- Desktop Support Services

Company Name: Intratek Computer, Inc.

		Monthly / Yearly Costs		
Item	**Qty.**	**Description**	**Monthly Cost**	**Annual Cost**
1.	12	10/1/2026 through 9/30/2027 year 1	$ 20,400	$ 244,800
2.	12	10/1/2027 through 9/30/2028 year 2	$ 21,012	$ 252,144
3.	12	10/1/2028 through 9/30/2029 year 3	$ 21,642	$ 259,708
		GRAND TOTAL	$ 63,054	$ 756,652

		Optional Extension Monthly / Yearly Costs		
Item	**Qty.**	**Description**	**Monthly Cost**	**Annual Cost**
1.	12	10/1/2029 through 9/30/2030 year 4	$ 22,292	$ 267,500
2.	12	10/1/2030 through 9/30/2031 year 5	$ 22,960	$ 275,525
		OPTIONAL TOTAL	$ 45,252	$ 543,024

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EXHIBIT "B"

[Beneath this sheet.]

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June 18, 2026

Mr. Steven Scardina
City of Orange
300 E. Chapman Avenue
Orange, CA 92866

SUBJECT: AGR-7524 for IT Help Desk Services

Dear Mr. Scardina,

Intratek Computer, Inc. (Intratek) is pleased to submit our cost proposal for year three (3) of the subject contract. We propose to continue a firm fixed price model based on level of effort, as shown in the table below.

	Contract Year 3 07/01/2026 – 09/30/2026
Monthly	$20,693.66
Total	$62,080.98

Because this extension is only for three (3) months, we are not increasing the rates. Assigned personnel will receive a rate increase at the start of the new contract on October 1, 2026.

Should you have any questions or require clarification of any portion of this proposal revision, please don't hesitate to contact Jeffrey Hunter at (949) 334-4200 or via email at jhunter@intrapc.com. If desired, our team is available to meet with you in-person to further discuss this revision.

Sincerely,

DocuSigned by:
Paul Ramezani
9B5241347C724BA...

Paul Ramezani
CEO

9950 Irvine Center Drive, Irvine, CA 92618
Phone 949.334.4200 or 800.892.8282 | Fax 949.334.4255
www.intrapc.com

Agenda Item

Orange City Council

Item #: 3.8. 8/25/2026 **File #:** 26-0476

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Steven Scardina, Information Technology Manager**

1. SUBJECT

First Amendment to Agreement with Siemens Industry, Inc. for maintenance of surveillance cameras, hardware infrastructure, and licensing supporting the City's existing Genetec Security platform

2. SUMMARY

This First Amendment to the maintenance agreement will extend services for three months to provide the time required for competitive request for proposals.

3. RECOMMENDED ACTION

Approve the first amendment to agreement with Siemens Industry, Inc. in the amount of $122,061.00 for maintenance of surveillance cameras, hardware infrastructure, and the Genetec security platform license; and authorize the Mayor and City Clerk to execute on behalf of the City.

4. FISCAL IMPACT

The expense for this purchase is $122,061.00 and will be funded through General Fund (100).

100.1601.56999 Other Repair / Maintenance Services

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

On May 11, 2021, the City Council approved a twenty-six month agreement with Siemens for maintenance services piggybacking off a competitive request for proposal (RFP) process for the City's access control doors won by Siemens. On October 24, 2023, the City approved an additional three-year agreement with Siemens which expires September 21, 2026. Siemens is the City's current incumbent security integrator for the City's Genetec security platform.

On July 14, 2026, the City Council approved an agreement with Triad Consulting & System Design Group, L.L.C. for security consulting services. Triad will independently monitor the overall health of the City's security platform and oversee the performance of the security integrator.

Additional time is required to finalize and issue an RFP to competitively evaluate security integrators. The RFP will contain the Triad oversight component so responders will understand the oversight role

and can propose accordingly.

Siemens has extended continuation of the current rate (no increase) for the three months.

The amendment will extend the services through December 31, 2026.

7. ATTACHMENTS

- First Amendment with Siemens Industry, Inc.

Agenda Item

Orange City Council

Item #: 3.8. 8/25/2026 **File #:** 26-0476

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The amendment will extend the services through December 31, 2026.

7. ATTACHMENTS

- First Amendment with Siemens Industry, Inc.

FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
[Video Management and Surveillance Software and Maintenance Services]

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "First Amendment") is made and entered into as of _____, 2026, by and between the CITY OF ORANGE, a municipal corporation ("City"), and SIEMENS INDUSTRY, INC., a Delaware corporation ("Contractor"), with reference to the following:

A. City and Contractor entered into a Professional Services Agreement (Agreement No. 7588 dated as of October 24, 2023, which is incorporated herein by this reference (the "Original Agreement"); and

B. City and Contractor desire to amend the Original Agreement to modify, amend and supplement certain portions of the Original Agreement by extending the term to December 31, 2026 described in Exhibit A and increasing the compensation.

NOW, THEREFORE, the parties hereby agree as follows:

Section 1. **Defined Terms.** Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Original Agreement.

Section 2. **Cross-References.** City and Contractor agree that all references in this First Amendment are deemed and construed to refer to the Original Agreement, as implemented by this First Amendment.

Section 3 **Revised Scope of Services**. The Scope of Services, Section 1, Exhibit A of the Original Agreement, is hereby amended, modified and supplemented to include the services described on Exhibit A attached hereto and incorporated herein by this reference.

Section 4 **Compensation**. The total not-to-exceed compensation for the services to be rendered as set forth in Section 2.d of the Original Agreement is increased by ONE HUNDRED TWENTY-TWO THOUSAND SIXTY-ONE DOLLARS and 00/100 ($122,061.00) and Section 2.d is hereby amended in its entirety to read as follows:

> "The total not-to-exceed compensation for the services to be rendered for the Term shall not exceed ONE MILLION FORTY-THREE THOUSAND NINE HUNDRED TWENTY DOLLARS and 49/100 ($1,043,920.49), without the prior written authorization of City."

Section 5. **Integration**. This First Amendment amends, as set forth herein, the Original Agreement and, except as specifically amended hereby, the Original Agreement shall remain in full force and effect. To the extent that there is any conflict or inconsistency between

Docusign Envelope ID: 3EC04CBA-2833-8FA5-8370-AFA548481A66

the terms and provisions of this First Amendment and the terms and provisions of the Original Agreement, the terms and provisions of this First Amendment shall control and govern the rights and obligations of the parties.

IN WITNESS of this First Amendment, the parties enter into this First Amendment on the year and day first above written.

"CONTRACTOR"

SIEMENS INDUSTRY, INC.,
a Delaware corporation

DocuSigned by:
*By: _____
2B75F322AFAC41F...
Printed Name: Ben Peeples
Title: General Manager

DocuSigned by:
*By: _____
03EFCFF35129425...
Printed Name: Fabian Umole
Title: Head of Finance

"CITY"

CITY OF ORANGE, a municipal corporation

By: _____
Daniel R. Slater, Mayor

ATTEST:

_____
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____
Connor Hyland
Senior Assistant City Attorney

***NOTE:** **If Contractor is a corporation, the City requires the following signature(s):**

-- **(1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR**

-- **The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.**

the terms and provisions of this First Amendment and the terms and provisions of the Original Agreement, the terms and provisions of this First Amendment shall control and govern the rights and obligations of the parties.

IN WITNESS of this First Amendment, the parties enter into this First Amendment on the year and day first above written.

"CONTRACTOR"	**"CITY"**
SIEMENS INDUSTRY, INC., a Delaware corporation	CITY OF ORANGE, a municipal corporation
*By:_____ Printed Name:_____ Title:_____	By:_____ Daniel R. Slater, Mayor
*By:_____ Printed Name:_____ Title:_____	ATTEST: _____ Pamela Coleman, City Clerk
	APPROVED AS TO FORM: _____ Connor Hyland Senior Assistant City Attorney

***<u>NOTE</u>: If Contractor is a corporation, the City requires the following signature(s):**

-- (1) the Chairman of the Board, the President or a Vice-President, <u>AND</u> (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. <u>OR</u>

-- The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.

√ X

EXHIBIT "A"

SUPPLEMENTAL SCOPE OF SERVICES

[Behind this page.]

Docusign Envelope ID: 3EC04CBA-2833-8FA5-8370-AFA548481A66

SIEMENS

SIEMENS CHANGE ORDER (CO) PROPOSAL	
Date of CO Proposal Submittal:	August 4, 2026
Change Order #:	#2600142102-001
CoO Agreement #:	**No. 71661**
Original PO End Date:	September 21, 2026
Project Name:	Vendor Contract Security Services
New Project End Date:	December 31, 2026

This **Change Order No. SIE-#2600142102-001** is entered into by and between the **City of Orange ("CoO")** and **Siemens Industry, Inc. ("Siemens")** and is governed by the terms and conditions of **Contract No. 71661** (the "Agreement"), including all exhibits, attachments, amendments, and previously approved change orders thereto. All terms not otherwise defined in this Change Order Proposal and Scope of Work ("SOW") shall have the same meanings ascribed to them in the Agreement. Except as expressly modified by this Change Order, all other terms and conditions of the Agreement shall remain in full force and effect.

I. CHANGE ORDER STATEMENT OF WORK (“SOW”)

- Extension of Siemens’ support program at City of Orange (CoO) for three (3) additional months to ensure uninterrupted execution of services at City of Orange.
- This change order extends services associated with account management functions from September 22, 2026 through December 31, 2026.
- The scope of this Change Order includes the extension and renewal of the existing Genetec Software Subscription Advantage (SSA) coverage through December 31, 2027, ensuring continued software updates, technical support, and maintenance services for the covered licenses
    - GSC-201123-044910
    - GSC-160822-121156
    - GSC-210914-199768

Assumptions/Notes/Clarifications:

- Revised Purchase Order/Contract (Change Order) shall be received by September 1, 2026.
- The Change Order shall be cancellable upon issuance and execution of new sub-agreements and Purchase Orders.

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SIEMENS

II. INVESTEMENT SUMMARY:

SIEMENS shall perform and complete the Services described in this Change Order for a Lump Sum project price of **$122,061.00 (the "Fees").** This Fee shall include all direct labor, all incidental charges, costs, travel, expenses and fees, and any additional resources required by SIEMENS to complete Services described in this Change Order, except as otherwise expressly provided herein.

CHANGE ORDER AMOUNT:	**$122,061.00**
PREVIOUS PURCHASE ORDER AMOUNT:	**$ 921,859.49**
NEW AMOUNT:	***$ 1,043,920.49***

Line #	Description	Unit
1	Security Service Maintenance (3 Months)	$ 84,919.00
2	Software Support Extension	$ 37,142.00
		$122,061.00

Agenda Item

Orange City Council

Item #: 3.9. 8/25/2026 **File #:** 26-0467

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

Acceptance and appropriation of $600,000 in Comprehensive Transportation Funding Programs - Project X Tier 1 2026 Environmental Cleanup Program Fund and appropriation of $183,000 in matching funds for White Oak Ridge & Palmyra Ave Water Quality Storm Drain Project

2. SUMMARY

The Orange County Transportation Authority approved the allocation of Tier 1 Environmental Cleanup Program funding and has awarded the City of Orange $600,000 for the White Oak Ridge & Palmyra Ave Water Quality Storm Drain Project. This funding has a match requirement of $183,000, bringing the project total to $783,000. The City intends to use this funding to install a Continuous Deflective Separator Unit on White Oak Ridge and 5 Connector Pipe Screen Units along Palmyra Avenue west of Main Street.

3. RECOMMENDED ACTION

1. Accept into the City's revenue budget $600,000 in grant funds from the Orange County Transportation Authority Tier 1 Environmental Cleanup Program to Reimbursable Capital Projects (550):

   550-5101-43499-275134-43 White Oak Ridge & Palmyra Ave WQ Storm Drain Project
2. Authorize the appropriation of $600,000 to Reimbursable Capital Projects (550):

   550-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project
3. Authorize the appropriation of $183,000 from the Sewer (601) unreserved fund balance to:

   601-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project
4. Approve the addition of the White Oak Ridge & Palmyra Ave Water Quality Storm Drain Project to the Measure M2 Seven-Year Capital Improvement Program for Fiscal Year 2026-2027 through 2032-2033.

4. FISCAL IMPACT

The total expenditure for this project is $783,000 and will be funded in White Oak Ridge & Palmyra Avenue Water Quality Storm Drain Improvement Project through:

601-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project $183,000

550-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project $ 600,000

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology.

6. DISCUSSION AND BACKGROUND

The City of Orange Public Works Department applied for and received funds through the Environmental Cleanup Tier 1 Grant Program managed by the Orange County Transportation Authority (OCTA). This program is a competitive grant program within Orange County that makes funds available to cities to help protect Orange County beaches and waterways from transportation-generated pollution and improve overall water quality. The City has been awarded $600,000 for installing a hydrodynamic separator at White Oak Ridge within the Santiago Hills Park, connector pipe screen units (CPS) units on Palmyra Avenue.

The project collects drainage from a total of 333 acres and is composed of commercial, industrial, single and multi-family residences. These areas combine to generate potentially significant amounts of leaves, trash, and other debris. The City has looked at various options to control trash and debris. Through the Orange Municipal Code, the City can enforce sections related to littering and nuisances and its weekly street sweeping program picks up a large amount of trash and debris.

However, anything not collected by the street sweepers has the potential to enter the storm drain system and impact the downstream water bodies. The proposed hydrodynamic separator is a Continuous Deflection Separator (CDS) unit and helps address this deficiency by capturing trash and debris and other gross pollutants via its trash screens, sediment chambers, and the use of an oil skimmer and hydrocarbon boom filters. The CDS unit will be placed within the Santiago Hills Park near White Oak Ridge. The proposed connector CPS units also help address this deficiency by capturing trash, debris, and other pollutants within each catch basin. CPS units will be installed in 5 catch basins on Palmyra Avenue.

The total project cost is estimated at $783,000, including 20% for design and construction management and 10% for construction contingency.

Construction is scheduled to begin in February 2027 and is expected to be completed by April 2027.

7. ATTACHMENTS

- Letter Agreement

Agenda Item

Orange City Council

Item #: 3.9. 8/25/2026 **File #:** 26-0467

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

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4. Approve the addition of the White Oak Ridge & Palmyra Ave Water Quality Storm Drain Project to the Measure M2 Seven-Year Capital Improvement Program for Fiscal Year 2026-2027 through 2032-2033.

4. FISCAL IMPACT

The total expenditure for this project is $783,000 and will be funded in White Oak Ridge & Palmyra Avenue Water Quality Storm Drain Improvement Project through:

601-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project $183,000

550-5101-85102-275134-20 White Oak Ridge & Palmyra Ave WQ Storm Drain Project $ 600,000

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology.

6. DISCUSSION AND BACKGROUND

The City of Orange Public Works Department applied for and received funds through the Environmental Cleanup Tier 1 Grant Program managed by the Orange County Transportation Authority (OCTA). This program is a competitive grant program within Orange County that makes funds available to cities to help protect Orange County beaches and waterways from transportation-generated pollution and improve overall water quality. The City has been awarded $600,000 for installing a hydrodynamic separator at White Oak Ridge within the Santiago Hills Park, connector pipe screen units (CPS) units on Palmyra Avenue.

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The total project cost is estimated at $783,000, including 20% for design and construction management and 10% for construction contingency.

Construction is scheduled to begin in February 2027 and is expected to be completed by April 2027.

7. ATTACHMENTS

- Letter Agreement

OCTA

AFFILIATED AGENCIES

Orange County Transit District

Local Transportation Authority

Service Authority for Freeway Emergencies

Consolidated Transportation Service Agency

Congestion Management Agency

February 17, 2026

Christopher Cash
Director of Public Works
City of Orange
300 East Chapman Avenue
Orange, CA 92866

Subject: **Transmittal – Letter Agreement No. 26 to Agreement No. C-1-2777 - M2 Comprehensive Transportation Funding Programs**

Dear Mr. Cash:

Please see the attached Letter Agreement No. 26 and the referenced Master Funding Agreement (C-1-2777). The Letter Agreement incorporates an updated *Attachment A (Project List)* for City of Orange (City) projects funded through the Measure M2 Comprehensive Transportation Funding Programs (CTFP).

To ensure compliance with the Master Funding Agreement, please review Article 4 "Responsibilities of Agency", which outlines the City's obligations related to project implementation, reporting, and recordkeeping. The City's key responsibilities include:

- Implementing and completing projects consistent with the *CTFP Guidelines* and *M2 Eligibility Guidelines*.
- Participating in Orange County Transportation Authority's (OCTA)'s semi-annual project review process to provide updates on scope, schedule, costs, and funding.
- Maintaining financial and project records for a minimum of five (5) years following final payment.
- Requests for reimbursement must include all supporting documentation and align with the approved project scope.
- Cooperating with OCTA audits and post-project compliance reviews.

If you have any questions, please contact Mason Dosher at (714) 560-5427.

Sincerely,

Rose Casey
Rose Casey (Mar 31, 2026 10:50:39 PDT)

Rose Casey
Executive Director, Planning

RC:md
Attachments

OCTA

January 19, 2026

Mr. Christopher Cash
City of Orange – Department of Public Works
300 East Chapman Avenue
Orange, California 92866

Subject: **Agreement No. C-1-2777, City of Orange, "M2 CTFP Master Funding Agreement" – Letter Agreement No. 26**

Dear Mr. Cash:

This Letter Agreement serves as the Orange County Transportation Authority's (OCTA) approval to amend Agreement No. C-1-2777, Attachment A-25 "Projects List". OCTA is deleting Attachment A-25, in its entirety, as identified in Article 4 "Responsibilities of Agency", paragraph A, and in lieu thereof is inserting the revised "Project List", attached hereto as Attachment A-26, which is incorporated and made a part of the Agreement. All provisions set forth in Master Funding Agreement No. C-1-2777 apply.

If you have any questions, please feel free to contact Mason Dosher at (714) 560-5427.

Please execute this letter agreement and return the signed original to the attention of:

Cathy Bounleuth, Contract Administrator, Capital Projects
Contracts Administration and Materials Management Department
600 South Main Street, 4th Floor
Orange, CA 92868
Phone: (714) 560-5077, Email: cbounleuth@octa.net

Upon full execution by both parties, this Letter Agreement No. 26 to Agreement No. C-1-2777, shall be made effective this 2nd day of January, 2026 ("Effective Date").

Accepted and Agreed

Rose Casey
Rose Casey (May 21, 2026 16:08:54 PDT)
Rose Casey
Executive Director, Planning
Orange County Transportation Authority

Christopher S. Cash
Christopher S. Cash (May 21, 2026 16:02:54 PDT)
Christopher Cash
Director of Public Works
City of Orange

LB

Lydia Bilynsky
Lydia Bilynsky (May 22, 2026 12:00:15 PDT)
Lydia Bilynsky
Department Manager, Capital Projects
Orange County Transportation Authority

M2 CTFP MASTER FUNDING AGREEMENT

City of Orange - Project List

Project Description	CTFP Amount	Programmed Fiscal Year	Board Date	Letter Agreement No.
Project O "Regional Capacity Program"				
Katella Avenue and Wanda Street Intersection Widening (Engineering)	$ 51,500	2012-13	6/27/2011	1
Meats Avenue Interchange at SR-55 (Engineering)	$ 1,400,000	2011-12	6/27/2011	1
Lincoln Avenue and Tustin Street Intersection	$ 105,000	2013-14	4/8/2013	3
Lincoln Avenue/Tustin Street Intersection (Right of Way)	$ 67,500	2014-15	4/14/2014	6
Lincoln Avenue/Tustin Street Intersection (Construction)	$ 368,640	2015-16	4/14/2014	6
Katella Avenue/Wanda Road Intersection (Right of Way)	$ 120,000	2014-15	4/14/2014	6
Katella Avenue/Wanda Road Intersection (Construction)	$ 583,680	2015-16	4/14/2014	6
Tustin Street and Katella Avenue Intersection (Engineering) (FAST TRACK)	$ 105,000	2015-16	4/27/2015	9
Tustin Street and Katella Avenue Intersection (Right of Way) (FAST TRACK)	$ 750,000	2016-17	4/27/2015	9
Tustin Street and Katella Avenue Intersection (Construction) (FAST TRACK)	$ 363,882	2017-18	4/27/2015	9
Tustin Street and Chapman Avenue Intersection (Engineering)	$ 105,000	2015-16	4/27/2015	9
Tustin Street and Chapman Avenue Intersection (Right of Way)	$ 138,750	2016-17	4/27/2015	9
Tustin Street and Meats Avenue Intersection (Engineering)	$ 97,500	2015-16	4/27/2015	9
Tustin Avenue and Meats Avenue Intersection Right Turn Lane Addition (Right of Way)	$ 1,424,713	2016-17	4/11/2016	11
Tustin/Meats Intersection Right Turn Lane Addition	$ 719,625	2018-19	4/10/2017	13
Tustin Street and Chapman Avenue Intersection Widening	$ 375,000	2017-18	4/10/2017	13
Cannon Street at Serrano Avenue Intersection Widening	$ 108,750	2018-19	6/11/2018	15
Cannon Street Widening - Santiago Canyon Road to Serrano Avenue (Engineering)	$ 618,750	2021-22	5/10/2021	21
Cannon Street at Serrano Avenue Intersection Widening (Construction)	$ 631,814	2022-23	5/9/2022	23
Cumulative Program Total	$ 8,135,104			

M2 CTFP MASTER FUNDING AGREEMENT

City of Orange - Project List

Project X "Environmental Clean Up"					
Orange Old Towne Automatic Retractable Screens Project	$	100,000	2011-12	8/8/2011	1
Savi Storm Drain Installation Project	$	100,000	2012-13	8/13/2012	2
CDS Unit at Santiago Creek	$	111,750	2013-14	9/23/2013	5
Lemon Street Continuous Deflection Separator Unit	$	150,000	2014-15	9/22/2014	8
Collins Avenue Bio Clean Unit Installation	$	150,000	2015-16	8/10/2015	10
Orangewood Avenue Bio Clean Unit Installation	$	150,000	2016-17	9/12/2016	12
Orangewood Avenue BioClean Unit Installation	$	300,000	2017-18	8/14/2017	14
DSBB and CPS BMP Installation	$	249,360	2019-20	9/9/2019	17
DSBB and CPS BMP Installation - 2020	$	308,803	2020-21	10/12/2020	20
CDS, CPS and FTA BMP Installation	$	500,000	2021-22	8/21/2021	22
Debris Separating Baffle Box and Connector Pipe Screen BMP Installation	$	400,000	2022-23	11/14/2022	24
Glassell Street & La Veta Avenue Water Quality Storm Drain Improvement Project	$	436,000	2023-24	8/14/2023	25
White Oak Ridge & Palmyra Avenue Water Quality Storm Drain Improvement Project	$	600,000	2025-26	10/13/2025	26
Cumulat+A37:E46ive Program Total	$	3,555,913			
Project P "Regional Traffic Signal Synchronization Program"					
Tustin Avenue - Rose Drive RTSSP	$	2,766,833	2020-21	5/11/2020	19
Cumulative Program Total	$	2,766,833			
Project W "Safe Transit Stops"					
South Bound (SB) The City Drive/City Way	$	30,000	2014-15	7/14/2014	7
North Bound (NB) The City Drive/Dawn Way	$	28,020	2014-15	7/14/2014	7
SB Main Street/Katella Avenue	$	13,837	2014-15	7/14/2014	7

M2 CTFP MASTER FUNDING AGREEMENT

City of Orange - Project List

SB Main Street/Chapman Avenue	$	15,241	2014-15	7/14/2014	7
Orange Transportation Center Dock 1	$	14,338	2014-15	7/14/2014	7
SB Main Street/La Veta Avenue	$	14,010	2014-15	7/14/2014	7
SB Tustin Street at East Village Way	$	30,000	2014-15	7/14/2014	7
NB The City Drive/Justice Center	$	18,100	2019-20	6/26/2019	16
West Bound (WB) Chapman Ave/Main Street	$	18,100	2019-20	6/26/2019	16
East Bound (EB) Chapman Ave/The City Drive	$	22,000	2019-20	6/26/2019	16
WB Chapman Ave/The City Drive	$	18,100	2019-20	6/26/2019	16
Orange TraNsportation Center/Dock # 2	$	22,000	2019-20	6/26/2019	16
Cumulative Program Total	$	243,746			
Project V "Community-Based Transit/Circulators Program" - Planning Only					
Orange Community Circulator Feasibility Study	$	59,400	2020-21	4/13/2020	18
Cumulative Program Total	$	59,400			
Total (All Projects)	**$**	**14,760,996**			

RECEIVED
AUG 05 2011
BY:

Distributed: 9/6/11
Accounting
CAMM
FPA
PM A. McClenahen
Vendor ✓ K. Alter
CA M. Cruz

MASTER FUNDING AGREEMENT NO. C-1-2777

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF ORANGE

FOR

M2 COMPREHENSIVE TRANSPORTATION FUNDING PROGRAMS

THIS AGREEMENT is effective this 19TH day of AUGUST 2011, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), and the City of Orange, 300 E. Chapman Avenue, P.O. Box 449, Orange, CA 92866-1591, a municipal corporation (hereinafter referred to as "AGENCY").

RECITALS:

WHEREAS, Voters approved Renewed Measure M (M2) on November 7, 2006; and

WHEREAS, Orange County Local Transportation Authority Ordinance No. 3 outlines the M2 Transportation Ordinance and Investment Plan to fund transportation facility and service improvement programs for a period of thirty years commencing on April 1, 2011; and

WHEREAS, AUTHORITY and AGENCY agree that M2 funding is subject to AGENCY fulfilling M2 eligibility requirements; and

WHEREAS, AUTHORITY's Board of Directors approved the Renewed Measure M Eligibility Guidelines - Local Agency Preparation Manual on January 25, 2010 and subsequent amendments on March 14, 2011 and April 11, 2011; and

WHEREAS, AUTHORITY's Board of Directors approved the Comprehensive Transportation Funding Programs (CTFP) Guidelines on March 22, 2010; and

WHEREAS, AUTHORITY will periodically update the Renewed Measure M2 Eligibility Guidelines - Local Agency Preparation Manual and the CTFP Guidelines whereby the most recent

update is incorporated herein by reference; and

WHEREAS, AUTHORITY has approved AGENCY's competitive project(s) (hereinafter referred to as "PROJECT(s)") as specified in Attachment A "Projects List" to receive funding under the CTFP; and

WHEREAS, AUTHORITY has determined that AGENCY's PROJECT(s) has met the requirements of and is eligible under the CTFP Guidelines; and

WHEREAS, AGENCY's "Project List" may be amended to include new projects with each competitive call for projects and will be incorporated by Letter Agreement executed by both parties and incorporated herein; and

WHEREAS, the Letter Agreement may include additional requirements for PROJECT(s) funded with sources other than M2 or Local Fair Share Net Revenues sources; and

WHEREAS, AUTHORITY and AGENCY agree that Local Fair Share Program Net Revenues are distributed on a formula basis to eligible jurisdictions; and

WHEREAS, payment terms for this Master Funding Agreement will be in accordance with Chapter 10 of the CTFP Guidelines; and

WHEREAS, this Master Funding Agreement defines the specific terms and conditions and funding responsibilities between AUTHORITY and AGENCY for CTFP and Local Fair Share Program Net Revenues; and

WHEREAS, AUTHORITY's Board of Directors approved this Master Funding Agreement on June 27, 2011; and

WHEREAS, the AGENCY's City Council approved this Agreement on the 26th day of July 2011;

NOW, THEREFORE, it is mutually understood and agreed by AUTHORITY and AGENCY as follows:

ARTICLE 1. COMPLETE AGREEMENT

A. This Agreement, including any attachments incorporated herein and made applicable by

reference, constitutes the complete and exclusive statement of the term(s) and conditions(s) of this agreement between AUTHORITY and AGENCY and it supersedes all prior representations, understandings, and communications. The invalidity in whole or in part of any term or condition of this Agreement shall not affect the validity of other term(s) or conditions(s) of this Agreement. The above referenced Recitals are true and correct and are incorporated by reference herein.

B. AUTHORITY'S failure to insist on any instance(s) of AGENCY's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such term(s) or condition(s), and AGENCY's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

C. AGENCY's failure to insist on any instance(s) of AUTHORITY's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AGENCY's right to such performance or to future performance of such term(s) or condition(s), and AUTHORITY's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AGENCY except when specifically confirmed in writing by an authorized representative of AGENCY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

ARTICLE 2. SCOPE OF AGREEMENT

This Agreement specifies the roles and responsibilities of both AUTHORITY and AGENCY as they pertain to the subjects and projects addressed herein. Both AUTHORITY and AGENCY agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any other supplemental agreements, including Letter Agreements, which may be required to facilitate purposes thereof.

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ARTICLE 3. RESPONSIBILITIES OF AUTHORITY

AUTHORITY agrees to the following responsibilities for funding of PROJECT(s):

A. AUTHORITY shall allocate M2 Net Revenues as specified in Ordinance No. 3 and pay AGENCY in accordance with the policies and procedures contained in the CTFP manual and AUTHORITY's Board of Directors approved PROJECT budgets.

B. AUTHORITY shall provide guidance and oversight of the M2, state and federal funds in compliance with M2 eligibility guidelines, CTFP Guidelines, state and federal funding requirements and allocation and reporting requirements.

C. Within thirty (30) days of receipt of an acceptable initial payment CTFP invoice and within sixty (60) days for an acceptable final payment invoice for eligible expenditures, AUTHORITY shall, in accordance with Chapter 10 of the CTFP Guidelines, remit to AGENCY the required reimbursement for applicable planning, environmental, engineering, right-of-way and construction activities.

D. AUTHORITY shall pay Net Revenues allocated for the Local Fair Share Program to eligible AGENCY within sixty (60) days of receipt by AUTHORITY.

E. AUTHORITY shall process any required Federal Transportation Improvement Program (FTIP) amendments, Subject to state and federal regulations and guidelines prepared by the Southern California Association of Governments.

F. At the request of AGENCY, AUTHORITY shall, in accordance with AUTHORITY specification and no cost to the AGENCY excluding installation and removal expenses, provide signage for all construction PROJECT(s) that are in excess of FIVE HUNDRED THOUSAND DOLLARS ($500,000) and exceed a ninety (90) day construction schedule.

G. AUTHORITY, or agents of AUTHORITY, may upon close-out of each PROJECT(s) under this Agreement, perform an audit and or technical review to ensure that CTFP Guidelines policies and procedures were followed. Such audit shall be performed within one hundred and eighty (180) days of AUTHORITY receiving the final report for each PROJECT(s). If the audit or technical review

determines that any of the activities performed are ineligible for CTFP funding, AGENCY must return the amount of funding used to perform the ineligible activity to AUTHORITY in accordance with Article 4.G.

ARTICLE 4. RESPONSIBILITIES OF AGENCY

AGENCY agrees to the following responsibilities for PROJECT(s):

A. AGENCY or AGENCY's designee will act as the lead agency for all phases of the PROJECT(s) identified in Attachment A, approved for M2 funding.

B. AGENCY agrees that M2 funding is subject to AGENCY meeting all of the requirements outlined in the M2 Eligibility Guidelines and CTFP Guidelines.

C. AGENCY agrees to implement and complete PROJECT(s) funded under this Agreement in accordance with the CTFP Guidelines, M2 Eligibility requirements and application submitted to AUTHORITY.

D. AGENCY agrees to submit all PROJECT information to the Federal Transportation Improvement Program and OCFundTracker during semi-annual reviews and as requested by the AUTHORITY in accordance with the prescribed deadlines.

E. AGENCY agrees to obligate funds in the programmed year in accordance with the CTFP Guidelines and adhere to any additional requirements identified in any and all Letter Agreement(s) amended hereto.

F. AGENCY agrees to enter into and required Letter Agreement for PROJECT(s) approved by the Board to define specific funding and reporting requirements.

G. AGENCY shall return funds expended on activities, other than those approved by the AUTHORITY's Board of Directors, within thirty (30) day's of AUTHORITY's written demand. Any AGENCY which uses funds for other than transportation purposes shall be deemed ineligible to receive funds for a period of five (5) years.

H. AGENCY agrees to dispose of any acquired right-of-way in excess of the required transportation use. Excess right-of-way must be identified at the time of initial payment submittal and

prior to the disposal process. Resolution of any issues regarding whether or not a right-of-way is excess to the transportation improvement will be by the mutual agreement of AUTHORITY and AGENCY. Excess land acquired with CTFP funds shall be sold by AGENCY in accordance with Government Code Sections 54220-54232 and proceeds from the sale shall be returned immediately to AUTHORITY.

I. AGENCY will comply with all federal, state and local laws and regulations, including the Renewed Measure M2 Eligibility Guidelines – Local Agency Preparation Manual and the CTFP Guidelines, which are incorporated herein by reference.

J. AGENCY shall install and remove signage for all competitively awarded construction PROJECT(s) that are in excess of $500,000 and exceed a 90 day construction period in accordance with AUTHORITY specifications during construction period. AGENCY may request AUTHORITY furnished signage or it may choose to provide AGENCY furnished signage so long as said signage conforms to AUTHORTY specifications as follows: Signage shall include a Measure M2 logo that is a minimum of twelve inches (12") tall, an OCTA logo that is a minimum of three inches (3") tall (image files provided by OCTA upon request), verbiage stating "Street Improvements Funded by Measure M" in Myriad Pro, bold condensed font at two hundred and fifty six (256) pt. and "Your dollars at Work" in Myriad Pro, bold condensed font at one hundred and eighty (180) pt.

ARTICLE 5. DELEGATED AUTHORITY

The actions required to be taken by AGENCY in the implementation of this Agreement are delegated to its Public Works Director, or his/her designee, and the actions required to be taken by AUTHORITY in the implementation of this Agreement are delegated to AUTHORITY's Chief Executive Officer.

ARTICLE 6. AUDIT AND INSPECTION

AUTHORITY and AGENCY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AGENCY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books,

accounts, and other data and records of AGENCY for a period of four (4) years after final payment, or completion of audit by the AUTHORITY, or after final payment of debt service where local fair share revenues were pledged, whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment of AGENCY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AGENCY's contractor(s).

ARTICLE 7. INDEMNIFICATION

A. AGENCY shall indemnify, defend and hold harmless AUTHORITY, its officers, directors, employees and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's compensation subrogation claims, damage to or loss of use of property alleged to be caused by the negligent acts, omissions or willful misconduct by AGENCY, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

B. AUTHORITY shall indemnify, defend and hold harmless AGENCY, its officers, directors, employees and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's compensation subrogation claims, damage to or loss of use of property alleged to be caused by the negligent acts, omissions or willful misconduct by AUTHORITY, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

C. The indemnification and defense obligations of this Agreement shall survive its expiration or termination.

ARTICLE 8. ADDITIONAL PROVISIONS

A. Term of Agreement: This Agreement shall continue in full force and effect through final acceptance of PROJECT by AUTHORITY, or until March 31, 2041 whichever is later. This Agreement may be extended at the mutual consent of both parties

B. Termination: This agreement is null and void if PROJECT is not awarded. However, AUTHORITY agrees to reimburse AGENCY for any costs incurred up to the official date of notification to AGENCY that PROJECT will not be awarded.

C. AUTHORITY and AGENCY shall comply with all applicable federal, state, and local laws, statues, ordinances and regulations of any governmental authority having jurisdiction over the PROJECT(s).

D. Legal Authority: AUTHORITY and AGENCY hereto consent that they are authorized to execute this Agreement on behalf of said parties and that, by so executing this agreement, the parties hereto are formally bound to the provisions of this Agreement.

E. Severability: If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

F. Counterparts of Agreement: This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

G. Force Majeure: Either Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to; any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

H. Assignment: Neither this Agreement, nor any of the Parties rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party in its sole and absolute discretion. Any such attempt of assignment shall be deemed

void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

I. Obligations To Comply with Law: Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under the terms, in amounts, or for purposes other than as authorized by local, state or federal law.

J. Governing Law: The laws of the State of California and applicable local and federal laws, regulations and guidelines shall govern this Agreement.

K. Litigation fees: Should litigation arise out of this Agreement for the performance thereof, the court shall award costs and expenses, including attorney's fees, to the prevailing party.

L. Notices: Any notices, requests, or demands made between the parties pursuant to this Agreement are to be directed as follows:

To AGENCY:	To AUTHORITY:
City of Orange 300 E. Chapman Avenue P.O. Box 449 Orange, CA 92866-1591	Orange County Transportation Authority 550 South Main Street P.O. Box 14184 Orange, CA 92863-1584
ATTENTION: Joe DeFrancesco, Public Works Director	ATTENTION: Marvin Cruz, Senior Contract Administrator
Tel: (714) 744-5525 Email: jdefrancesco@cityoforange.org	Tel: (714) 560 – 5568 Email: mcruz@octa.net

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This Agreement shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-1-2777 to be executed on the date first above written.

CITY OF ORANGE

By: _____
Carolyn V. Cavecche
Mayor

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____
Will Kempton
Chief Executive Officer

ATTEST:

By: _____, Deputy
for Mary E. Murphy
City Clerk

APPROVED AS TO FORM:

By: _____
Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:
AGENCY Attorney

By: _____
David DeBerry
City Attorney

Dated: 7-28-11

APPROVAL RECOMMENDED:

By: _____
Kia Mortazavi
Executive Director, Planning

Dated: 8.11.11

Agn - 2 X 90.X

Should be titled Amendment No.1. See Amendment No.2 dated July 18, 2014 (Page 2)

Distributed: 8-12-13
Accounting
CAMM
FPA
PM RLopez/KAltar
Vendor
GA mBarman

AMENDMENT NO. ~~4 (REVISED)~~ 1

MASTER FUNDING AGREEMENT NO. C-1-~~2777~~

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF ORANGE

FOR

M2 COMPREHENSIVE TRANSPORTATION FUNDING PROGRAMS

THIS AMENDMENT NO. 4 is effective this 11th day of July 2013, by and between the Orange County Transportation Authority ("AUTHORITY"), and the City of Orange, a municipal corporation (hereinafter referred to as "AGENCY").

WITNESSETH:

WHEREAS, by Agreement No. C-1-2777 dated August 19, 2011, as last changed by Letter Agreement No. 3, AUTHORITY and AGENCY entered into a Master Funding Agreement that defines the specific terms and conditions and funding responsibilities between AUTHORITY and AGENCY for Comprehensive Transportation Funding Programs (CTFP) and Local Fair Share Program Net Revenues;

WHEREAS, AUTHORITY is revising the audit provision language with no change to the maximum cumulative obligation; and

NOW, THEREFORE, it is mutually understood and agreed by AUTHORITY and AGENCY that Agreement No. C-1-2777 is hereby amended in the following particulars only:

1. Amend **ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**, page 4 of 10, Paragraph G, to delete in its entirety and in lieu thereof insert:

"AUTHORITY, or agents of AUTHORITY, may upon close-out off each PROJECT(s) under this Agreement, perform a technical or field review to ensure that CTFP Guidelines were followed. Such review may be performed after an acceptable final report has been submitted for each

PROJECT(s). If the review determines that any of the activities performed are ineligible for CTFP funding, AGENCY must return the amount of funding used to perform the ineligible activity to AUTHORITY in accordance with Article 4.G."

2. Amend **ARTICLE 6. AUDIT AND INSPECTION**, page 7 of 10, line 1, to delete "a period of four (4) years" and in lieu thereof insert "a period of five (5) years."

The balance of Agreement No. C-1-2777 remains unchanged

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 4 to Agreement C-1-2777 to be executed as of the date first above written.

CITY OF ORANGE

By: _____

Teresa Smith
Mayor

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

Meena Katakia
Manager, Capital Projects

ATTEST:

By: _____ Chief Clerk for

Mary E. Murphy
City Clerk

APPROVED AS TO FORM:

By: _____

Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:

By: _____

Wayne Winthers
City Attorney

Dated: 7-11-13

Agn. 2 | 7a · k | L

Distributed: 7-22-14
Accounting
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AMENDMENT NO. 2 TO

MASTER FUNDING AGREEMENT NO. C-1-2777

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF ORANGE

FOR

M2 COMPREHENSIVE TRANSPORTATION FUNDING PROGRAMS

THIS AMENDMENT NO. 2 is effective this 18 day of July 2014, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), and the City of Orange, 300 E. Chapman Ave., Orange, CA 92866, a municipal corporation (hereinafter referred to as "AGENCY") each individually known as "Party" and collectively known as the "Parties".

WITNESSETH:

WHEREAS, by Agreement No. C-1-2777 dated August 19, 2011, as last changed by Letter Agreement No. 5 dated November 15, 2013, AUTHORITY and AGENCY entered into a Master Funding Agreement that defines the specific terms and conditions and funding responsibilities between AUTHORITY and AGENCY for Comprehensive Transportation Funding Programs (CTFP) and Local Fair Share Program Net Revenues;

WHEREAS, currently Letter Agreements and Amendments to the Master Funding Agreement (Amendments) are numbered sequentially as issued; and

WHEREAS, the Letter Agreements are sub-agreements to the Master Funding Agreement; and

WHEREAS, the AUTHORITY and AGENCY desire to separate the Letter Agreements from the Amendments and assign separate numbering conventions to each; and

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WHEREAS, due to the change in the numbering convention for the Letter Agreements and Amendments, this Amendment No. 2 will revise the numbering for Amendments to Agreement No. C-1-2777 issued to date as follows: Amendment No. 4 (Revised) dated July 11, 2013 is changed to Amendment No. 1, with the subsequent Amendments to the Master Funding Agreement to be numbered sequentially beginning with this Amendment No. 2; and

WHEREAS, the next Letter Agreement to be issued will be No. 6 with Attachment A-6, Letter Agreement No. 4 and Attachment A-5 will not be used; and

WHEREAS, AUTHORITY is revising the audit provision language with no change to the maximum cumulative obligation; and

NOW, THEREFORE, it is mutually understood and agreed by AUTHORITY and AGENCY that Agreement No. C-1-2777 is hereby amended in the following particulars only:

1. Amend **ARTICLE 5. DELEGATED AUTHORITY**, page 6 of 10, to delete in its entirety and in lieu thereof insert:

"The actions required to be taken by AGENCY in the implementation of this Agreement are delegated to its Director of Public Services, or his/her designee, and the actions required to be taken by AUTHORITY in the implementation of this Agreement are delegated to AUTHORITY's Chief Executive Officer or designee."

2. Amend **ARTICLE 6. AUDIT AND INSPECTION**, page 6 of 10, as last changed by Amendment No. 4 (Revised) (now identified as Amendment No. 1) dated July 11, 2013 to delete in its entirety and in lieu thereof insert:

"AUTHORITY and AGENCY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AGENCY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, contracts, books, accounts, and other data and records of AGENCY for a period of five (5) years after final payment by AUTHORITY for CTFP projects. For the Local Fair Share program, upon reasonable notice, AGENCY shall permit the authorized representatives of the AUTHORITY to inspect and audit all

work, materials, payroll, contracts, books, accounts, and other data and records of AGENCY for a period of five (5) years after expenditure of funds or five (5) years after final payment of debt service where local fair share revenues were pledged, whichever is longer. AUTHORITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AGENCY's contractor(s)."

3. Amend **ARTICLE 8. ADDITIONAL PROVISIONS**, page 9 of 10, Paragraph L, to update AUTHORITY's contact information.

To AGENCY:

City of Orange
300 E. Chapman Ave.
Orange, CA 92866

ATTENTION: Joe DeFrancesco
Director of Public Works
Tel: (714) 744-5525
E-mail: webmaster@cityoforange.org

To AUTHORITY:

Orange County Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584

ATTENTION: Michael Le
Associate Contract Administrator
Tel:(714) 560 – 5314
E-mail: mle1@octa.net

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The balance of Agreement No. C-1-2777 remains unchanged

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Agreement C-1-2777 to be executed as of the date first above written.

CITY OF ORANGE

By: _____

Teresa E. Smith
Mayor

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

Meena Katakia
Manager, Capital Projects

ATTEST:

By: _____

Mary E. Murphy
City Clerk

APPROVED AS TO FORM:

By: _____

Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:

By: _____

Wayne W. Winthers
City Attorney

Dated: 7/10/14

C12777_Letter Agreement

Final Audit Report 2026-05-22

Created:	2026-03-11
By:	Cathy Bounleuth (cbounleuth@octa.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAA_NSiA5yOOf39c8jeZsbaltPp4-G9NFy_

"C12777_Letter Agreement" History

Document created by Cathy Bounleuth (cbounleuth@octa.net)
2026-03-11 - 6:13:35 PM GMT

Document emailed to Rose Casey (rcasey@octa.net) for signature
2026-03-11 - 6:21:47 PM GMT

Restricted visibility Email viewed by Rose Casey (rcasey@octa.net)
2026-03-31 - 5:52:39 PM GMT

New document URL requested by Rose Casey (rcasey@octa.net)
2026-03-31 - 5:52:41 PM GMT

Restricted visibility Document e-signed by Rose Casey (rcasey@octa.net)
Signature Date: 2026-03-31 - 5:56:39 PM GMT - Time Source: server

Document emailed to Christopher Cash (ccash@cityoforange.org) for signature
2026-03-31 - 5:56:42 PM GMT

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2026-03-31 - 7:37:51 PM GMT

Restricted visibility Email viewed by Christopher Cash (ccash@cityoforange.org)
2026-05-21 - 11:02:04 PM GMT

Signer Christopher Cash (ccash@cityoforange.org) entered name at signing as Christopher S. Cash
2026-05-21 - 11:02:52 PM GMT

Restricted visibility Document e-signed by Christopher S. Cash (ccash@cityoforange.org)
Signature Date: 2026-05-21 - 11:02:54 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

Document emailed to Rose Casey (rcasey@octa.net) for signature
2026-05-21 - 11:02:57 PM GMT

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2026-05-21 - 11:07:50 PM GMT

Restricted visibility Document e-signed by Rose Casey (rcasey@octa.net)
Signature Date: 2026-05-21 - 11:08:54 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

Document emailed to Lydia Bilynsky (lbilynsky@octa.net) for signature
2026-05-21 - 11:08:56 PM GMT

Restricted visibility Email viewed by Lydia Bilynsky (lbilynsky@octa.net)
2026-05-22 - 6:59:35 PM GMT

Restricted visibility Document e-signed by Lydia Bilynsky (lbilynsky@octa.net)
Signature Date: 2026-05-22 - 7:00:15 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

Agreement completed.
2026-05-22 - 7:00:15 PM GMT

Agenda Item

Orange City Council

Item #: 3.10. 8/25/2026 **File #:** 26-0430

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

Award of Contract to Ultimate Maintenance Services, Inc. for Custodial Services for City Facilities

2. SUMMARY

Following a competitive Request for Proposals process, staff recommends awarding a three-year contract to Ultimate Maintenance Services, Inc. for comprehensive custodial services at City facilities, with options for two additional one-year extensions. Ultimate Maintenance was unanimously ranked first among nine proposers and submitted the lowest-priced proposal for the required scope of work. The new contract also expands services to include custodial and day porter services at the Old Towne West Parking Structure and increased custodial service frequency at the Main Library.

3. RECOMMENDED ACTION

1. Approve the contract with Ultimate Maintenance Services, Inc. in the amount of $1,681,774.68, representing an original proposal amount of $1,462,412.76, plus a 15% contingency of $219,361.91, for Custodial Services for City Facilities; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize the appropriation of $204,353.95 from the General Fund (100) and $19,482.61 from Water (600) unreserved fund balances to:

100-5601-56104-	Janitorial Services	$139,121.24
100-5002-56104-	Janitorial Services	$ 65,232.71
600-5601-56404-	Janitorial Services	$ 19,482.61

4. FISCAL IMPACT

The annual not-to-exceed cost of the contract is $560,591.56 and will be funded through the General Fund (100) and Water Fund (600), respectively:

100-5601-56104 - Janitorial Services - $444,121.24
100-5002-56104 - Janitorial Services - $96,987.71
600-5601-56404 - Janitorial Services - $19,482.61

An additional appropriation of $204,353.95 from the General Fund and $19,482.61 from the Water

Fund is required to fully fund the Fiscal Year 2026-27 contract amount. While the General Fund appropriation increases the expenditure budget for custodial services, the City is currently experiencing salary and benefit savings associated with vacant positions that are projected to offset this additional General Fund expenditure within the overall Fiscal Year 2026-27 operating budget.

The contract is for three years with a total not-to-exceed amount of $1,681,774.68. Funding for future years will be requested through the annual operating budget process

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Stability.
Goal 5: Improve Infrastructure, Mobility, and Technology.

6. DISCUSSION AND BACKGROUND

The City contracts for custodial maintenance services at City facilities, including City Hall, the Council Chamber, Community Services Department offices, Fire Headquarters (Administration Wing), Orange Public Libraries, Police Department Headquarters, the Corporation Yard, the Water Plant, and the Old Towne West Parking Structure. The scope of work also includes a full-time day porter assigned to the Police Department and a part-time day porter assigned to the Old Towne West Parking Structure.

On May 28, 2026, the City issued Request for Proposals (RFP) No. 25-26.23 for custodial services. Nine proposals were received by the June 11, 2026 deadline. A three-member evaluation panel consisting of two representatives from the Public Works Department and one representative from the Police Department evaluated the proposals based on the criteria established in the RFP: price (30%), timely performance and crew availability (30%), qualifications and professional experience (30%), and client references (10%).

The evaluation panel unanimously ranked Ultimate Maintenance Services, Inc. as the highest-rated proposer, with an average score of 89 out of 100 points. Ultimate Maintenance also submitted the lowest-priced proposal for the required scope of work at $487,470.92 annually. A summary of the evaluation results for all nine proposers is included as an attachment.

Ultimate Maintenance is the City's current custodial services contractor and has performed its services to the City's satisfaction. Its familiarity with City facilities, service requirements, and operational needs will provide continuity of service and minimize transition-related disruption.

The proposed annual base contract amount is $487,470.92. The contract also includes a contingency for optional carpet and window cleaning, emergency janitorial services, and other authorized custodial work. Contingency funds will only be expended for services authorized and performed.

The proposed contract represents an increase over the prior custodial services agreement due to a combination of increased labor costs and an expanded scope of services. The pricing reflects current California minimum wage requirements and Consumer Price Index (CPI) increases since the prior contract was awarded.

The new contract also expands the City's custodial services in two areas. First, based on City Council direction, the scope adds custodial and part-time day porter services at the Old Towne West Parking Structure, which was not included in the prior agreement. These services will provide regular upkeep of the parking structure's stairwells, elevator cars, and other common areas, with the associated expense offset by paid parking revenue.

Second, the frequency of vacuuming at the Main Library will increase from monthly to weekly to better maintain the facility given its high level of patron use.

The proposed contract has a not-to-exceed amount of $1,681,774.68 for the initial three-year term. The agreement also provides the City with two optional one-year extensions. Compensation increases during the optional extension periods are limited to a maximum of 2% annually and tied to the CPI in accordance with the RFP. A compensation schedule is included as an attachment.

Based on the results of the competitive RFP process, Ultimate Maintenance's lowest proposed price, highest overall evaluation, and satisfactory performance under the City's existing contract, staff recommends awarding the contract to Ultimate Maintenance Services, Inc.

7. ATTACHMENTS

- Attachment 1 Contract with Ultimate Maintenance Services Inc.
- Attachment 2 Proposals Abstract Summary
- Attachment 3 Compensation Schedule for Ultimate Maintenance Services

Agenda Item

Orange City Council

Item #: 3.10. 8/25/2026 **File #:** 26-0430

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

Award of Contract to Ultimate Maintenance Services, Inc. for Custodial Services for City Facilities

2. SUMMARY

Following a competitive Request for Proposals process, staff recommends awarding a three-year contract to Ultimate Maintenance Services, Inc. for comprehensive custodial services at City facilities, with options for two additional one-year extensions. Ultimate Maintenance was unanimously ranked first among nine proposers and submitted the lowest-priced proposal for the required scope of work. The new contract also expands services to include custodial and day porter services at the Old Towne West Parking Structure and increased custodial service frequency at the Main Library.

3. RECOMMENDED ACTION

1. Approve the contract with Ultimate Maintenance Services, Inc. in the amount of $1,681,774.68, representing an original proposal amount of $1,462,412.76, plus a 15% contingency of $219,361.91, for Custodial Services for City Facilities; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize the appropriation of $204,353.95 from the General Fund (100) and $19,482.61 from Water (600) unreserved fund balances to:

100-5601-56104-	Janitorial Services	$139,121.24
100-5002-56104-	Janitorial Services	$ 65,232.71
600-5601-56404-	Janitorial Services	$ 19,482.61

4. FISCAL IMPACT

The annual not-to-exceed cost of the contract is $560,591.56 and will be funded through the General Fund (100) and Water Fund (600), respectively:

100-5601-56104 - Janitorial Services - $444,121.24
100-5002-56104 - Janitorial Services - $96,987.71
600-5601-56404 - Janitorial Services - $19,482.61

An additional appropriation of $204,353.95 from the General Fund and $19,482.61 from the Water

Fund is required to fully fund the Fiscal Year 2026-27 contract amount. While the General Fund appropriation increases the expenditure budget for custodial services, the City is currently experiencing salary and benefit savings associated with vacant positions that are projected to offset this additional General Fund expenditure within the overall Fiscal Year 2026-27 operating budget.

The contract is for three years with a total not-to-exceed amount of $1,681,774.68. Funding for future years will be requested through the annual operating budget process

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Stability.
Goal 5: Improve Infrastructure, Mobility, and Technology.

6. DISCUSSION AND BACKGROUND

The City contracts for custodial maintenance services at City facilities, including City Hall, the Council Chamber, Community Services Department offices, Fire Headquarters (Administration Wing), Orange Public Libraries, Police Department Headquarters, the Corporation Yard, the Water Plant, and the Old Towne West Parking Structure. The scope of work also includes a full-time day porter assigned to the Police Department and a part-time day porter assigned to the Old Towne West Parking Structure.

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The evaluation panel unanimously ranked Ultimate Maintenance Services, Inc. as the highest-rated proposer, with an average score of 89 out of 100 points. Ultimate Maintenance also submitted the lowest-priced proposal for the required scope of work at $487,470.92 annually. A summary of the evaluation results for all nine proposers is included as an attachment.

Ultimate Maintenance is the City's current custodial services contractor and has performed its services to the City's satisfaction. Its familiarity with City facilities, service requirements, and operational needs will provide continuity of service and minimize transition-related disruption.

The proposed annual base contract amount is $487,470.92. The contract also includes a contingency for optional carpet and window cleaning, emergency janitorial services, and other authorized custodial work. Contingency funds will only be expended for services authorized and performed.

The proposed contract represents an increase over the prior custodial services agreement due to a combination of increased labor costs and an expanded scope of services. The pricing reflects current California minimum wage requirements and Consumer Price Index (CPI) increases since the prior contract was awarded.

The new contract also expands the City's custodial services in two areas. First, based on City Council direction, the scope adds custodial and part-time day porter services at the Old Towne West Parking Structure, which was not included in the prior agreement. These services will provide regular upkeep of the parking structure's stairwells, elevator cars, and other common areas, with the associated expense offset by paid parking revenue.

Second, the frequency of vacuuming at the Main Library will increase from monthly to weekly to better maintain the facility given its high level of patron use.

The proposed contract has a not-to-exceed amount of $1,681,774.68 for the initial three-year term. The agreement also provides the City with two optional one-year extensions. Compensation increases during the optional extension periods are limited to a maximum of 2% annually and tied to the CPI in accordance with the RFP. A compensation schedule is included as an attachment.

Based on the results of the competitive RFP process, Ultimate Maintenance's lowest proposed price, highest overall evaluation, and satisfactory performance under the City's existing contract, staff recommends awarding the contract to Ultimate Maintenance Services, Inc.

7. ATTACHMENTS

- Attachment 1 Contract with Ultimate Maintenance Services Inc.
- Attachment 2 Proposals Abstract Summary
- Attachment 3 Compensation Schedule for Ultimate Maintenance Services

CUSTODIAL SERVICES CONTRACT
[Custodial Services for City Facilities (RFP No. 25-26.23)]

THIS CONTRACT (the "Contract") is made and entered into as of _____, 2026 ("Effective Date") by and between the CITY OF ORANGE, a municipal corporation ("City"), and ULTIMATE MAINTENANCE SERVICES, INC., a California corporation ("Contractor"), who agree as follows.

ARTICLE 1
Work Performed

a. For and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by City, Contractor hereby agrees to and shall do all the work and furnish all the labor, materials, tools and equipment necessary to complete in good workmanship and substantial manner the work and services (the "Work") described in the Custodial Specifications, which are attached as Attachment No. 1, at the locations and at the associated costs set forth in Attachment No. 2, which are incorporated herein by this reference.

b. The Work shall be performed in conformity with the Custodial Specifications at City buildings and facilities identified in the Custodial Specifications and all applicable federal and state labor laws and standards and applicable prevailing wage requirements and any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment.

c. Unless and until otherwise notified in writing by City's Public Works Director, City's Assistant Field Services Manager, Rachael Gomez ("Authorized City Representative"), shall be the person to whom Contractor will report for the performance of the Work hereunder. It is understood that Contractor's performance hereunder shall be under the supervision of the Authorized City Representative or such other person as City's Public Works Director may designate from time to time, that Contractor shall coordinate the Work hereunder with the Authorized City Representative to the extent required by the Authorized City Representative, and that all performances required hereunder by Contractor shall be performed to the satisfaction of the Authorized City Representative or City's Public Works Director.

ARTICLE 2
Commencement of Work

Contractor shall commence the Work provided for in this Contract within ten (10) days of the Effective Date and diligently prosecute completion of the Work. Time is of the essence in this Contract. Contractor shall do all things necessary and incidental to the prosecution of Contractor's Work.

ARTICLE 3
Compensation

a. Except for any additional work or services authorized by the Authorized City Representative, Contractor agrees to receive and accept an amount not to exceed ONE MILLION FOUR HUNDRED SIXTY-TWO THOUSAND, FOUR HUNDRED TWELVE DOLLARS and

76/100 ($1,462,412.76) as full compensation for furnishing all materials and doing all the Work described in the Custodial Specifications (the "Base Compensation). City shall pay to Contractor the sum of 1/12th of the Base Compensation each month during the Initial Term; provided, however, that for each periodic carpet and window cleaning, City shall pay to Contractor the amount set forth in Attachment No. 2 for each of the facilities described therein for which such services and work are performed.

b. In addition to the regular janitorial and periodic carpet and window cleaning services to be performed by Contractor, the parties recognize that additional work and services may be required from time to time. In anticipation of such contingencies, the sum of TWO HUNDRED NINETEEN THOUSAND THREE HUNDRED SIXTY-ONE DOLLARS and 91/100 ($219,361.91) may be made available in the discretion of the Authorized City Representative for payment to Contractor during the Initial Term or an Extension for any additional work or services authorized by the Authorized City Representative. The Authorized City Representative is authorized to reimburse Contractor for the actual costs incurred by Contractor in performance of any such additional work or services in accordance with such amount as the Authorized City Representative and Contractor may agree upon in advance. Contractor shall perform only that work or those services that are specifically requested and authorized by the Authorized City Representative from time to time during the Initial Term or an Extension.

c. The total amount of compensation for the Initial Term of this Contract, including contingencies, shall not exceed ONE MILLION SIX HUNDRED EIGHTY-ONE THOUSAND SEVEN HUNDRED SEVENTY-FOUR DOLLARS and 68/100 ($1,681,774.68)

d. Any and all additional work and services performed under this Contract shall be completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care in accordance with a cost estimate or proposal submitted to and approved by the Authorized City Representative prior to the commencement of such work or services. Any cost estimate or proposal requested to be prepared by the Authorized City Representative will include a projection of recommended steps to be taken in the assigned matter and costs for each step.

e. As scheduled janitorial services, periodic carpet and window cleaning, and additional work or services are completed each month, Contractor shall submit to City an invoice for the work or services completed for the preceding month, authorized expenses and authorized periodic carpet and window cleaning or extra work or services actually performed or incurred. City will pay Contractor the amount invoiced within thirty (30) days after the approval of the invoice.

ARTICLE 4
Term; Extension; Compensation for Extension

a. The Initial Term of this Contract is three (3) years (the "Initial Term"), commencing August 1, 2026, and expiring on June 30, 2029 (the "Initial Expiration Date"); provided, however, that City has the right to extend the term of this Contract for the following extensions and upon the following terms:

- First Extension (the "First Extension Term") commencing on July 1, 2029, and terminating on June 30, 2030, in an annual amount calculated as set forth in Subsection d, below: and

- Second Extension (the "Second Extension Term") commencing on July 1, 2030, and terminating on June 30, 2031, in an annual amount calculated as set forth in Subsection d, below.

b. The City Manager is authorized on behalf of City to give written notice to Contractor of City's intention to exercise each Extension (if at all) no later than thirty (30) days prior to the Expiration Date of the then-current term; provided, however, that City's notice of its intention to extend the term of this Contract for each Extension shall be expressly conditioned upon and subject to the approval by the City Council, in its sole and absolute discretion, of an amount sufficient to pay the compensation set forth herein for each Extension as part of its annual budget approval process prior to the beginning of each Extension. While the parties acknowledge that City is required to give its notice of intention to extend the term of this Contract not later than thirty (30) days prior to the Expiration Date of then-current term, it is possible that the City Council's approval of its annual budget and appropriation of funds for the Extension in question may occur thereafter. Accordingly, if the City Council fails to approve and appropriate funds sufficient to pay the amount of compensation set forth herein, this Contract shall terminate and be of no further force and effect as of the expiration of the then-current term. Notwithstanding anything in this provision to the contrary, in the event City gives Contractor written notice exercising an Extension and City receives notice that appropriation of funds for the Extension in question are not available after Contractor has performed services under the Extension, City agrees that Contractor will be equitably compensated for all services performed under any portion of an Extension through the date of termination of the Contract. Except as specifically set forth herein, the terms and conditions of each Extension will be the same as the Initial Contract.

c. Any Extension, if properly exercised, shall be memorialized in the form of an amendment to this Contract. The City Manager is hereby authorized to approve and execute amendments to this Contract reflecting the exercise of each Extension and the amount of compensation (including the amount of funds to be made available for additional work or services) payable to Contractor for each Extension.

d. Increase in Compensation for Extension Term. If City exercises its option to extend the term of the Contract:

(1) For the First Extension Term, the Base Compensation payable to Contractor shall be increased on the commencement date of the First Extension Term to the lesser of: (a) the percentage of increase or decrease in the most recently published Consumer Price Index ("CPI") for the preceding twelve months; or (b) two percent (2%). In no event shall the Base Compensation payable to Contractor for the Second (or later) Extension Term be less than the Base Compensation payable immediately preceding that Term. The adjusted fee, if any, shall be rounded to the nearest dollar. There shall be an additional contingency amount of SEVENTY-FOUR THOUSAND FIVE HUNDRED EIGHTY-THREE DOLLARS and 00/100 ($74,583.00) during the First Extension Term.

(2) For the Second (or later) Extension Term, the Base Compensation payable to Contractor shall be increased on the commencement date of the Second (or later) Extension Term to the lesser of: (a) the percentage of increase or decrease in the most recently published Consumer Price Index ("CPI") for the preceding twelve months; or (b) two percent (2%). In no event shall the Base Compensation payable to Contractor for the Second (or later) Extension Term be less than the Base Compensation payable immediately preceding that Term. The adjusted fee, if any, shall be rounded to the nearest dollar. There shall be an additional contingency amount of SEVENTY-SIX THOUSAND SEVENTY-FIVE DOLLARS and 00/100 ($76,075.00) during the Second Extension Term.

(3) For the purpose of this Contract, the term "Consumer Price Index" or "CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) (Los Angeles-Long Beach-Anaheim; all items, not seasonally adjusted; 1982-1984=100 reference base).

ARTICLE 5
Licenses

Contractor represents that it and any subcontractors it may engage, possess any and all licenses which are required under state or federal law to perform the Work contemplated by this Contract, and that Contractor and subcontractors shall maintain all appropriate licenses, including a City of Orange business license, at its cost, during the performance of this Contract.

ARTICLE 6
Independent Contractor; Contractor not Agent

a. At all times during the Term of this Contract, Contractor and its workers shall be an independent contractor and not employees of City. City shall have the right to control Contractor only insofar as the result of Contractor's services rendered pursuant to this Contract. City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Contract. Contractor shall, at its sole cost and expense, furnish all facilities, materials and equipment which may be required for furnishing services pursuant to this Contract. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its subcontractors, agents and employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever. Contractor acknowledges that it and any subcontractors, agents or employees employed by it shall not, under any circumstances, be considered employees of City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

b. Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, to bind City to any obligation whatsoever.

ARTICLE 7
Equal Employment Opportunity

During the performance of this Contract, Contractor agrees as follows:

a. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, mental or physical disability, or any other basis prohibited by applicable law. Contractor shall ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, mental or physical disability, or any other basis prohibited by applicable law. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Contractor shall post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

b. Contractor shall, in all solicitations and advertisements for employees placed by, or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, mental or physical disability, or any other basis prohibited by applicable law.

c. Contractor shall cause the foregoing paragraphs (a) and (b) to be inserted in all subcontracts for any work covered by this Contract, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

ARTICLE 8
Compliance with Laws

a. Contractor shall be knowledgeable of and comply with all local, state and federal laws pertaining to the subject matter hereof or in any way regulating the activities undertaken by Contractor or any subcontractor hereunder.

b. Contractor represents and warrants that it:

(1) Has complied and shall at all times during the Term of this Contract comply, in all respects, with all immigration laws, regulations, statutes, rules, codes, and orders, including, without limitation, the Immigration Reform and Control Act of 1986 (IRCA); and

(2) Has complied and shall at all times before, during and after this Contract comply, in all respects, with the Displaced Janitor Opportunity Act; and

(3) Has not and will not knowingly employ any individual to perform services under this Contract who is ineligible to work in the United States or under the terms of this Contract; and

(4) Has properly maintained, and shall at all times during the term of this Contract properly maintain, all related employment documentation records including, without limitation, the completion and maintenance of the Form I-9 for each of Contractor's employees; and

(5) Has responded, and shall at all times during the term of this Contract respond, in a timely fashion to any government inspection requests relating to immigration law compliance and/or Form I-9 compliance and/or worksite enforcement by the Department of Homeland Security, the Department of Labor, or the Social Security Administration.

c. Contractor shall require all subcontractors to make the same representations and warranties required by this Article 8 when hired to perform services under this Contract.

d. Contractor shall, upon request of City, provide a list of all employees working under this Contract and shall deliver to City before the commencement of Work under this Contract for each and every employee assigned to perform Work under this Contract and, thereafter, during the term of the Contract for each and every prospective employee hired to perform Work under this Contract the following verification that all such employees are eligible to work in the United States:

(1) Records sufficient to establish that it has complied with the electronic verification of work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996, as amended, and operated jointly by the United States Department of Homeland Security and the United States Social Security Administration, or a successor electronic verification of work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees pursuant to the Immigration Reform and Control Act of 1986. Contractor shall retain such records for the duration of such employee's employment. The records maintained shall be immediately made available to City for inspection and audit upon written notice to Contractor by the City Manager; and

(2) A color photocopy of a current and active California Driver License or California Identification card issued by the Department of Motor Vehicles.

e. To the extent permitted by law, City may conduct a background check on each and every prospective employee hired to perform Work under this Contract. No personnel of Contractor shall perform or commence to perform any services to City under this Contract unless and until City has conducted and completed to its satisfaction a Megan's Law check and a background check or, conversely, notified Contractor that it has elected not to conduct a background check on one or more of Contractor's employees or prospective employees. The background check will be similar to that used for non-sworn Public Safety City employees and may consist of, among other things, the taking of fingerprints by the California Department of Justice, a check of police records, and a Megan's Law check through the Sex Offender Tracking Program at the California Department of Justice. Contractor shall cooperate with City in its background check process and to use its best efforts to have its employees and prospective employees (if any) cooperate with City in that process.

f. All costs associated with the documentation and verification required in Subsection 8.d and 8.e shall be borne by Contractor. At such time as Contractor notifies City of the name(s) of the person (or persons) Contractor is considering to perform Work under this Contract, Contractor shall reimburse City for the actual cost to City associated with the conduct of a background check associated with the specified work location. If a prospective worker fails the background check, City shall refund to Contractor one-half of the amount paid for such person. Contractor may not change employees working under this Contract without written notice to City, accompanied by the documentation and verification required herein for such employees. Contractor shall require all subcontractors to provide the same documentation and verification when hired to perform services under this Contract. City has the right, in its sole and absolute discretion, to reject any employee of Contractor assigned to perform services for City, with or without cause, at the time of such assignment or at any time thereafter, and Contractor shall remove that employee from providing services to City to the extent permitted by law and any applicable collective bargaining agreement. City's rights under this Article shall not be exercised in an arbitrary or capricious manner, or with the intent of forcing a termination of this Contract

g. If Contractor or a subcontractor knowingly employs an employee providing Work under this Contract who is not authorized to work in the United States, and/or fails to follow federal laws to determine the status of such employee, such shall constitute a material breach of this Contract and may be cause for immediate termination of this Contract by City.

h. All materials, supplies and equipment provided under this Contract shall be in full compliance with the Safety Orders and Regulations of the Division of Industrial Safety of the State of California, Title 8, California Code of Regulations (CAL/OSHA) and all applicable OSHA regulations as well as all other applicable California Regulations.

i. Contractor shall indemnify and hold City, its officers, officials and employees harmless for, of and from any loss, including but not limited to fines, penalties and corrective measures, City may sustain by reason of Contractor's failure to comply with said laws, rules and regulations in connection with the performance of this Contract.

ARTICLE 9
Displaced Janitor Opportunity Act

a. Contractor shall comply with the Displaced Janitor Opportunity Act (California Labor Code Section 1060 et seq.) (the "Act"), a copy of which is attached as Attachment No. 3 and incorporated herein by this reference.

b. Pursuant to the Act, Contractor shall retain, for a 60-day transition period commencing with the Effective Date of this Contract, any employees who had been employed by Prior Contractor for at least four (4) months prior to the Effective Date at any of City's buildings and facilities which are the subject of this Contract, unless Contractor has reasonable and substantiated cause not to hire a particular employee based on that employee's performance or conduct while under the City's contract with Prior Contractor.

c. For those employees described in the immediately preceding paragraph that must be retained by Contractor, Contractor is required to make a written offer of employment to each of those employees in such employee's primary language or another language in which the employee is literate if each such employee's performance during the 60-day transition period is satisfactory. That offer shall state the time within which the employee must accept that offer, but in no case may that time be less than ten (10) days. The Act does not require Contractor to pay the same wages or offer the same benefits as were provided by Prior Contractor.

d. If at any time Contractor determines that fewer employees are needed to perform services under this Contract than were required by Prior Contractor, Contractor shall retain employees by seniority within the job classification.

e. Upon commencement of Work and services by Contractor under this Contract, Contractor shall provide to the Authorized City Representative a list of employees and a list of the employees of any subcontractors retained to provide services at City's buildings and/or facilities. Such list (or lists) shall indicate which of those employees were employed at those same City buildings and/or facilities by Prior Contractor. Contractor is also required to provide City with a list of any of Prior Contractor's employees who were not retained either by Contractor or by any of its subcontractors, stating the reason those employees were not retained.

f. During the 60-day transition period, Contractor shall maintain a preferential hiring list of eligible covered employees not retained by Contractor, from which Contractor is required to hire additional employees until such time as all of the employees of Prior Contractor have been offered employment.

g. During the 60-day transition period, Contractor shall not discharge any employee retained pursuant to the Act without cause, which cause shall be based only on the performance or conduct of the particular employee.

h. At the end of the 60-day transition period, Contractor shall provide a written performance evaluation to each employee retained pursuant to the Act. If the employee's performance during that 60-day period is satisfactory, Contractor shall offer the employee continued employment. Any employment after the 60-day transition period shall be at-will employment under which the employee may be terminated without cause.

i. Contractor hereby certifies that it has read and reviewed the Act and fully understands the same, including the rights of an employee not offered employment or discharged in violation of the Act, which are set forth with particularity in the Act and, more specifically, at Labor Code Section 1062. Contractor further certifies that it has received or has had the opportunity to receive full legal advice as to its legal rights and responsibilities under the Act.

j. The aforementioned provisions of the Act apply to any subcontractors of Contractor. Contractor shall furnish or cause to be furnished to City evidence satisfactory to City that any subcontractor with whom Contractor has contracted for the performance of Work or services pursuant to this Contract as of the Effective Date of this Contract has complied with the Act.

k. The failure of Contractor to comply with the Act after notice and reasonable opportunity to cure may result in a breach or default in the terms of the Contract, in which case City may terminate this Contract or take such other legal action as may be available to City under the circumstances and deemed appropriate.

ARTICLE 10
Maintenance and Inspection of Records

In accordance with generally accepted accounting principles, Contractor and its subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records and other information (collectively, the "records") pertaining to the costs of and completion of services performed under this Contract. During the term of this Contract and for a period of three (3) years after termination or completion of this Contract, City shall have the right to inspect and/or audit Contractor's records pertaining to the performance of this Contract at Contractor's office. Contractor shall make available all such records for inspection or audit at its offices during normal business hours and upon three (3) days' notice from City, and copies thereof shall be furnished if requested.

ARTICLE 11
Indemnity

Contractor shall defend, indemnify and hold harmless City and its officers, officials, agents, and employees from and against:

a. Any and all claims, liabilities, losses, damages, penalties, costs or expenses (including reasonable attorneys' fees and court costs) which City may directly or indirectly sustain or suffer arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person which shall occur on or adjacent to the real property which is the subject of this Contract, or in connection with performance of this Contract which may be directly or indirectly caused by the acts or omissions of Contractor or its officers, employees, contractors or agents, or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance. Contractor shall not be responsible for (and such indemnity shall not apply to) any willful misconduct, negligence or breach of this Contract by City or its officers, officials, agents, or employees. The foregoing indemnity shall survive termination of this Contract.

b. Any and all claims under workers' compensation acts, the Displaced Janitor Opportunity Act, and other employee benefit acts with respect to Contractor's employees or Contractor's subcontractor or its employees arising out of Contractor's Work under this Contract, including any and all claims under any law pertaining to Contractor's status as an independent contractor.

ARTICLE 12
Insurance

a. Contractor shall procure and maintain for the duration of this Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder and the results of that Work by Contractor, its agents,

representatives, employees or subcontractors. Any umbrella liability insurance that is provided as part of the general or automobile liability minimums set forth below shall be maintained for the duration of the Contract.

b. Contractor shall maintain the following minimum amount of insurance: the greater of either the limits set forth in (1) through (4), below; or all of the insurance coverage and/or limits carried by or available to Contractor.

(1)	General Liability	$2,000,000	per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
(2)	Automobile Liability	$1,000,000	per accident for bodily injury and property damage.
(3)	Workers' Compensation		as required by the State of California.
(4)	Employer's Liability	$1,000,000	per accident for bodily injury or disease.

c. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits which are applicable to a given loss shall be available to City. No representation is made that the minimum insurance requirements of this Contract are sufficient to cover the obligations of Contractor under this Contract.

d. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to City, its officers, officials, agents and employees; or Contractor shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

e. Each policy of general liability and automotive liability insurance shall contain, or be endorsed to contain, the following provisions:

(1) City, its officers, officials, agents, and employees are declared to be additional insureds under the terms of the policy, with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Contractor (any auto), and with respect to liability arising out of work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work or operations. A policy endorsement to that effect shall be provided to City along with the certificate of insurance. In lieu of an endorsement, City will accept a copy of the policy(ies) which evidences that City is an additional insured as a contracting party. The minimum coverage required by Subsection 12.b, above, shall apply to City as an additional insured.

(2) For any claims related to this Contract, Contractor's insurance coverage shall be primary insurance with respect to City, its officers, officials, agents and employees. Any insurance or self-insurance maintained by City, its officers, officials, agents and employees shall be in excess of Contractor's insurance and shall not contribute with it.

(3) Coverage shall not be canceled, except after thirty (30) days' prior written notice has been provided to City.

f. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Article 12. The endorsements shall be on forms acceptable to City. All certificates and endorsements are to be received and approved by City before the Work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

g. All insurance procured and maintained by Contractor shall be issued by insurers admitted to conduct the pertinent line of insurance business in California and having a rating of Grade A or better and Class VII or better by the latest edition of Best Key Rating Guide.

h. Contractor shall immediately notify City if any required insurance lapses or is otherwise modified and cease performance of this Contract unless otherwise directed by City. In such a case, City may procure insurance or self-insure the risk and charge Contractor for such costs and any and all damages resulting therefrom by way of set-off from any sums owed Contractor.

i. Contractor agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, Contractor shall look solely to its insurance for recovery. Contractor hereby grants to City, on behalf of any insurer providing insurance to either Contractor or City with respect to the services of Contractor herein, a waiver of any right to subrogation which any such insurer may acquire against City by virtue of the payment of any loss under such insurance. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of City for all work performed by Contractor, its employees, agents and subcontractors. Contractor shall obtain any other endorsement that may be necessary to effect this waiver of subrogation.

j. Contractor shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein.

ARTICLE 13
Conflicts of Interest

Contractor agrees that it shall not make, participate in the making, or in any way attempt to use its position as a contractor to influence any decision of City in which Contractor knows or has reason to know that Contractor, its officers, partners, or employees have a financial interest as defined in Section 87103 of the Government Code.

ARTICLE 14
Indebtedness

If at any time during the progress of the Work, Contractor shall allow any indebtedness to accrue for labor, equipment, or materials, or which may become a claim, lien, or stop notice right against City, Contractor shall immediately upon request from City pay such claim or indebtedness or cause such lien or stop notice to be dissolved and discharged by giving a bond or otherwise and, in case of its failure so to do, City may withhold any money due Contractor until such claim or indebtedness is paid or may apply such money toward the discharge thereof; or in such event City may, at its option, declare this Contract to be terminated, take possession and control of the Work, and complete the same or cause the same to be completed according to the Custodial Specifications. Contractor shall pay to City the difference between the contract price and the actual cost to City in completing or causing the Work to be completed.

ARTICLE 15
Assignment

This Contract shall not be assigned in whole or in part, nor any duties delegated without City's prior written approval.

ARTICLE 16
Default; Waiver

a. Failure by Contractor to perform any action or covenant required by this Contract within the time periods provided herein following notice and failure to cure, as described hereafter, constitutes an "Event of Default" under this Contract.

b. If City claims a default, it shall give written notice to Contractor specifying the alleged grounds for the default. City shall not institute any proceeding against Contractor and Contractor shall not be in default if Contractor, within three (3) days from receipt of the notice, immediately, with due diligence, commences to cure, correct or remedy such failure or delay and completes such cure, correction or remedy with diligence within five (5) days following receipt of said notice, or for such defaults that cannot reasonably be cured within said five (5) day period, within such additional time as is reasonably necessary to cure such default.

c. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Contract, City may institute an action at law or equity to seek specific performance of the terms of this Contract, or to cure, correct or remedy any Event of Default, to recover damages for any Event of Default, or to obtain any other remedy consistent with the purpose of this Contract.

d. The failure by City to give notice of an Event of Default shall not be deemed an acceptance of such default or a waiver of the provisions of this Contract. Any failure or delay by either party in asserting any of its right and remedies as to a breach of any of the other party's covenants, conditions or agreements set forth herein shall not operate as a waiver of such breach or of any such rights or remedies, or deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce such rights or

remedies. A waiver by either party of a breach shall not be construed as a waiver of any succeeding breach of the same or other covenants, conditions or agreements set forth in this Contract.

ARTICLE 17
Termination

a. City, acting through its City Manager or his/her designee, may terminate this Contract, in whole or in part, for any reason, by giving not less than thirty (30) days' written notice of intent to terminate to Contractor. Upon receipt of notice, Contractor shall discontinue all Work on the Contract as directed in the notice. Should City terminate this Contract, City shall pay Contractor for services satisfactorily provided and all allowable reimbursements incurred to the date of termination in compliance with this Contract, unless such termination shall be for cause, in which event City may withhold any disputed compensation. City shall not be liable for any claim of lost profits. The provisions of this paragraph shall not limit or affect the right of City to terminate this Contract immediately upon written notice of breach. In the event of termination, the payment bond delivered to City at the time of the award of this Contract (as the same may be modified, supplemented and extended with the approval of City) shall remain in effect for six (6) months after the date of termination to provide surety that any vendors or laborers will be paid.

b. Contractor may terminate this Contract at any time upon the giving of not less than ninety (90) days' prior written notice to City.

ARTICLE 18
Notice

Except as otherwise provided herein, all notices required under this Contract shall be in writing and delivered personally, by e-mail, or by first class mail, postage prepaid, to each party at the address listed below. Either party may change the notice address by notifying the other party in writing. Notices shall be deemed received upon receipt of same or within three (3) days of deposit in the U.S. Mail, whichever is earlier. Notices sent by e-mail shall be deemed received on the date of the e-mail transmission.

"CONTRACTOR"	"CITY"
Ultimate Maintenance Services, Inc. 4237 Redondo Beach Blvd. Lawndale, CA 90260	City of Orange 300 E. Chapman Avenue Orange, CA 92866-1591
Attn: Paul Marmol, President	Attn: Rachael Gomez
Telephone: 310-505-5857 E-Mail: paul@umscorporation.com	Telephone: 714-744-5588 E-Mail: rgomez@cityoforange.org

ARTICLE 19
Governing Law and Venue

This Contract shall be construed in accordance with and governed by the laws of the State of California and Contractor shall submit to the jurisdiction of California courts. Venue for any dispute arising under this Contract shall be in Orange County, California.

ARTICLE 20
Integration and Amendment

a. This Contract constitutes the entire agreement of the parties. No other agreement, oral or written, pertaining to the Work to be performed under this Contract shall be of any force or effect unless it is in writing and signed by both parties. Any work performed which is inconsistent with or in violation of the provisions of this Contract, after notice and reasonable opportunity to cure, shall not be compensated. Should there be any conflict between the terms of this Contract and any of the attachments hereto, this Contract shall control and nothing herein shall be considered as an acceptance of the said terms of said attachment conflicting herewith.

b. Amendments to this Contract must be in writing and signed by both parties. The City Manager is authorized to execute amendments to this Contract up to the amounts specified in Chapter 3.08 of the Orange Municipal Code.

ARTICLE 21
Counterparts

This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures transmitted electronically shall have the same effect as original signatures.

[Remainder of page intentionally left blank; signatures on next page]

IN WITNESS of this Contract, the parties have entered into this Contract as of the year and day first above written.

"CONTRACTOR"	**"CITY"**
ULTIMATE MAINTENANCE SERVICES, INC., a California corporation	CITY OF ORANGE, a municipal corporation
*By:_____	By:_____
Printed Name: Oswaldo Paul Marmol	Daniel R. Slater, Mayor
Title: President	
*By:_____	ATTEST:
Printed Name: claudia salomon	
Title: Secretary	_____
	Pamela Coleman, City Clerk
	APPROVED AS TO FORM:
	_____
	Conner Hyland
	Senior Assistant City Attorney

***NOTE:** **The City requires the following signature(s) on behalf of the Contractor:**

-- **(1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR**

-- **The corporate officer named in a corporate resolution as authorized to enter into this Contract. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Contract, must be provided to the City**

√ X

IN WITNESS of this Contract, the parties have entered into this Contract as of the year and day first above written.

"CONTRACTOR"	**"CITY"**
ULTIMATE MAINTENANCE SERVICES, INC., a California corporation	CITY OF ORANGE, a municipal corporation
*By:_____ Printed Name:_____ Title:_____	By:_____ Daniel R. Slater, Mayor
*By:_____ Printed Name:_____ Title:_____	ATTEST: _____ Pamela Coleman, City Clerk
	APPROVED AS TO FORM: _____ Conner Hyland Senior Assistant City Attorney

***NOTE:** **The City requires the following signature(s) on behalf of the Contractor:**

-- **(1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR**

-- **The corporate officer named in a corporate resolution as authorized to enter into this Contract. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Contract, must be provided to the City**

√

ATTACHMENT NO. 1

CUSTODIAL SPECIFICATIONS

[Behind this sheet]

CUSTODIAL SPECIFICATIONS
(RFP No. 25-26.23)

Sections	Description	Page No.
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Section A
Custodial Requirements

It is the objective of the City of Orange ("City") to ensure that custodial and housekeeping services are provided to all the buildings and facilities described in these specifications. The City buildings and facilities covered by these specifications are generally referred to as the Public Works Building, Administration Building and Finance Building that make up the Civic Center, this includes the Computer Training Room, additional training room, men's and women's locker rooms and lunchroom located in the basement beneath those buildings, Community Services Administration Building, Fire Department Headquarters (Administration Wing only), the Orange Public Library and History Center, the Police Department Headquarters, Corporation Building I (Fleet Services restroom and break room to be serviced by the Day Porter assigned to the Police Department Headquarters), Corporation Building II, Water Plant, Taft Branch Library, the El Modena Branch Library, The Old Towne West Parking Structure. Housekeeping Services are to be performed during the specified hours listed in these specifications, unless otherwise directed and/or approved by the City of Orange. These specifications also include special cleaning intervals and other specific requirements.

Note: The City of Orange may, in its sole discretion, adjust the days and times for the performance by the Contractor of work and services if the hours of operation of the City for any one or more City facilities should change during the term of the Contract. For example, if the hours of operation of one or more buildings or facilities are reduced or otherwise altered due to budgetary considerations or the furlough of employees, the City and the Contractor shall agree upon credits for reductions in service or additional compensation in the event the hours of operation or availability of buildings and facilities to the public are increased.

The City of Orange requires the following of the contractor retained for the performance of this contract:

1. Background/Security: All personnel engaged in the performance of this work shall be employees of the Contractor and, as such, shall be warranted to possess sufficient experience and security records to perform this work. See the Contract Agreement ("Agreement") for the specific details that will be required of the Contractor and its employees.

2. Health: All personnel shall be in good health and free of contagious diseases. Contractor shall not allow any person(s) under the influence of alcohol or drugs on the premises or in the buildings. The Contractor shall not allow the use or presence of alcohol or drugs on the premises or in the buildings.

3. Conduct: No person(s) shall be employed for this work who is/are found to be incompetent, disorderly, and troublesome, under the influence of alcohol or drugs, or who fails or otherwise refuses to perform the work properly and

in a suitable fashion. The Contractor shall immediately remove such persons from the performance of work under this Agreement.

4. Supervision of Staff: The contractor shall assign one supervisor who is not engaged in cleaning or other non-working activities. This supervisor must be present at all times during night operations and will be responsible for overseeing conduct and workmanship. At the City of Orange facilities, there must be one supervisor or foreman on-site. The supervisor should be able to communicate effectively in both written and spoken English and is required to complete a daily inspection log.

5. Day Porters: All Day Porters shall be fully trained for the type of duties they will perform and shall be able to communicate effectively in both written and oral English.

6. Training: Contractor shall have an ongoing training program for its entire staff in areas of Safety and Job Duties. Contractor shall provide only personnel who have been fully trained for the performance of this work. Supervisors shall have been trained in supervision and in technical training regarding Custodial Services.

7. Uniforms: All of Contractor's employees shall wear appropriate uniforms at all times while on duty. Uniforms must have the Contractor's company name.

   Example: "Company Name
   Partner with the City of Orange"

   A photo ID badge must be worn at all times. ID badges must include the individual's name, the contractor's name, and a 24-hour emergency contact number.

8. Adequate Safety: Applicable warning devices shall be used by the Contractor when there is a safety hazard (i.e., rain-slip), waxing or wet mopping floors, or as needed to ensure the safety of City employees and members of the general public while at or on City buildings and facilities. Contractor shall be responsible for adequately instructing their employees regarding all safety measures. Contractor shall adhere to CalOSHA and Centers for Disease Control and Prevention (CDC) regulations at all times. All equipment used by the Contractor shall be maintained in a safe operating condition at all times and be free from defects. All employees of the Contractor must wear proper personal protective equipment while working at or on any of the City's buildings or facilities.

9. NON SMOKING FACILITIES: All City buildings and facilities are designated as non-smoking facilities. No employee of the Contractor shall smoke while within twenty-five (25) feet of any entry of said buildings or facilities.

10. KEYS: Contractor shall establish and implement methods for ensuring that all keys & key cards issued to Contractor by the City are not lost, misplaced, or used by unauthorized persons. No keys or keycards issued to Contractor by the City shall be duplicated without prior written authorization from the City. Contractor shall report to the City any occurrences of lost or duplicated keys/keycards. In the event the City discovers that keys/keycards have been lost or duplicated by the Contractor's employees, the City may require the Contractor to re-key or replace the affected lock or locks or perform re-keying or keycard replacement, in which event the City may deduct the total cost from any compensation due to the Contractor. It is also the responsibility of the Contractor to prohibit the opening of locked areas or to permit the entrance of persons other than the Contractor's employees engaged in the performance of assigned work in those areas.

11. Tracking: All Restrooms shall have a "Restroom Service Sheet" completed daily to ensure an adequate level of cleanliness and sanitation is maintained. These sheets will be turned in by the Contractor each month and reviewed by the city.

12. Maintenance Repairs: Contractor shall report any maintenance repairs needed (i.e., leaking faucets; clogged drains; broken electrical plugs; lights out, etc.) to the City's facilities maintenance department by phone (714-532-6480). To prevent drain clogging, all wax strippers and dirty mop water are to be emptied into a flush toilet only, not into any urinals or floor sinks. No cleaning solutions are to be dumped or released to the environment. This includes all parking lots.

13. Standard Forms: Listed below are some of the standard forms that will be used to communicate the City's needs and requirements.
    a. Performance Inspection Form
    b. Service Request Form (e-mail request)
    c. Service Complaint Form
    d. General Notes: E-mails; memos, verbal instructions, and voicemails.

14. Contact Information: The Contractor shall provide the following contact information.
    a. 24-hour contact number
    b. Emergency Contact number
    c. Custodial Hotline
    d. E-mail address
    e. General Manager
    f. Account Manager
    g. On-site supervisor(s)

15. Response Time: Response time to City needs (i.e., Contractor's personnel arriving at the city facility to respond to a request) during the Contractor's normal work schedule is to be within a half hour of the Contractor's receipt of notice from a City representative. During off hours, the response time is to

be within two (2) hours of the Contractor's receipt of notice from a City representative. Unless otherwise agreed to by and between the Contractor and the City's representative, the time allowed to correct non-conformances (i.e., corrective actions) shall be 48 hours from receipt of the correction notice.

16. Recycling & Organics: Contractor's employees shall perform services as specified by the City's authorized representative(s) to implement the City's recycling and organics program. This requirement includes all facilities covered under the agreement that currently have recycling and organics practices in place, as well as any facilities that City staff may add to the recycling program during the term of the Agreement. The City prohibits the Contractor from salvaging any items from trash cans or bins and requires the Contractor to ensure that no cross-contamination occurs during waste disposal.

14. Damage to City Property: Contractor shall be liable for all costs associated with damage or verifiable theft by Contractor to any property of the City or an employee of the City, which is in any way related to the acts of the Contractor or Contractor's employees, or obligations under the Agreement. Contractors shall not remove any property of any type from the City's buildings or facilities without the expressed written consent of the City. A written report of damage or theft must be submitted to the city within 48 hours of occurrence.

15. City of Orange Telephone Usage: Telephones (including cell phones) shall not be used by the Contractor or its employees for personal reasons, with the following exceptions:

a. To report medical emergencies, a fire, or the need for law enforcement, in which event the Contractor's employees or agents may use a city phone to dial 9-911 from any extension.

b. Notification to the City of Orange Facilities Maintenance of damage or maintenance needed as required in this Agreement.

c. Any calls to numbers other than those above will be considered a violation of this Contract and grounds for immediate termination.

19. Building Security: The Contractor shall keep all exterior doors closed and locked during the performance of work when any City facility is not open for business (or as otherwise directed) and shall ensure that all doors are locked at the end of a shift, unless authorized or directed by a City representative. Security systems within City buildings or facilities shall be activated immediately after custodial service is completed in specific building(s). The City shall instruct the Contractor on how to activate any such security system.

16. Remedy for Failure to Perform Required Service: If the Contractor fails to execute the work in the manner and at such locations as specified, or fails to

maintain the work schedule which will ensure the City's interest, or if the Contractor is not carrying out the interest of the Contract, the City shall notify the Contractor both verbally and in writing requiring satisfactory compliance with the terms of the Agreement. If the Contractor does not perform the work in question within the time specified in said notice or fails to continue to comply, the city may then complete the work by City forces, by letting the unfinished work to another contractor, or by a combination of such methods. In any event, the cost of completing the work shall be charged against the Contractor and may be deducted from any money due or becoming due from the City. The City may, in addition, withhold from monies due to the Contractor the sum of Three Hundred Dollars ($300.00) per day for each calendar day delay in finishing the work within the specified time. If the sums due under the Contract are insufficient for completion, the Contractor shall pay to the City, within five (5) business days after completion, all costs in excess of the sums due. The provisions of this section shall be in addition to all other rights and remedies available to the City under law.

17. Extra Work /Project Cleaning: Work not considered to be routine or not done on a regular schedule and not considered under these specifications or otherwise in the Contract shall be considered extra work. This type of work may be completed only upon the City's designated representative's request. See the Contract for the procedures to be followed for additional work or services.

    The following are examples of the type of work that is considered extra work or services:
    - Cleaning areas not defined within these specifications;
    - Increasing frequency of cleaning, or special projects.

18. All vehicles used by the custodians employed by the Contractor are to be identified with magnetic door signs (approx. 20" x 16") or equivalent with the company name and phone number. These need to be visible from both sides of said vehicle. All supervisor vehicles shall be supplied with a GPS tracking device. Three (3) City representatives shall have 24/7 access to the tracking software on their desktops.

19. Requirements for Custodians:

    a. Each custodian working within City buildings and facilities will be in an approved Contractor's uniform.

    b. Each custodian will have in his/her possession a company photo identification badge at all times.

    c. All custodial supervisors, day porters, and at least one (1) person on each custodial crew must speak and write fluent English.

20. Safety and Security Requirements:

d. All safety warning devices shall be used by the Contractor when waxing or wet mopping floors or any other area.

e. All City buildings are NON-SMOKING facilities; no custodian is allowed to smoke while in City buildings or within 25 feet of said buildings.

21. National Pollutant Discharge Elimination System (NPDES) Requirements.

f. The contractor shall comply with Local, State, and Federal NPDES regulations, including County Drainage Area Management Plan (DAMP) and the Agency's Local Implementation Plan (LIP) at all times while providing services to the City of Orange.

g. The Contractor shall apply Storm Water Best Management Practices (BMP's) for all pollution prevention of any discharge of wastewater, chemicals, trash, debris, and any other pollutants to the storm drain system and/or waters of the state.

h. Simply stated, all work is to be performed in a zero-discharge manner. All water, chemicals, materials, products, and supplies used for cleaning are to be recovered and properly disposed of in accordance with all applicable regulations.

i. All mop and cleaning water used by the custodial contractor is to be dumped down a toilet and flushed.

22. Optional Services – services listed as optional will be awarded at the City's sole discretion.

Section B
Civic Center

The following are located within 1-2 blocks of the Civic Center. These facilities are to be provided together.

CIVIC CENTER, 300 E. Chapman Ave., Orange

Civic Center Basement, 4,056 sq. ft.

- Administrative offices and storage.
- 2 restrooms and locker rooms, 2 conference/training rooms, 1 break room/kitchen
- 90% tile flooring
- 5 days per week
- Monday through Friday (excluding holidays)
- Service to be performed between 7:00 p.m. and 6:00 a.m.
- Schedule I & Schedule II Service

Finance Department, 10,000 sq. ft.

- Administrative offices and public service counters.
- 4 restrooms/conference room/lunchroom
- 95% carpeted
- 5 days per week
- Monday through Friday (excluding holidays)
- Service to be performed between 7:00 p.m. and 6:00 a.m.
- Schedule I & Schedule II Service

COMMUNITY SERVICES ADMINISTRATION, 230 E. Chapman Ave., Orange

Community Services Admin Building, 9,560 sq. ft.

- Single-story administrative offices with a full, large basement.
- 90% carpeted
- 4 restrooms (2 on 1st floor, 2 in basement)
- 5 days per week service
- Monday through Friday (excluding holidays)
- Service to be performed between 7:00 p.m. and 6:00 a.m.
- Schedule I & Schedule II Service

FIRE HEADQUARTERS, 1176 E. Chapman Ave, 19,000 sq. ft.

- Two-story administrative offices
- 80% carpeted
- Locker rooms upstairs and downstairs
- 6 restrooms
- Conference rooms
- Lounge/break room/lunchroom with kitchen facilities
- 4 days per week service
- Service to be performed between 7:00 p.m. and 10:00 p.m.

- Schedule I & Schedule II Service

Orange Public Library & History Center, 407 E. Chapman Ave; 45,000 sq. ft., plus 5,140 sq. ft. in the basement

- Administrative offices and public service counters (1st & 2nd floor)
- Large Public Library service areas (1st & 2nd floor)
- Large Community Room with kitchen (1st floor)
- 5 (1st floor) + 2 (2nd floor) restrooms
- 1 break/lunchroom with kitchen (1st floor)
- 1 large children's area (1st floor)
- Study Rooms (6 total) – 1st and 2nd floor
- Event cleanup – weekly calendar will be posted on the wall outside the community room
- Back patio area to be serviced
- 1 Elevator
- 1 large basement (Sweep and empty trash twice per week)
- 95 % carpeted
- 6 days per week service excluding holidays
- Monday through Saturday service
- Service is to be performed between the close of business and 6:00 a.m. During special events, the contractor will check the weekly event calendar and adjust services accordingly.
- Schedule I & Schedule II Service

Civic Center Administration Building, 13,800 sq. ft.

- Administrative offices and public service counters.
- 4 restrooms / 3 conference rooms/lunchroom
- 95% carpeted
- 5 days per week
- Monday through Friday (excluding holidays)
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

Council Chamber, Civic Center, 4,000 sq. ft.

- Council Meeting Room
- 100% carpeted
- Theater-style seating
- Council seating area
- On Council, Commission, and Special meeting days
- Monday through Friday (excluding holidays)
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I Service

Civic Center Department of Public Works Building, 14,950 sq. ft.

- Administrative offices and public service counters.

- 2 restrooms / 3 conference rooms/lunchroom
- 95% carpeted
- 5 days per week
- Monday through Friday (excluding holidays)
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

Section C
CORPORATION YARD/POLICE HEADQUARTERS

CORPORATION YARD BUILDINGS
637 W. Struck Ave.

BUILDING 1
1st Floor 3,727 sq. ft.

- Locker rooms, restrooms, and shower facilities
- 2 outside stairwells and 1 inside stairwell
- 1 elevator
- Internal concrete floor hallway
- No carpeting
- 5 days per week/ (9/80 City of Orange standard schedule)
- Monday through Friday
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

2nd Floor; 6,640 sq. ft.

- Administrative offices
- 2 restrooms
- 80% carpeted
- Internal tile hallway
- 5 days per week/ (9/80 City of Orange standard schedule)
- Monday through Friday
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

Garage section
This section is alarmed and only accessible between the hours of 6 am and 3 pm
1st floor 40 sq. ft.

- 1 restroom, drinking fountain, and hand-wash sink
- 2 days per week (Tuesdays & Thursdays)
- Service to be performed between 6:00 a.m. and 3:00 p.m.
- Schedule I & Schedule II Service

2nd floor

- Break area with single restroom 672 sq. ft.
- 2 days per week (Tuesdays & Thursdays)
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

BUILDING 2
1st Floor 1,112 sq. ft.

- Office areas open Offices, Warehouse, Inspection Offices, and Traffic.
- 2 restrooms

- 1 elevator
- 5 days per week/ (9/80 City of Orange standard schedule)
- Monday through Friday
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

2nd Floor 3,360 sq. ft.

- Administrative offices, Traffic Management Center, Traffic Offices, and Conference Room
- 2 restrooms
- 1 large conference room
- 1 small kitchen facility adjacent to the conference room
- 1 interior stairwell
- 1 exterior stairwell
- 80% carpeted
- 5 days per week/ (9/80 City of Orange standard schedule)
- Monday through Friday
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

POLICE HEADQUARTERS
1107 N. Batavia St.

1st Floor, 39,742 sq. ft.

- Multipurpose, public service areas.
- Entrance lobby with terrazzo flooring.
- Administrative and police support areas.
- 5 interior stairwells
- 2 elevators
- 90% carpeted
- 8 restrooms
- 2 locker rooms
- 2 shower rooms
- 1 large multipurpose room with accordion room separator doors.
- 7 Days a week service (Periodic cleaning/detailing Sat & Sun)
- Monday through Friday, full service
- Saturday and Sunday 1/2 service
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

2nd Floor, 35,902 sq. ft.

- Administrative offices
- 99% carpeted
- 1 break/lunchroom
- 1 outdoor break/lunchroom

- 1 police dispatch center open 365 days a year
- 1 computer support room
- 7 Days a week service (Periodic cleaning/detailing recommended Fri, Sat & Sun)
- Monday through Sunday
- Service to be performed between the close of business and 6:00 a.m.
- Monday through Friday service
- Schedule I & Schedule II Service

Lower Level: 16,250 sq. ft. (Police escort required) plus Parking Structure 26,625 sq. ft.

- Police property room and Police crime lab **(Police escort required)**
- Large police booking and detention area **(Police escort required)**
- 8 detention rooms with commode and sink **(Police escort required)**
- 2 restrooms in hallway
- Monday through Friday service
- Large gymnasium area, clean daily
- No carpeting
- Schedule I, Schedule II, & Schedule III Service

OPD Senior Day Porter

- One (1) Day Porter (see attached PD Day Porter duties)
- Five (5) days per week, Monday through Friday (Fridays are for periodic cleaning projects)
- 7:30 a.m. to 4:00 p.m. includes one-half (1/2) hour lunch period
- Must speak fluent English and be paid a minimum of $8.00 an hour above California minimum wage (but not less than as required by the DIR for equivalent job classifications) for the length of the contract. To be provided the option of purchasing medical insurance through the company.
- Will report to and take directions from the Public Works Management Staff and/or Police Department
- Department-designated employee. See attached Day Porter Duties – Police Headquarters.

Section D
OUTLYING BUILDINGS

WATER PLANT

189 S. Water Street, 7,305 sq. ft.

- 4 restrooms with 3 showers, 1 locker room
- Lobby and long countertop
- 1 conference room
- Water Quality Lab required special cleaning of the floor and counters to prevent any cross-contamination into water samples.
- Supervisors Modular Trailer
- 50% carpeted
- 5 days per week
- Service to be performed at the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

TAFT BRANCH LIBRARY

740 E. Taft, 7,874 sq. ft.

- 1 break/lunchroom with kitchen facility
- 3 restrooms
- 99% carpeted
- 4 days a week service excluding holidays
- Monday through Thursday service
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

EI MODENA BRANCH LIBRARY

380 S. Hewes, 10,400 sq. ft.

- 3 restrooms
- 1 break/lunchroom
- 1 large multipurpose public Community Room with kitchen facilities
- Back patio area to be serviced
- 99% carpeted
- Custodial contractor to empty the bus stop trash can
- 4 days a week service excluding holidays
- Monday through Thursday service
- Service to be performed between the close of business and 6:00 a.m.
- Schedule I & Schedule II Service

OLD TOWNE WEST PARKING STRUCTURE

130 N. Lemon Street Approx. 162,500 sq. ft.

- 5 Stories
- 608 parking stalls, including charging stations
- 2 elevators
- Two stairways
- 7 days a week service from 6:00 AM to 10:00 AM

- Rolled and sliding gates
- Blue Phones
- Trash Receptacles
- Schedule I Service

Section E
Cleaning Schedule Specifications

Schedule I

Daily Services - General Building and Office Areas (All Areas)

1. Sweep all hard surface floors.
2. Sweep all outside entrances for trash
3. Dust accessible desktops.
4. Clean kitchen countertops, luncheon tables, and position chairs
5. Clean drinking fountains
6. Empty and clean coffee pots
7. Empty all wastebaskets and other waste containers. Dispose of trash, recyclables, and organics in the designated areas, and replace liners.
8. Spot clean partitions, doors, grab bars, panic hardware, doorknobs, handles, door frames, and around wall switches.
9. Maintain the janitor's closet in a clean, stocked, and orderly manner.
10. Spot clean the office partition glass and the interior door glass.
11. Mop hard floors
12. Wipe clean all elevator doors and the control panel to remove finger marks.
13. Clean all stairwells and landings twice weekly, vacuum if carpeted (remove cobwebs).
14. Dust bookshelves, minor signage
15. Report broken or missing items to the city.
16. Establish a lost and found box at each building location to provide a collection points for items found, such as keys, jewelry, bolts, brackets, machine parts, pens, etc.

Weekly Services - General Building and Office (All Areas)

1. Sweep inside and outside stairways
2. Dust banisters and handrails.
3. Vacuum all carpets at the Main Library
4. Clean and polish drinking fountains.
5. Spot clean woodwork for finger marks and stains.
6. Dust ledges, door trim, partition tops, and moldings.
7. Dust chairs, tables, telephones, filing cabinets, and other office furniture.
8. Dust windowsills, ledges, chair rails, partition trim, and low moldings.
9. Wipe down all chair rungs and office furniture.
10. Dust pictures, clocks, and major signage.
11. Buff all main aisles and corridors as needed to ensure a slip-resistant, high-gloss finish.
12. Spot clean carpet for spillage, stains, etc.
13. Clean and polish the Police Headquarters, Water Plant, Corp Yard, and Fire Headquarters locker room, showers, and restrooms, and also the two Police lower-level restrooms.

Monthly Services - General Building and Office Areas (All Areas)

1. High dust moldings, doors, and window casings.
2. Vacuum all carpets
3. Vacuum, sweep, or polish elevator cab floors where applicable.
4. Mop and buff all tile floors to ensure a slip-resistant, high-gloss finish.
5. Clean the wall and ceiling vents.
6. Clean wax vinyl floors to ensure a slip-resistant, high-shine surface.
7. Clean and wipe down baseboards.
8. Vacuum draperies and blinds
9. Clean and disinfect the handrails.
10. Detail carpet edges under and around furniture and behind doors.
11. Vacuum upholstered furniture
12. Spot dust for cobwebs in all areas inside and outside of the building
13. Remove debris from ceilings, walls, and floors
14. Clean corners and remove cobwebs and dirt
15. Thoroughly clean all glass entry doors.
16. Dust the large hanging orange ball and hanging animal heads inside the Main Library.

Schedule II

Daily Services - Restrooms

1. Empty and disinfect all wastepaper containers and replace liners with new ones.
2. Clean and polish mirrors.
3. Clean and disinfect all toilet tissue, towels, trash, and product sanitary containers
4. Clean and disinfect toilets, urinals, and sinks (inside and out), removing scale and all other organic materials.
5. Clean and disinfect both sides of toilet seats.
6. Clean and disinfect handles, knobs, and all other hand-touched areas.
7. Clean all splash marks from the wall over the sinks.
8. Wipe down with disinfectant the ceramic tile walls, toilet compartments, and partitions.
9. Refill soap, towel, tissue, seat cover dispensers, and sanitary product dispensers.
10. Clean, disinfect, and wipe dry all countertops.
11. Clean and polish drinking fountains, chrome under sinks, toilets, and urinals to keep scale-free.
12. Spot clean partitions for smudges and remove graffiti.
13. Wipe clean the tops of partitions.
14. Spot clean walls (with disinfectant) for splashes around sinks and urinals.
15. Pour a minimum of one gallon of water into floor drains to prevent odors.
16. Thoroughly mop floors with disinfectant solution.
17. Thoroughly clean and sanitize shower facilities (as required – site specific)
18. Remove debris from ceilings, walls, and floors.
19. Remove cobwebs from all areas of the restroom.
20. Inspect and clean the restroom entrance area of trash and debris
21. Replace air fresheners as needed.
22. Report any plumbing or facility issues (repairs needed) to the City's Facilities Services Division (714-532-6480).

Note: The Waterless Urinals require special cleaning procedures. The training of custodial personnel shall be the Contractor's responsibility. The cleaning procedures are available at www.falconwaterfree.com. While the City will pay for and furnish the urinal replacement cartridges for all Facilities except the Police Department Building, and for the Contractor's periodic change-out in accordance with the procedures thereof, the Contractor shall be responsible for the labor to change out the urinal replacement cartridges. The Contractor is responsible for the cost of replacing any cartridge damaged by improper cleaning methods employed by its employees or agents. If the Contractor has any questions regarding the cleaning and replacement procedures, it shall contact and confer with the City's representative. **The contractor shall furnish and install urinal cartridges for tankless urinals.**

Schedule III

Daily Services – Orange Police Security/Holding Cells

Note: Police escort required when working in this area.

1. Empty and disinfect all wastepaper containers and replace liners with new ones.
2. Clean and disinfect metal mirrors.
3. Clean and disinfect all toilet tissue, towels, trash, and sanitary containers.
4. Clean and disinfect toilets, urinals, and sinks (inside & outside), removing scales and other organic matter.
5. Clean and disinfect both sides of toilet seats.
6. Clean and disinfect handles, knobs, and other hand-touched areas.
7. Wipe down with disinfectant all walls, compartments, and partitions.
8. Refill soap, towel, tissue, and seat cover dispensers.
9. Clean, disinfect, and wipe dry all countertops.
10. Spot clean partitions for smudges and remove graffiti.
11. Wipe clean the tops of partitions.
12. Spot clean walls for splashes around sinks and urinals.
13. Pour a minimum of one gallon of water into floor traps to prevent odors.
14. Thoroughly mop floors with disinfectant solution.
15. Clean and sanitize shower facilities (as needed, site-specific).
16. Remove debris from ceilings, walls, and floors.
17. Clean bench & sitting area with disinfectant.
18. Clean light fixtures and air vents as needed.
19. Replace air fresheners and urinal and toilet deodorizers monthly.
20. Report any plumbing or facility issues (repairs needed) to the City of Orange Facilities Services Department (714) 532-6480.

WQMP

Best Management Practices for Operations and Maintenance

Maintenance and Inspection Responsibility for BMP's:

A. Train employees and tenants on water quality impacts. Distribute brochures "Ocean Begins At Your Front Door."
   Frequency: Annually and for new employees during orientation.

B. Restrict activities, such as washing platforms and walkways into storm drains, and recover water.

C. Inspect inlets (storm drains) for trash and sediment accumulation
Frequency: Quarterly and after rain events.

A. WINDOW WASHING

Window washing at all city buildings inside and outside two (2) times a year and will be completed on an “as needed basis”. Include a cost and perform the work as directed by the city. This work will not be allowed without prior approval from the city.

B. CARPET CLEANING

All carpeted areas need to be cleaned as directed by the city. Carpet stain cleaning will require a steam extraction method of cleaning and will be completed on an “as-needed” basis.

Section F
Carpet & Window Cleaning

Carpet: Contractors' employees to follow the manufacturer's recommended carpet cleaning procedures (to be approved by the City of Orange authorized representative in advance).

Window Cleaning: Windows are to be cleaned and streak-free. This also includes the window hardware. Special precautions are to be taken to ensure window films/tinting are not damaged during the cleaning process.

Price Summary: A provision is listed as “Optional Proposal Items” on the price sheets for specific sections of this Specification: Section B; Section C; Section D

Carpet & Window Cleaning Schedule: Specific dates to be advised upon execution of contract for “Optional Proposal Items”.

Section G
Supplies and Equipment

The contractor is to provide all supplies to carry out the cleaning and disinfecting operations within this contract and shall meet the standards of the Federal Occupational Safety and Health Act and Cal OSHA. The contractor shall submit a written list of all supplies (i.e., cleaners, disinfectants, floor cleaners, and wax) with attached Material Safety Data Sheets (MSDS) intended for use in the buildings for approval by the City of Orange. In addition to cleaning supplies, the contractor shall also supply all glass cleaner, floor stripper, furniture polish, Sheila Shine Stainless Steel Cleaner (use at OPD), Swifter Dusters (used at OPD Dispatch), etc. **All cleaning products and supplies must be approved by the City before use**. Any supplies not on the approved list must be removed from the premises. Adequate quantities of properly labeled supplies (a minimum of two weeks' inventory) must be on hand to always perform cleaning. Specialized green-style cleaners to be used when possible. The Police Dispatch Area will require low-odor green cleaning products that will be specified by a City of Orange representative. Contractor to provide an estimated monthly usage along with an estimated monthly cost of supplies.

The City of Orange will furnish: paper goods, trash can liners, and hand soap. This includes lunchroom napkins & paper towels, plastic trash bags (assorted sizes), toilet tissue, sanitary napkins, toilet seat liners, and hand soap.

a. Paper Towels
b. Toilet Paper
c. Sanitary Napkins
d. Tampons
e. Hand Cleaning Soap
f. Sanitary Napkin Liners
g. Plastic Trash Bags (assorted sizes)
h. Other Items as needed (approval of Facilities Superintendent required)
i. Urinal screens / Bowl Blocks / Deodorizers
j. Seat Covers
k. Napkins (for lunchroom)
l. Disinfectants / Deodorizers and Air Fresheners

The contractor is to provide all equipment to carry out cleaning operations. The use of HEPA filter vacuums is a requirement throughout all the buildings to be cleaned. The contractor shall submit a written list of all equipment, by quantity, name brand, and model (i.e., six (6) Advance 16” Carpet twin HEPA filter Vacuums – two (2) Rotary buffing machines 18” - one (1) carpet extractor w/ powerhead) – two (2) Advance Reel Cleaners with manufacturer’s recommended cleaning solutions. All equipment is to be listed in the Contractor’s proposal that is used for daily cleaning requirements. In case of equipment breakdown, forty-eight (48) hours of repair or replacement time will be allowed. All of the Contractor’s equipment is to be marked with a minimum of their company name.

Section H
Day Porters

In addition to the labor supplied by the contractor to accomplish the tasks defined in Sections B, C, D, E, F, G, H, I, & J, the contractor shall supply (1) full-time Day Porter and (1) part-time Porter to perform a variety of similar tasks.

Hours

- The Police Day Porters shall work an eight (8) hour day with work beginning no earlier than 6:30 AM and ending no later than 6:00 PM.
- Parking Structure Day Porter shall work Monday-Sunday, with work beginning no later than 6:00 AM and ending no later than 10:00 AM.

A set schedule will be determined at contract execution.

The main responsibility areas and duties of the Day Porters are listed below.

Locations

- Full-time Porter assigned to Orange Police Department, Fleet Services, and the Corporation Yard 8 hours per day Monday through Friday.
- Part-time Porter assigned to the Parking Structure 130 N. Lemon Street and the Downtown Plaza District, 4 hours per day, 7 days a week.

The City of Orange requests that the existing Porter currently servicing the above locations. The Orange Police Department is to approve the day porter in advance, due to security concerns. Also, it is a requirement that the city execute background checks on employees due to sensitive materials and equipment that are in the areas that will be serviced. This includes the Orange PD, the Orange Fire Department, the Civic Center Buildings, and other areas (i.e., Corp. Yard, Community Services, Traffic, etc.)

Duties

- Open the Staff access doors as needed, turn off alarms, and turn on lights (Civic Center)
- Control of the Flags: flags should not be raised in the rain or excessively windy conditions. Flags will be placed at half-mast for the city-specified observance days.
- Check, clean/sweep breezeway, parking lots, and adjacent sidewalks for trash. On rainy days, place safety warning signs in areas where a slip hazard exists.
- Check the meeting schedule in the City Clerk's office (7:30 am & 12:30 pm) for any meetings that might require setup. Set up as needed to ensure proper facilities and administration supplies are ready before the start of the meeting. The meeting schedule is kept in the "Clerk's Office."
- Check all restrooms for supplies and inspect to see that they were properly cleaned and disinfected. Correct any problems with supplies, cleaning, and disinfecting.
- Clean the basement facilities; this needs to be coordinated with the times of area usage to minimize the impact on the City of Orange's employees. Do not clean the Locker Rooms/Restrooms or Gyms during the hours before 7:30 am or between 11:00 am and 2:00 pm. The rest of the area can be cleaned at any time of the day; however,

it is recommended that the lunchroom be cleaned before 11:00 am and again after 2:00 pm.

- Throughout the day, the porter will assist the City of Orange staff with their needs. Responding to phone calls and verbal notification for assistance (i.e., spills, hazardous issues relating to custodial, pest control, and setup for meetings)
- Check in with the City of Orange custodial representative daily to give updates and check to see if any custodial requests have been made.
- Report any maintenance repairs (i.e., leaking faucets; clogged drains; broken electrical plugs; lights out) needed to the City of Orange Facilities Maintenance Department (714-532-6480).
- Parking Structure - replace trash liners (55 each), clean and polish stainless steel in elevators (2 each), polish the floors using standard cleaning solution and practices, detail all metal, including paint-finished handrails, trash can receptacles, windows, and walls in stairwells and throughout.
- Orange Police Dept. Porter – will also clean Corporation Yard Building I and II Restrooms and Break Rooms during the day (Schedule I & Schedule II).
- Comply with Sections A, B, C, D, E, F, G, H, I, and J of this specification.

The City of Orange reserves the right to use the day porters for any of the duties or locations described in this Proposal Specification.

Section I
Quality Standards

The following Quality Standards (cleaning standards) shall be used during the Performance Inspection process to assess the quality of the cleaning in the major areas identified below.

Offices - Cleaning Standards

Furniture and Equipment: Shall be free of dust, cobwebs, dried soil, and soil without causing damage. They shall appear visibly and uniformly clean. This shall include the elimination of residue, streaks, and film.

Telephones: Shall be free of dust and soil. They shall appear visibly and uniformly clean and polished-dry.

Lamps: Shall be free of dust, dried soil, and soil without causing damage. Lamps shall appear visibly and uniformly clean. This shall include the elimination of streaks, residue, and film.

Walls and Doors: Shall be free of dust, cobwebs, dried soil, and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, handprints, and residue**.**

Waste Containers: Contents shall be removed from waste containers and can liners shall be replaced. Inside and outside of the container shall be cleaned and disinfected. Containers shall appear visibly and uniformly clean. This shall include the elimination of streaks, food, and the presence of an offensive odor emitting from the container.

Partitions: Shall be free of dust, cobwebs, soil, and graffiti without causing damage. Partitions shall appear visibly and uniformly clean. This shall include the elimination of streaks, film, and residue.

Floors, Carpet and Baseboards: Shall be free of dust, cobwebs, dried soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that result in a consistent high shine. Floors, carpet, and cove bases shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, residue, embedded soil, and foreign objects.

Restrooms – Cleaning Standards

Special Note: Maintaining a sanitary restroom environment that minimizes the possibility of cross-infection is considered the highest priority by the City of Orange. An inspection team shall closely monitor sanitation levels.

Dispensers: Shall be free of dust, dried soil, bacteria, and soil without causing damage. These surfaces shall appear visibly and uniformly clean and disinfected. This shall include the elimination of film, streaks, and residue. Dispensers shall be refilled when required with the proper expendable supply item.

Sanitary Napkin Dispensers/Disposal Canisters: Shall be free of dust, dried soil, bacteria, and soil without causing damage. These surfaces shall appear visibly and uniformly clean and be disinfected inside and out. This shall include the elimination of film, streaks, and cleaner residue. Disposal bags are to be replaced with new ones daily.

Hardware: Shall be free of dust, soil, bacteria, and scale without causing damage. Bright work shall appear visibly and uniformly clean, disinfected, and polished to a streak-free shine. This shall include the elimination of polish residue.

Sinks: Shall be free of dust, bacteria, soil, residue, and soap film without causing damage. They shall appear visibly and uniformly clean and polished-dry. This shall include the elimination of polish residue.

Mirrors: Shall be free of dust and soil. Mirrors and surrounding metal framework shall appear streak-free, film-free, and uniformly clean.

Toilets and Urinals: Toilets, toilet seats, and urinals shall be free of dust, bacteria, soil, organic matter, residue, and scale without causing damage. These fixtures shall appear visibly and uniformly clean, disinfected, and polished-dry. This shall include the elimination of streaks, film, and water spots. Under rim areas will be regularly inspected for cleanliness. Waterless urinals are to be cleaned as needed to ensure proper operation while reducing the urine smell to an acceptable level as specified by a City of Orange representative.

Partitions: Shall be free of dust, cobwebs, soil, and graffiti without causing damage. Partitions shall appear visibly and uniformly clean, disinfected, and polished-dry. This shall include the elimination of streaks and film.

Waste Containers: Contents shall be removed from waste containers and can liners shall be replaced with new. Inside and outside of the container shall be cleaned and disinfected. Containers shall appear visibly and uniformly clean. This shall include the elimination of streaks, food, and the presence of an offensive odor emitting from the container.

Walls and Doors: Shall be free of dust, cobwebs, soil, spots, and stains without causing damage. These surfaces shall appear visibly and uniformly clean and disinfected. This shall include the elimination of film, streaks, and residue. Ceramic walls and Wainscoats; metal kick plates, handles, and push plates on doors shall also be polished-dry.

Floors and Cove-bases: Shall be free of dust, cobwebs, soil, gum, stains, and debris. Floors shall have multiple coats of a slip-resistant seal/finish applied that results in a consistent shine. Floors and cove bases shall appear visibly and uniformly clean and disinfected. This shall include the elimination of dust streaks, lint, standing water, residue, and film.

Air Vents: Shall be free of dust and soil. This also pertains to air distribution units and exhaust vents. They shall appear visibly and uniformly clean.

Light Fixtures: Shall be free of dust and soil without causing damage. Diffusers shall remain in proper position, and appear streak-free and uniformly clean.

Entrances – Cleaning Standards

Mats and Carpet: Shall be free of spots, stains, gum, dirt, and debris without causing damage. They shall appear visibly and uniformly clean. Adjoining walls, doors, and floor surfaces shall also be free of dust, soil, and residue.

Glass and Metal Surfaces: Shall appear streak-free, film-free, and uniformly clean. This shall include the elimination of dust and soil from sills, ledges, and HVAC registers.

Corners/Thresholds: Shall be free of dust, cobwebs, dried soil, crud, finish build-up, and debris. These areas shall appear visibly and uniformly clean. This shall include the elimination of residue.

Floors Cove-bases and Carpet: Shall be free of dust, cobwebs, dried soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that results in a consistent high shine. Floors, carpet, and cove bases shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, residue, and film.

Walls and Fixtures: Shall be free of dust, cobwebs, dried soil, and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and residue.

Elevators – Cleaning Standards

Tracks: Shall be free of dirt and debris. Tracks shall appear visibly clean. This shall include the elimination of standing water from wet cleaning procedures.

Lights: Shall be free of dust, cobwebs, soil, spots, and stains without causing damage. They shall appear streak-free, film-free, and uniformly clean. Bright metal surfaces shall be polished to a high shine. This shall include the elimination of polish residue and/or film.

Corridor – Cleaning Standards

Floors Cove-bases and Carpet: Shall be free of dust, cobwebs, dried soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal

and finish applied that results in a consistent high shine. Floors, carpet, and cove bases shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, residue, and film.

Walls and Fixtures: Shall be free of dust, cobwebs, dried soil, and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and residue.

Water Fountains: Shall be free of dust, soil, scale, and water spots without causing damage. Bright work shall be disinfected and polished to a streak-free shine. Water fountains shall appear visibly and uniformly clean. This shall include the elimination of film and residue.

Stairwells – Cleaning Standards

Rails and Walls: Shall be free of dust, cobwebs, dried soil, and soil without causing damage. These surfaces shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, lint, standing water, and residue or film.

Steps and Landings: Shall be free of dust, cobwebs, dried soil, gum, stains, and debris. This shall include risers and cove bases. These surfaces shall appear uniformly smooth and clean without leaving dust streaks, lint, standing water, residue, or film.

Windows & Blinds: The contractor is responsible for cleaning the interior and exterior of the building windows per the specification. Blinds shall be cleaned by dusting and/or wiping with a damp cloth. Windows are to be dirt and streak-free.

Miscellaneous – Cleaning Standards

Air Vents: Shall be free of dust and soil. This also applies to air distribution units and exhaust vents. They shall appear visibly and uniformly clean.

Light Fixtures: Shall be free of dust and soil without causing damage. Diffusers shall remain in proper position, and appear streak-free and uniformly clean.

Janitor Closets and Storerooms

Shelves: Shall be free of dust, cobwebs, dried soil, and soil. They shall appear visibly and uniformly clean. Supplies and equipment shall be stocked, organized, and neatly on shelves.

Janitor Carts: Shall be free of dust, dried soil, and soil. They shall appear visibly and uniformly clean. Supplies and equipment stored on janitor carts shall also be free of dust and soil, and organized neatly.

Equipment: Shall appear visibly clean and organized. All mops will be wrung out, and the mop buckets are to be empty and clean when not in use.

Walls: Shall be free of dust, cobwebs, dried soil, and soil. They shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and residue.

Utility Sinks: Shall be free of dust, soil, residue, and soap film. Utility sinks shall appear visibly and uniformly clean. This shall include the elimination of streaks, embedded soil, film, and water spots. Bright work shall be cleaned, de-scaled, and polished**.**

Floors: Shall be free of dust, cobwebs, dried soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that result in a consistent high shine. Floors shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, residue, and film.

Gym & Locker Room - Cleaning Standards

Equipment: All glassware, mirrors, lockers, and equipment are to be cleaned. They shall appear visibly and uniformly clean. Equipment shall be clean, including seats and benches. Grab bars are to be cleaned and disinfected. The gym equipment is to be organized and placed in its proper locations.

Shelves: Shall be free of dust, cobwebs, dried soil, and soil. They shall appear visibly and uniformly clean. Supplies and equipment shall be stocked and organized, neatly on shelves.

Walls: Shall be free of dust, cobwebs, dried soil, and soil. They shall appear visibly and uniformly clean. This shall include the elimination of film, streaks, and residue.

Floors: Shall be free of dust, cobwebs, dried soil, gum, spots, stains, and debris. Hard/resilient floors shall have multiple coats of a slip-resistant seal and finish applied that result in a consistent high shine. Floors shall appear visibly and uniformly smooth and clean. This shall include the elimination of dust streaks, lint, standing water, residue, and film.

Ceilings: High dusting of suspended ceiling panels to be completed monthly throughout the facility.

Doors and Windows near entrance and exit of rooms: Exterior shall be cleaned monthly (interior glass as needed- minimum weekly, some daily). Necessary precautions should be taken to ensure that the exterior window tinting is not damaged by the cleaning process. This holds for door hardware and kick plates; necessary precautions are to be taken to ensure the door finishes (stain) is not damaged during the cleaning process (i.e., Police Dept.)

Section J
Performance Inspections

Custodial

The purpose of the Performance Inspections is to ensure a high level of workmanship as well as to ensure the Quality, Health, and Cleaning Standards throughout this Scope/Specification are consistently achieved. Attached is a Performance Inspection Sheet that will be used by both the contractor and the City of Orange to monitor performance. The following intervals will be used for these inspections.

1. Contractor – Weekly
2. Contractor – Monthly
3. City of Orange – Random
4. The Contractor shall perform weekly quality inspections of all sites and submit a written inspection report to the City of Orange. The contents and format of the inspection report shall be determined by the contractor and the City of Orange at the execution of the Agreement. A Performance Inspection Form will be provided by the City of Orange.
5. The Contractor shall perform monthly quality inspections with the City of Orange's designated representative. This inspection shall be of all sites covered by this Agreement, with a written inspection report summary submitted by the Contractor to the City of Orange.
6. All noted deficiencies shall be corrected within 48 hrs. of inspection. Repeated deficiencies of the same nature and site could result in penalties, including contract termination as outlined in the Agreement.

Each Restroom will have a “Restroom Service Record” signature sheet on site. These will be filled out daily and collected monthly for reviewing purposes by the City of Orange.

Custodial Performance Inspection sheet and Schedules I, II, and III will be posted daily at each facility for the contractors' employees to use as a reference and for city staff to monitor.

Custodial Performance Inspection

Building: _____ Date: _____

	ABOVE STANDARD	STANDARD	BELOW STANDARD	INSPECTOR:
PERFORMANCE INSPECTION FORM				COMMENTS
Dept.:				
AREAS INSPECTED				
1. Entrances & Lobbies				
a. Mats, Carpets				
b. Glass, Metal Surfaces				
c. Corners, Thresholds				
d. Dusting				
e. Floor Appearance				
f. Sweeping, Vacuuming				
g. Walls				
h. Fixtures				
I. Walkways / Breezeways				
2. Elevators				
a. Tracks				
b. Lights				
c. Walls, Doors				
d. Floors, Carpets				
3. Corridors/Circulation Areas				
a. Sweeping, Vacuuming				
b. Floor Appearance				
c. Baseboards				
d. Walls				
e. Water Fountains				
f. Fixtures				
4. Stairwells				
a. Rails, Walls				
b. Steps, Landings				
5. Restrooms				
a. Dispensers, Hardware				
b. Sinks				
c. Mirrors				
d. Toilets, Urinals				
e. Partitions/Walls				
f. Floors, Baseboards				
g. Waste Containers				
6. Offices/Conference Rooms/Library				
a. Furniture				
b. Telephones				
c. Walls, Doors, Spot Cleaning				
Building:				
PERFORMANCE INSPECTION FORM				
Dept.:				
AREAS INSPECTED				
1. Entrances & Lobbies				
a. Mats, Carpets				
b. Glass, Metal Surfaces				
c. Corners, Thresholds				
d. Dusting				
e. Floor Appearance				
f. Sweeping, Vacuuming				
g. Walls				
h. Fixtures				
I. Walkways / Breezeways				
2. Elevators				

a. Tracks				
b. Lights				
c. Walls, Doors				
d. Floors, Carpets				
3. Corridors/Circulation Areas				
a. Sweeping, Vacuuming				
b. Floor Appearance				
c. Baseboards				
d. Walls				
e. Water Fountains				
f. Fixtures				
4. Stairwells				
a. Rails, Walls				
b. Steps, Landings				
5. Restrooms				
a. Dispensers, Hardware				
b. Sinks				
c. Mirrors				
d. Toilets, Urinals				
e. Partitions/Walls				
f. Floors, Baseboards				
g. Waste Containers				
6. Offices/Conference Rooms/Library				

Notes:

Corrective Actions:

Completed By: _____ Date: _____

Restroom Daily Service Record

Month/Yr.: _____ Building: _____ Restroom Location: _____

Day of Month	Serviced by (1st Service)	Time (1st Service)	Serviced by (2nd Service)	Time (2nd Service)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				

Monthly Restroom Cleaning Log

OPD Locker Room Waterless Urinals

Month_____ 20 ___

Day	10:00am	2:30pm	7:00pm	11:30pm	Basket Cleaned	Disk Replaced
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						

Note Orange Police Dept. Locker Room

A	Urinals to be cleaned four (4) times a day, including dumping one (1) quart of water down the urinal drain.					
B	Urinal "basket" to be removed, cleaned on top and especially on the bottom three (3) times a week (M-W-F) by night shift crew. Rinse basket in toilet bowl (not in the sink) or in a one gallon bucket.					
C	Urinal Disk to be replaced on the 1st and 15th of each month by night shift crew.					
D	Log to be turned into Contractor's Supervisor at the end of each month and forwarded to City of Orange Custodial Services.					

Section K
City of Orange Contact Information

City of Orange – Department of Public Works
637 W. Struck Ave
Orange, CA. 92867
Office (714) 532-6480

City of Orange – Lead Custodian
Civic Center
(714) 744-5525

City of Orange – Graffiti Hotline
(714) 532-6480

ATTACHMENT NO. 2

PROPOSAL, LOCATIONS AND COSTS

[Behind this sheet]

Ultimate Maintenance Services, Inc.

Claudia Salomon
claudia@umscorporation.com

4237 Redondo Beach Blvd.
Lawndale, CA 90260

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Orange County Transportation Authority (OCTA)
2677 N. Main Street,
Santa Ana, CA 92705

June 10, 2026

Dear Ms. Gomez,

Ultimate Maintenance Services, Inc. (UMS) is pleased to submit our proposal to provide comprehensive custodial services for the City of Orange facilities in accordance with Proposal No. 25-26.23, Custodial Services for City Facilities. UMS understands the scope of work, performance standards, staffing requirements, and service expectations outlined in the Request for Proposals and is committed to delivering professional, reliable, and cost-effective custodial services that maintain clean, safe, and welcoming environments throughout all City facilities.

UMS brings over 36 years of experience delivering comprehensive janitorial and facility maintenance services for municipal, government, and public-use facilities throughout Southern California. Our success is built on strict adherence to detailed specifications, regulatory compliance, safety standards, and consistent performance that meets or exceeds City expectations.

This proposal demonstrates our understanding of the City's operational needs, including daily janitorial services, scheduled and periodic cleaning tasks, adherence to minimum frequency requirements, and responsiveness to facility usage and special conditions. Our approach emphasizes adequate staffing, active supervision, quality control inspections, and clear communication to ensure facilities are maintained in a clean, safe, and ready-to-use condition at all times.

Ultimate Maintenance Services, Inc. is committed to providing reliable, responsive, and professional janitorial and day porter services that support the City of Orange's needs and maintain a clean, safe, and welcoming environment for employees and visitors. We appreciate the opportunity to participate in this solicitation and look forward to the possibility of serving Orange and contributing to the continued excellence of its facilities.

Thank you,

Claudia Perla Salomon

Claudia Salomon
Co-founder/Office Manager
Ultimate Maintenance Services, Inc.
4237 Redondo Beach Blvd. Lawndale, CA 90260
claudia@umscorporation.com (310) 505-5858
Corporation #2191385 | EIN #95-4840759 | DIR #JS-LR-000016

COMPANY OVERVIEW

Ultimate Maintenance Services, Inc. (UMS) is a minority-owned and insured business that provides a wide range of cleaning solutions with the most efficient and innovative approaches.

For over 36 years, UMS has offered its clients customized cleaning services, servicing all Southern California counties, primarily Los Angeles, Orange County, Riverside and San Bernardino.

Janitorial Solutions We Offer:

- Bus Stop Maintenance
- Carpet Care
- Construction Clean-Up
- Day Porter Services
- Floor Care
- Pressure Washing / Steam Cleaning
- Special Events
- Window Cleaning

Industries We Serve:

- Aviation
- Commercial
- Construction Clean-Up
- Government
- Industrial
- Medical
- Residential
- Transportation

The company was co-founded by Paul Marmol and Claudia Salomon in 1990 and became incorporated in California in May of 2000. Paul Marmol started his business as a janitor and has built this janitorial business with Claudia, gaining over 36 years of knowledge and expertise in the janitorial industry.

The company has kept a stable financial standing throughout the years and has been established in the same office located in Lawndale for over 24 years. Our office operates Monday through Friday from 8 am to 5 pm. UMS has not been involved in any litigation, bankruptcy or reorganization and has never failed to complete a project or contract.

QUALIFICATIONS & EXPERIENCE

FAMILY-OWNED & OPERATED

As a family-owned and operated business, we take a personal, hands-on approach with all of our clients, ensuring that each project receives our full attention and commitment. Unlike larger corporations or franchises, we pride ourselves on our ability to be highly attentive and responsive to our clients' needs, allowing us to provide personalized care and quick solutions tailored to each client's unique needs. This family-driven operation enables us to build strong, trusting relationships with our clients, offering the level of service that only a family business can deliver.

OVER 3 DECADES OF EXPERIENCE

Ultimate Maintenance Services, Inc. possesses a rich background of training and experience in servicing facilities with high levels of security and sensitivity. Our long-standing history of successful partnerships with city entities showcases our deep understanding of the complexities involved in maintaining public facilities. We fully understand the critical areas of concern that need continuous focused attention. Current and past contracts include the cities of Torrance, Malibu, Orange, Azusa and Diamond Bar.

WELL-TRAINED, IN-HOUSE STAFF

Our janitorial business exclusively employs staff who are directly hired by our company; we do not use subcontractors for any of our services. This approach ensures that all procedures and protocols strictly adhere to our high standards. We take full responsibility for who we hire, how we train, and how we conduct our services.

ALWAYS PREPARED & EQUIPPED

Apart from years of experience and a well-trained team, our janitorial services are backed by the equipment exclusively tailored for the project at hand. Ultimate Maintenance Services invests in their equipment and supplies as much as they do with their staff. We understand that the quality and condition of the equipment affects the overall level of efficiency and effectiveness of the services conducted so every project has its own supplies and equipment that is branded, and in new or great condition. Our commitment to professionalism and efficiency contributes to the success of our contracts and projects.

REFERENCES

City of Diamond Bar
Christopher Gonzales
(909) 839-7037 cgonzales@diamondbarca.gov
Dates: 2022 – Present
Contract Value: $300K
Services: Citywide janitorial services, including city hall, senior center, park restrooms, recreation center

City of Whittier
Salvador Chavarin
(562) 309-3996 schavarin@cityofwhittier.org
Dates: 2022 – Present
Contract Value: $282K
Services: Citywide janitorial services, including police department, city hall, community buildings, libraries; Floor, carpet & window care

Southern California Metropolitan Water
Christiane Dover
(818)832-2142
Dates: 2016 – Present
Contract Value: $282K
Services: Janitorial Services for multiple locations of SCMW buildings

City of Santa Monica
Jhonatan Perez
(424) 280-9020 | Jhonatan.Perez@santamonica.gov
Dates: 2022 – Present
Contract Value: $227K
Services: Pressure washing + janitorial services including graffiti removal, sign replacement for all bus stops for Santa Monica, West and Central LA

Riverside County Transportation (RCTC)
Basem Makarem
(951) 203-3966 | bmakarem@bec-riv.org
Dates: 2018 – Present
Contract Value: $190K, renewed twice
Services: Janitorial services + pressure washing for train stations, bridges, solar panels, office buildings, carpet and supply replenishment

Other city contracts include: Azusa, Malibu and Huntington Park

TEAM QUALIFICATIONS

Ultimate Maintenance Services' mission is to deliver an overall experience that ensures customer satisfaction through their janitorial services. To execute that mission, UMS' team is dedicated to creating and maintaining productive relationships with their clients through constant communication and quality assurance. Staffing projects with well-trained project managers and team members have contributed to the company's success on hundreds of completed projects and contracts. Today, the team has grown to 4 management members based in the corporate office and over 80 members who are out on the field, who value and understand the company's mission statement and corporate values.

Paul Marmol

He is the president and co-founder of UMS. With experience of 35 years, he has worked as a janitor and supervisor and has gained an expertise in this industry. He creates cleaning solutions and implement new business strategies that can improve the performance and oversees overall operations of all UMS employees. He is responsible for the construction sector of the business as well as manage several public and private contracts.

Claudia Salomon

As co-founder, Salomon has worked on an extensive amount on contracts and has experience in this industry for over 35 years. She is responsible for administrative duties as office manager, such as office organization, payroll preparation, and customer service. She is also in charge of securing and managing contracts, specifically city and government contracts.

Sue Samfong

She has been working for UMS for the 16 years now as the accountant. She overviews the financial operations and prepares and examines financial records of the business. She's also in charge of recordkeeping, invoicing and payroll preparation duties.

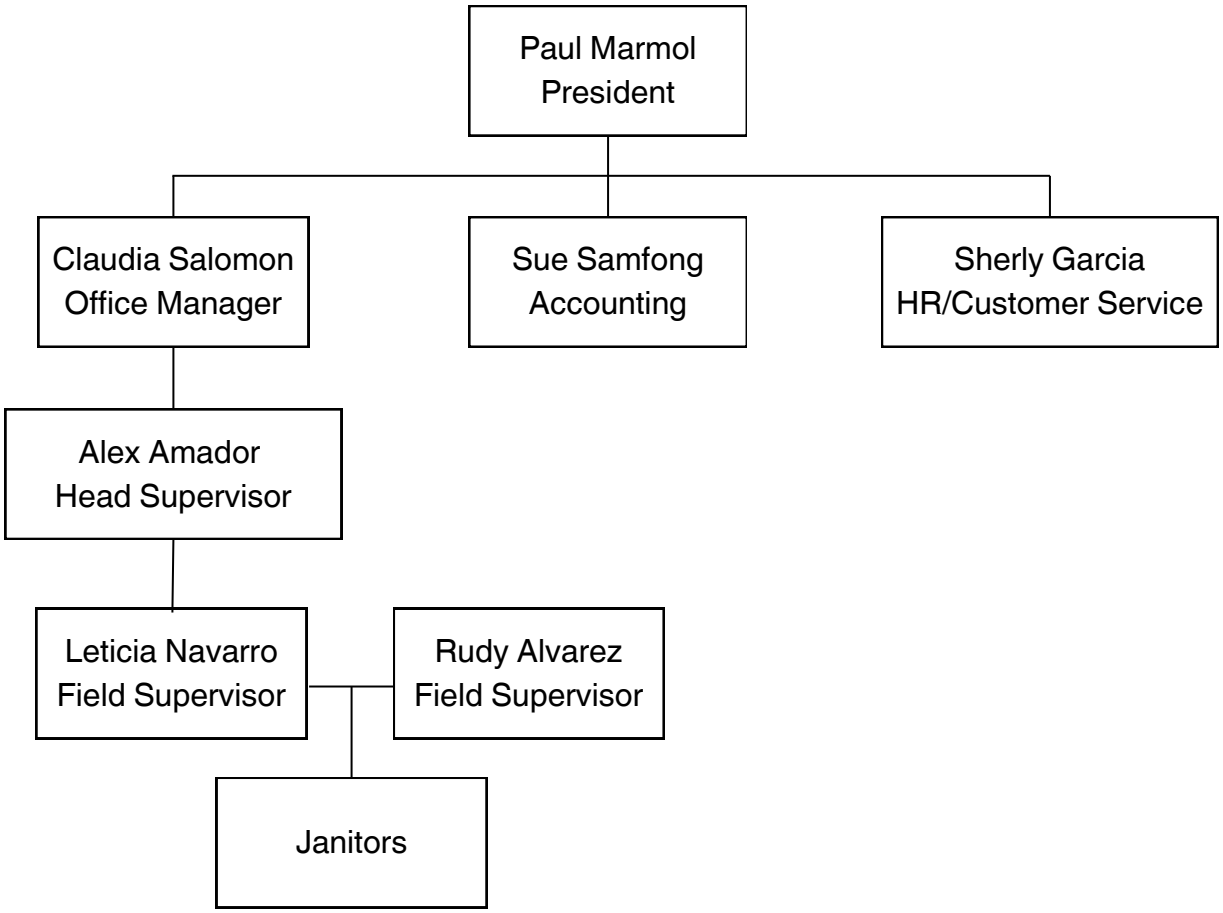
Valentina Marmol

She coordinates all client relations assignments and takes care of customer service with our accounts. She has been working at UMS for 5 years. She has a degree in Business Entrepreneurship from Loyola Marymount University.

Alex Amador

Alex is an on-site supervisor and supervises the day porters and night janitors, in addition to monitoring existing operational processes and protocols. Alex has been working for the company for 7 years working closely with Claudia with several projects, such as city of Orange.

Organizational Chart



Communication

Our team at UMS strongly believe that communication is key to establishing a strong relationship with our clients and we take measures in doing so. At UMS, we fully understand that this industry is very client-focused and because of that, we are motivated to consistently improve client satisfaction and deliver resolution of conflict, issues and concerns. Our team has an unwavering commitment to customer service and maintaining strong and productive relationships with our clients. We are very responsive and communicative with our clients prior and during the duration of the contract. All calls and emails are responded immediately or within a couple hours. Our supervisor for this project will always be in communication with the contract administrator. Also, we will provide contact information for every member responsible for this account.

Contact Information

Office: (310) 542 -1474 Toll-Free: (800) 473 - 0759

Paul Marmol, President/Owner
paul@umscorporation.com (310) 505-5857

Claudia Salomon, Office Manager
claudia@umscorporation.com (310 505-5858

Sue Samfong, Accounntant
sue@umscorporation.com

Valentina Marmol, Sales + Customer Relations
valentina@umscorporation.com

PROJECT UNDERSTANDING & APPROACH

The key to success in any janitorial services contract is the key management that will be assigned not only to manage the operations on site, but the management resources available 24/7 to support and ensure the success of the project. We have methodologies at UMS in order to prepare ourselves for a contract and to manage janitors throughout the duration of the contract. We implement these methodologies to ensure all requirements and specifications are met. We utilize a transition and implementation plan in order for all UMS employees to be well-prepared to begin the project, which include our training program that primarily consist of company safety, policies and procedures. In addition to that, UMS implement quality control procedures to ensure client satisfaction and execution.

Transition Plan

Ultimate Maintenance Services, Inc. provides a cleaning service program that guarantees a seamless transition due to our extensive experience and knowledge in transitioning, managing and operating complex facilities for 35 years. We endeavor to identify all issues, responsibilities and risks prior to commencement and immediately began a smooth implementation process.

Directly following the contract award notification, UMS will commence all time-sensitive transition tasks, such as meeting contract executive deadlines, submitting insurance certificates and other required contractual deliverable items. At our initial meeting with our client, we discuss any contract specifications that have been modified and establish communication channels with them. After the initial meeting with our client, our team determines all other deliverables, start and completion dates, and all resources required.

Displaced Janitors Opportunity Act

In that meeting, we request to receive the incumbent contractor's contact information in order to obtain the authorization to hire their current personnel for this contract. With their approval, the incumbent contractor will then provide us with each employee's name, job classification and contact information. In order to secure a smooth transition for existing personnel, we will then write a formal offer to each employee and if accepted, he or she will each go through our onboarding and training process.

Recruitment, Processing & Screening

The head of HR handles the recruitment, hiring and interviewing process with incumbent employees from the previous contractor, current UMS employees and newly hired employees. She interviews the employees on their past janitorial experience and technical skills, ensuring they meet our quality standards and can be trusted in sensitive environments. We prioritize candidates with strong work ethic and attention to detail. Another major factor we consider is the city they reside to ensure the commute is reasonable, in case of any emergencies or last-minute check-ups. We lastly check their references to confirm reliability and integrity.

Depending on the contract requirements, HR will conduct screening that include standard background check, criminal/sex offender background checks, drug screening, reference checks and/or certification checks, if necessary. Most of UMS's contracts require LiveScan screening for all assigned janitors and back-up personnel so our team is experienced with the screening process. Background checks, Live Scan and other processing for all UMS employees will be completed within one or two week(s) of employment. HR will also get their uniform sizes and order their ID badges.

Our employees will begin the training process to review our company policies and procedures, regarding operations, safety, equipment, and conduct. The operations manager reviews and educates the assigned personnel on the contract's cleaning requirements and specifications. He'll also finalize the work schedules and assignments for each facility. Once that is done, uniforms, ID badges and safety gear will be distributed. The delivery of equipment and supplies will occur a day or two prior to effective start date. On the start date, the supervisor will be on-site to make sure the assigned personnel have guidance and help if needed. Several inspections will be conducted within the first couple weeks of the start date.

Implementation Overview

Phase 1

- Contract execution and issue of insurance certificates
- Kick off meeting
- Finalize timing, billing, contact information and administrative duties

Phase 2

- Receive authorization from previous contractors for incumbent new staff
- Assign working supervisors and determine the number of new hires
- Recruit and interview new hires
- Finalize and order equipment and supplies required to commence project

Phase 3

- Onboard new hires and review employment
- Processing, screening, and background checks
- Order branded uniforms and ID badges

Phase 4

- Review company policies and procedures (safety, operations, legal, etc)
- Discuss reporting and communication processes
- Review contract requirements and specifications with all assigned staff
- Set up walk through of all facilities with all assigned staff

Phase 5

- Set up and conduct hands-on training off-site and on-site
- Discuss reporting and communication processes
- Meet with security and maintenance representative to review security
- Deliver all equipment and supplies to all facilities
- Final client meeting

PROPOSED SCOPE OF WORK

1. General Custodial Services

UMS will provide comprehensive custodial services for all City of Orange facilities in accordance with the RFP requirements, maintaining clean, safe, and sanitary environments for employees and visitors.

2. Daily Cleaning Services

- Empty trash, recycling, and organics containers
- Sweep, mop, and vacuum floors
- Dust furniture, workstations, and common areas
- Clean and disinfect high-touch surfaces
- Clean kitchens, break rooms, and drinking fountains
- Spot clean glass, doors, and partitions

3. Restroom Sanitation

- Clean and disinfect toilets, urinals, sinks, and countertops
- Refill paper products, soap, and sanitary supplies
- Clean mirrors, fixtures, partitions, and floors
- Maintain restroom service logs and report maintenance issues

4. Periodic Cleaning Services

- High dusting of vents, moldings, and ledges
- Carpet spot cleaning and maintenance
- Floor buffing and polishing
- Baseboard, stairwell, elevator, and common area detailing
- Cobweb removal and deep cleaning as scheduled

5. Specialty Services

- Carpet extraction and stain removal
- Interior and exterior window cleaning
- Additional project cleaning as requested by the City

6. Day Porter Services

- Maintain restrooms and public areas throughout the day
- Respond to spills and service requests
- Assist with meeting room setups and facility support
- Report maintenance concerns

7. Quality Control & Safety

- On-site supervision and routine inspections
- Rapid response to service requests and corrective actions
- Compliance with OSHA, Cal/OSHA, and City safety requirements
- Trained, uniformed personnel and 24-hour management support

CITY OF ORANGE

PUBLIC WORKS DEPARTMENT www.cityoforange.org

ENGINEERING DIVISION (714) 744-5544 FAX: (714) 744-5573
MAINTENANCE DIVISION (714) 532-6480 FAX: (714) 532-6444
TRAFFIC DIVISION (714) 744-5540 FAX: (714) 744-5573
WATER DIVISION (714) 288-2475 FAX: (714) 744-2973

Addendum No.1

DATE: June 9, 2026

TO: All Bidders

SUBJECT: RFP No. 25-26.23 Custodial Services for City Facilities

This Addendum No.1 serves as written notice of the following corrections, clarifications and additions/or deletions to any copies of the Request for Proposal No. 25-26.23 and questions.

Attachment No. 2, in RFP No. 25.26.23 Custodial Services for City Facilities, referenced as Fee Schedule and Cost Section A, B, C & D are amended and replaced by the attached Revised Fee Schedule for Cost Section A, B, C & D.

Questions	**Answer**
Is Fire HQ 29,000 or 19,000 sq. ft.? The pricing table says 29K but page 23 says 19,000.	**The total square footage is 19,000. Please refer to revised "Fee Schedule - Cost Section B".**
Waterless urinals – who pays for and furnishes cartridges, and who installs them?	**The City will pay for and furnish the urinal replacement cartridges for all Facilities <u>except</u> the Police Department HQ, due to active urinal plumbing cartridges are not required at this facility.**
Optional Carpet section – can we price per square foot?	**Price per square foot and refer to revised "Fee Schedule and Cost Section B, C & D.**
What is the square footage of Fire HQ?	**The total square footage is 19,000. Please refer to revised "Fee Schedule - Cost Section B".**
Is the 5,140 sq. ft. basement included in the Orange Public Library & History Center pricing?	**The Orange Public Library is 45,000 sq. ft., plus 5,140 sq. ft. in the basement and specifies the basement is to be swept and trash emptied twice per week. Please refer to revised "Fee Schedule - Cost Section B".**
Police HQ Lower Level – there is no line item for it on Cost Section C. Where should it be priced?	**The total square footage of the Lower Level Parking Structure is 26,625 sq. ft. Please see revised "Fee Schedule - Cost Section C".**

Proposers shall sign the receipt of this addendum with their signature below and submit it with their proposal. Please contact Rachael Gomez for any questions regarding this addendum at rgomez@cityoforange.org or call at 714-532-6480.

Claudia Perla Salomon

Signature

06/10/2026

Date

PRICING

RFP No. 25-26.23
City of Orange - REVISED Cost Section A

Company Name: ULTIMATE MAINTENANCE SERVICES INC

Completed By: claudia perla salomon Date: 06/11/2026

Pursuant to the Request for Proposal No. 25-26.23, the proposer declares that he/she has carefully examined/read the Custodial and General Specification and hereby proposes to furnish all goods and services required to complete the said work in accordance with requirement of the proposal package for the compensation as follows.

Extra Work/Project Cleaning			Price
Hourly rate			38.00
Weekend Premium			48.00
Holiday Premium			58.00

RFP No. 25-26.23

City of Orange - REVISED Cost Section B

Company Name: Ultimate Maintenance Services Inc

Completed By: Claudia Salomon Date: 06/11/2026

Pursuant to the Request for Proposal No. 25-26.23, the proposer declares that he/she has carefully examined/read the Custodial and General Specification and hereby proposes to furnish all goods and services required to complete the said work in accordance with requirement of the proposal package for the compensation as follows.

Civic Center		Hours per night	Approx. Square Footage	Price per day	Price per month	Price annual	Optional Carpet/sq. ft.	Optional Windows
Civic Center Basement		1.5	4,056	27.69	540.00	6.480.00	900.00	X
Civic Finance Department		3	10,000	73.00	1423.50	17,082.00	1.800.00	1.200.00
Civic Center Admin Bldg		4	13,800	93.00	1813.50	21,762.00	1.800.00	1.300.00
Civic Center DPW Bldg		4	14,950	90.00	1.755.00	21,060.00	1.800.00	1.400.00
Council Chamber		1.5	4,000	27.69	540.00	6.480.00	900.00	500.00
Community Services Admin.		3	9,560	83.00	1.618.50	19,422.00	1.200.00	1.200.00
Fire Headquarters		4	19,000	90.00	1.755.00	21,060.00	1.200.00	1.200.00
Orange Public Library		8	45,000	180.00	4.680.00	56.160.00	7.500	1.200.00
Orange Public Library Basement		1.5	5,140	50.00	435.00	5.220.00	800.00	300.00
	Sub-Total	30.50		714.38	14,560.00	174,726.00	17.900.00	8.300.00

RFP No. 25-26.23
City of Orange - REVISED Cost Section C

Company Name: ULTIMATE MAINTENANCE SERVICES INC

Completed By: claudia salomon Date: 06/11/2026

Pursuant to the Request for Proposal No. 25-26.23, the proposer declares that he/she has carefully examined/read the Custodial and General Specification and hereby proposes to furnish all goods and services required to complete the said work in accordance with requirement of the proposal package for the compensation as follows.

Corp Yard/Police HQ	Hours per night	Approx. Square Footage	Price per day	Price per month	Price annual	Optional Carpet/sq. ft.	Optional Windows
Corporation Yard Buildings							
Building 2							
1st floor	1	1,112	23.08	450.00	5.400.00	300.00	500.00
2nd Floor	2	3,360	36.92	720.00	8640.00	600.00	500.00
Building 1							
1st Floor	1.5	3,727	36.92	720.00	8.640.00	300.00	600.00
2nd Floor	2.5	6,640	60	1170.00	14.040.00	1.200	600.00
Garage	1	712	20.00	260.00	3.120.00		
Police Headquarters							
1st Floor	3.5	39,742	98.00	3.000.00	36,000.00	1.500.00	1.300.00
2nd floor	3	35,902	72.53	2.200.00	26,400.00	2.000.00	1.800.00
Lower Level Parking Structure	3	26,625	26.92	[illegible]	4.200.00		
Sub-Total	17.50	[redacted]	374.37	[illegible]	106,440.00	5.900.00	5.300.00

RFP No. 20-21.42

City of Orange • REVISED Cost Section D

Company Name: ULTIMATE MAINTENANCE SERVICES INC

Completed By: claudia salomon 06/11/2026

Pursuant to the Request for Proposal No. 20-21.42 the proposer declares that he/she has carefully examined/read the Custodial and General Specification and hereby proposes to furnish all goods and services required to complete the said work in accordance with requirement of the proposal package for the compensation as follows.

Outlying Buildings	Hours per night	Approx. Square Footage	Price perday	Price per month	Price annual	Optional Carpet/sq. ft.	Optional Windows
Water Plant	3	7,305	73.85	1.444.17	17,330.04	1.500.00	800.00
Taft Branch Library	3	7,874	73.85	1.280.07	15.360.00	2.000.00	800.00
El Modena Branch Library	3.5	10,400	95.00	1.646.67	19,760.04	2.000.00	1.000.00
Parking Structure	4	162,500	114.23	3.465.00	43,740.00		1.000.00
!sub-Total	13.50	[redacted]	356.93	7.835.91	94,030.92	5.500.00	3.100.00

RFP No. 25-26.23

City of Orange - REVISED Cost Section

Company Name: ULTIMATE MAINTENANCE SERVICES INC

Completed By: claudia salomon Date: 06/11/2026

Pursuant to the Request for Proposal No. 25-26.23 the proposer declares that he/she has carefully examined/read the Custodial and General Specification and hereby proposes to furnish all goods and services required to complete the said work in accordance with requirement of the proposal package for the compensation as follows.

Sub-Totals			Price per Month	Price Annual	Optional Carpet/sq. ft.	Optional Windows
Sub-Total Section B			14,560.00	174,726.00	17.900.00	8300.00
Sub-Total Section C			8870.00	106,440.00	5.900.00	5.300.00
Sub-Total Section D			7.835.91	94,030.92	5.500.00	3.100.00
Total Section B - D			31,265.91	375,190.92	29.300.00	16.700.00
Description	Status	Price per Day				
Porter 1 (Police Headquarters)	Full-time	271.92	5.891.60	70,700.00	X	X
Porter 2 (Parking Structure)	Part-time	114.23	3.465.00	41,580.00	X	X

Insert full name of Corporation (or General Partnership, Limited Partnership, Limited Liability Company, Sole Proprietorship) ULTIMATE MAINTENANCE SERVICES INC Date: 6/11/2026

If sole proprietorship, doing business as: _____

By: _____ By: _____

Printed Name: Oswaldo Paul Marmol Printed Name: claudia perla salomon

Title: President Title: Secretary

2. Indication of timely performance – response time to client issues, phone calls, and re-work requests.

3. Qualifications based on professional experience – The number of years providing similar services to municipalities of similar size to Orange. Qualifications and training of employees.

4. Client references – responses provided by Proposer's references regarding quality of work and timeliness of work performed. Responses from Proposer's references regarding your Company's methodology to correct deficiencies and prevent reoccurrences.

Proposer must satisfy the City that it is able to perform the services required as stated herein. All proposers must demonstrate and document a history of timely and satisfactory performance of similar projects in a manner that addresses the stated evaluation criteria. Proposer shall be entirely responsible for the accuracy of the information supplied concerning references.

In addition, the City may consider evidence of untimely and unsatisfactory performance on prior similar projects or litigation by the proposer on previous contracts to disqualify any proposer.

STATEMENT OF REQUIRED INFORMATION AND EXPERIENCE

The proposer is required to provide the following information on the provided forms. Additional sheets may be attached if necessary:

1. The proposer shall provide the following:

    a) Company Name: Ultimate Maintenance Services, Inc.

    b) Type of Entity (*for example, a California corporation*): Corporation

    c) License Number: #847895

    d) License Class: D63 / C38

    e) License Expiration Date: 10/31/2026

2. Number of years' experience as a licensed contractor in custodial work for public agencies: 25+

3. List at least three (3) public agencies or contracts for work similar in nature and scope to the work for which this proposal is being submitted. Such work or contracts must have been performed or under contract during the past five (5) years.

    a) Name: City of Diamond Bar

Address: 23815 Copley Rd

City Diamond Bar State: CA Zip: 91765

Contact: Christopher Gonzales Telephone: (909) 282-7535

Type of Project:
City-wide janitorial services for all municipal buildings and parks

Contract Duration: 2021 - Present Annual Contract Amount: $305K

b) Name:
Southern California Metropolitan Water

Address: 700 Moreno Ave

City La Verne State: CA Zip: 91750

Contact: Christiane Dover Telephone: (818) 832-2142

Type of Project:
Janitorial Services for several buildings ranging from La Verne, Simi Valley and Corona

Contract Duration: 2016 - Present Annual Contract Amount: $120K

c) Name: City of Whittier

Address: 13230 Penn St

City Whittier State: CA Zip: 90602

Contact: Salvador Chavarin Telephone: (562) 309-3996

Type of Project:
City-wide janitorial services for all municipal buildings and parks

Contract Duration: 2021 - Present Annual Contract Amount: $288K

4. The following information shall be submitted with the Proposal – (8.5' x 11"):

a) A Business Profile, which shall include a list of employees, including their names, training, experience (i.e., day porter, carpet cleaner, floor crew-waxer), and number of years with your firm.
b) A Schedule with the number of employees you propose to have assigned to cover the janitorial/housekeeping contract, excluding the day porters.

c) Your firm's methodology for ensuring coverage in the event of staff absences (i.e., illness, vacations, and/or terminations).
d) A brief overview of your firm's hiring practices, screening, background checks, DMV checks, etc.
e) Your firm's methodology that will be used to correct deficiencies and prevent reoccurrences
f) A list of cleaning supplies to be used and all OSHA-required MSDSs
g) Signed proposal on the form(s) provided in the Scope of Work Section.

5. If requested by the City of Orange, the Proposer shall furnish a notarized financial statement, financial data, or other information and reference(s) sufficiently comprehensive to permit an appraisal of the Contractor's current financial conditions.

6. The Proposer shall check one of the following blank spaces, as the case may be. If the Proposer does not check either box, it will be deemed that he has checked Box A:

   a) ✓ The undersigned DOES NOT INTEND to subcontract any portion of this project.

   b) ____ The undersigned INTENDS to subcontract a portion of this project to the following subcontractors. (**Note**: Please refer to the Subletting and Subcontracting Fair Practices Act commencing at Section 4100 of the California Public Contract Code for the portion of work for which subcontract disclosure is required with the proposal.)

For each subcontractor to be used for the performance of work under this RFB, please identify the name of the subcontractor, the contact person, address, and telephone number, a description of the type of work to be performed by each subcontractor, and the percentage that its work represents to the whole:

NAME	DESCRIPTION OF WORK	LICENSE

Proposer's SIGNATURE(S):

Insert full name of Corporation (or General Partnership, Limited Partnership, Limited Liability Company, Sole Proprietorship):

Ultimate Maintenance Services, Inc.

4237 Redondo Beach Blvd.,

Lawndale, CA 90260

(if necessary), Doing business as:

By: Claudia Perla Salomon

Printed Name: Claudia Salomon

Title: Co-Founder + Secretary Date: 06/10/2026

By: Oswaldo Paul Marmol

Printed Name: Oswaldo Paul Marmol

Title: President Date: 06/10/2026

The undersigned proposer hereby represents as follows:

That no Councilman, officer, agent, or employee of the City of Orange, is personally interested, directly or indirectly, in the Contract, or the compensation to be paid hereunder:

That this proposal is made without connection with any person, firm or corporation making a proposal for the same work, and is in all respects fair, and without collusion or fraud.

By my signature on this proposal I certify, under penalty of perjury under the laws of the State of California, that the foregoing questionnaire and statements of Public Contract Code Sections 10162, 10232 and 10285.1 are true and correct and that the proposer has complied with the requirements of Section 8103 of the Fair Employment and Housing Commission Regulations (Chapter 5, Title 2 of the California Administrative Code). By my signature on this proposal I further certify, under penalty of perjury under the laws of the State of California and the United States of America, that the Non-collusion Affidavit required by Title 23 United States Code, Section 112 and Public Contract Code Section 7106; and the Title 49 Code of Federal Regulations, Part 29 Debarment and Suspension Certification are true and correct.

Date: 06/10/2026

Sign Here

Claudia Perla Salomon

Claudia Salomon

Co-Founder + Secretary

Signature and Title of Proposer

(If an individual, so state. If a firm or co-partnership, state the firm name and give the names of all individual co-partners composing the firm. If a corporation, state legal name of corporation, also names of President, Secretary, Treasurer and Manager thereof).

NAME OF PROPOSER Ultimate Maintenance Services, Inc.

BUSINESS P.O. BOX _____

CITY, STATE, ZIP _____

BUSINESS STREET ADDRESS 4237 Redondo Beach Blvd

CITY, STATE, ZIP Lawndale, CA 90260 (Please include even if P.O. Box is used)

PLACE OF BUSINESS (Include City & State) Lawndale, CA 90260

PLACE OF RESIDENCE (Include City & State) Lawndale, CA 90260

Telephone No.(310) 505-5858 Fax No.( ) _____

Licensed in accordance with an Act providing for the registration of Contractors.

LICENSE NUMBER 847895

LICENSE CLASS D63 / C38

PROPOSED SCOPE OF WORK

Staffing Plan

Ultimate Maintenance Services, Inc. (UMS) shall provide qualified, trained, and adequately staffed personnel to perform all janitorial services required. Staffing levels shall be sufficient to ensure all facilities are consistently maintained in accordance with required service standards and minimum frequency schedules.

All staff are directly hired by UMS. We do not use any subcontractors to conduct any of our services.

Position	Quantity	Role
Janitorial Technicians	7-8	Perform routine and periodic janitorial services across assigned facilities
Superivisor	1-2	Oversight, inspections, coordination, and quality control

Back-Up Staff

We recognize that unforeseen circumstances, such as last-minute emergencies or unexpected events, can prevent staff from being able to fulfill their duties. To address this, we ensure that we always have a minimum of two backup staff members who are fully familiar with the project and live in close proximity to the sites, allowing them to quickly step in and cover any shifts or special events. Additionally, we maintain a pool of on-demand employees who are ready to respond to any scheduling issues that may arise. This proactive approach ensures that our services remain seamless and responsive, even in urgent situations.

PROOF OF INSURANCE

State of California
Department of Industrial Relations
Division of Labor Standards Enforcement
Licensing & Registration Unit
1515 Clay Street, Ste. 1902
Oakland, CA 94612

Registration Number:
JS-LR-000016391

Janitorial Services Registration

REGISTRANT WITH EMPLOYEES

Effective Date	Expiration Date
2/11/2026	2/11/2027

Ultimate Maintenance Services, Inc.
4237 Redondo Beach Blvd.
LAWNDALE, CA 90260

Workers Compensation Insurance Expiration Date:
February 12, 2026

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE

License Number 847895 Entity CORP

Business Name ULTIMATE MAINTENANCE
SERVICES INC

Classification(s) C61/D63 C61/D38

Expiration Date 10/31/2026 www.cslb.ca.gov

CSLB

Quality Control

As part of the overall management plan, quality control is a daily routine for the company and all of our employees. We apply a total quality management system that is designated to assist management in planning its labor force, cost control, and accountancy for the success of the company's business. Therefore, we have a clear understanding of the overall management needed for this project.

- An inspection system which consists of supervisors conducting random and scheduled inspections on a weekly basis to make sure everything is running smoothly
- Inventory checks of equipment and supplies to ensure orders are processed in a timely manner to maintain adequate levels of supplies
- Completion of daily and weekly checklist of the cleaning specifications and deliverables and monthly reports to make sure all requirements are met. Daily sign-in sheet at every restroom located in each facility must be completed.
- Daily and weekly communication with main contact to ensure client satisfaction

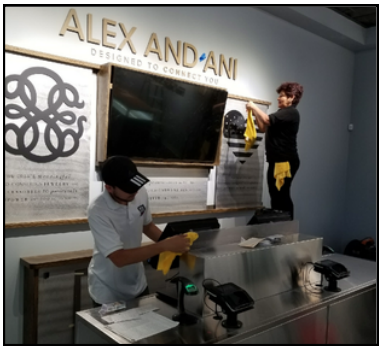
If during the course of an inspection a maintenance issue is found, we will notify client promptly. UMS will correct any areas where discrepancies are found and will take corrective action to resolve the issue and prevent it from occurring in the future. The issue will be addressed immediately, no later than 8 hours after identification. If an emergency issue occurs, UMS will respond within a couple of hours.

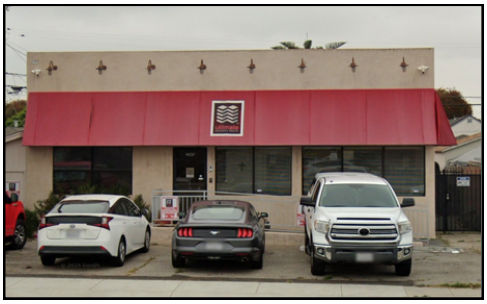
TECHNICAL ABILITIES

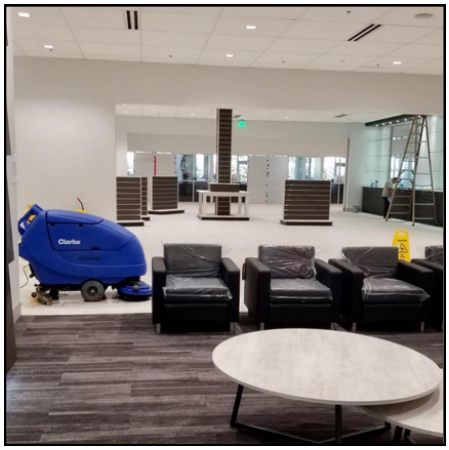
Equipment

Supervisors are responsible for maintaining inventories of equipment and supplies levels by ensuring orders are processed in a timely manner to maintain adequate levels of supplies. They are entitled in the making decision and immediate application of corrective and preventive measures. Inoperative equipment will be referred to corporate or repair for replacement. Supervisors and personnel on field are responsible to use only authorized equipment, chemicals, and supplies. Also, they ensure that all materials and supplies are catalogued as green by industry standards. We are to use the chemicals, consumables that are previously authorized/recommended, or provided by the client in accordance with this RFP. All supplies and equipment will be transported and delivered in one of our branded, white fleet vans, where supplies are equipped in a temperature-controlled environment.

All of our vehicles, including cars and carts, proudly bear our distinctive logo, ensuring our visibility of our services. We also have a dedicated Taylor Dunn cart to facilitate seamless transportation between facilities. This specialized cart is designed for efficiency, allowing our staff to navigate the premises with ease while carrying the necessary supplies and waste disposal. As for the equipment used, all vacuums, brooms, mops, etc. are new and/or in excellent condition. All the equipment to be used is exclusive for this project. The pressure washer we utilize is the Hydro Tek Hot/Cold ProTowWash® with Portable Commercial Pressure Washer Trailer and water recycling system add-on.







TECHNICAL ABILITIES

Materials

Material	Model / Manufacturer
Carpet Cleaner	Renowns Carpet Extraction Cleaner
Tile/Floor Cleaner	Maintex High Sierra Pristine Cleaner / Degreaser
Floor Cleaner	Betco Green Earth Daily Floor Cleaner
Floor Stripper	Betco Green Earth Floor Stripper
All purpose cleaner	Renown Green Works General Purpose Cleaner
Restroom Cleaner	Waxie Green #343 Restroom Cleaner
Glass Cleaner	Renown Non-Ammoniated Glass Cleaner
Drain Maintainer / Restroom Odor Control	Waxie Green #443 Citrus Hydroxy Clean
Hand Soap	Genlabs Cetri-Green Pink Lotion Hand Soap
Stainless Steel Cleaner	Ecolab Stainless Steel Cleaner and Polish
Disinfectant	Citricide
Ionized Water	Maintex

TECHNICAL ABILITIES

Equipment + Fleet

Equipment	Manufacturer
Janitorial Carts	Rubbermaid Brute
Pressure Washer	Maintex
Floor Burnishers	Clarke Ultraspeed Burnisher 1500 mph
Mop Bucket and Wringers	Rubbermaid Wave Break
Dust Mop and Pans	Rubbermaid
Standard Window & Floor Squegee	Rubbermaid
Wet + Dry Vacuum	Maintex / Professional's Choice
Wet Mops + Handles	Empire Cleaning Supply
Brooms	Renown
Step Tool	Maintex
Restroom Signs (Wet Floor/Closed)	Rubbermaid
Backpack Vacuum	Professional's Choice

Fleet	Model
Cargo Vans	Ford & General Motors (2020 - present)

Safety

All services will be performed by trained personnel in compliance with Port requirements, safety regulations, and applicable credentialing standards, including Live Scan and TWIC where required. UMS will maintain clear communication, performance monitoring, and rapid issue resolution throughout the contract term.

UMS strictly enforces all safety policies and procedures and holds supervisors and other managers accountable for fairly and consistently enforcing company safety rules. Our company provides our employees with safety gear and equipment to protect them and keep the possibility of an injury as low as possible. Before starting a job each day, janitors are instructed to inspect work areas, equipment, and job sites for hazards and report any unsafe conditions to their supervisor so that corrections can be made. We require our supervisors to strictly enforce using the personal and protective equipment that is provided. Personal and protective equipment is always used, especially if employees are in contact with hazardous substances. Disregard for our company's safety rules is grounds for disciplinary action, including possible termination. If an accident occurs, we have developed procedures that enable us to report it immediately, file claims documentation properly and provide employees with the resources to be able to return to work in a reasonable timeframe.

Injury and Illness Prevention Program

Compliance

At UMS, management is responsible for ensuring all safety and health policies and procedures are clearly communicated and understood by all employees. Supervisors and personnel must enforce these policies and procedures fairly and uniformly.

UMS strictly complies with all Cal/OSHA standards, including training requirements and hazard assessment. All UMS employees are responsible for applying safe janitorial practices and for assisting a safe and healthy work environment that is OSHA's standards.

Communication

We make sure there is always an open communication system at UMS where employees are comfortable enough to discuss any questions or concerns, especially regarding safety and health. Safety policies and procedures are discussed in UMS's online training session and in our hands-on training that is scheduled before the commencement of every contract. Our supervisors conduct scheduled and random inspections throughout the week to ensure effectiveness and communication. They also hold safety meetings frequently as deemed necessary.

Training

It is a Cal/OSHA requirement to provide training to our employees when they are first hired, when they are assigned to a new job and when new equipment or substance is introduced. At UMS, we provide an on-hands training for all UMS employees. Any certifications or licenses that employees are required to have will be completed prior to commencement. It is company policy to not perform any task that he or she is not equipped or certified to do, or that isn't specified in the scope of work. We provide specific instructions to all workers regarding hazards unique to each job assignment to the extent that such information was not already covered in training listed below.

Training include, not limited to:

- Detailed overview of the services that need to be performed at each facility and the frequency.
- Explanation of our IIPP, emergency action plan, and fire prevention plan and measures for reporting any unsafe conditions, work practices and injuries.
- Provisions for medical services and first aid, including emergency procedures.
- Proper cleaning techniques and procedures, such as cleaning up spills and keeping areas neat and orderly.
- Proper storage procedures to prevent stacking goods in an unstable manner and storing materials and goods against doors, exits or electrical panels.
- Handling and storage of chemicals.
- Handling and use of supplies and equipment.

Chemical and Hazard Assessment

This Cal/OSHA regulation requires UMS to provide information to employees about the chemicals and other hazardous substances to which they may have access at work by providing Material Safety Data Sheets (MSDSs), chemical labels, and training.

Updated MSDS are given to the client and to our employees. They identify the manufacturer, contents, toxicity, and safety hazards of the chemical product. It also describes routes of exposure and explains how to prevent health problems. Our supervisors and janitors are informed on how to read the MSDS and where the MSDSs are kept. In addition to that, supervisors and janitors are required to make sure all products with hazardous ingredients are properly labeled and stored.

Some company rules regarding chemical hazards include:

- Use milder cleaning products for daily cleaning and use stronger chemicals for specialized services or stubborn stains.
- Do not mix any chemicals, only if it is instructed by the manufacturer.
- Close all containers and secure the lids, when not in use.
- Always wear safety gear when using any chemicals.

Periodic inspections to identify and evaluate workplace hazards shall be performed by the supervisor assigned to the job or by the operations manager. These inspections occur when:

- New substances, processes or equipment are presented that can be potential hazards.
- New, unidentified hazards are recognized.
- Occupational injuries and illnesses occur.
- Whenever workplace conditions warrant an inspection.

Our personnel are provided with personal and protective safety gear to handle and, which include goggles, vests, gloves, rubber boots, ear plugs and more. It is a safety requirement at UMS for every janitor to be educated on how and when to use these safety devices and disregard for our company's safety rule is grounds for disciplinary action.

Accident Investigation and Reporting

Any workplace accidents, hazardous substance exposures and near-accidents will be investigated by the operations manager. Once any of these incidents occur, it is UMS's protocol to immediately report to the operations manager and a first-responder if needed. The operations manager will visit the scene as soon as possible and interview the affected employees on-site. He will then examine the workplace and take correction action to address the problem and prevent any future human suffering. The incident will be recorded on OSHA's Form 301.

Property Service Workers Protection Act

For our personal records and as required, we contain records of each contract and the personnel assigned to that contract. Information include name, contact information, payroll information, terms of employment. We contain the paper format of these records for at least 6 years and also, keep them electronically.

Ultimate Maintenance Services, Inc. takes any sexual misconduct and/or harassment case seriously and make sure employees are educated on this matter and the company policies regarding it. UMS employees are given a copy of the pamphlet entitled "Sexual Harassment" and are responsible for reviewing it.

ATTACHMENT NO. 3

COMPENSATION SCHEDULE

[Behind this sheet]

COMPENSATION SCHEDULE FOR ULTIMATE CUSTODIAL SERVICES, INC.

Custodial Services for City Facilities RFP 25-26.23

THREE-YEAR TERM FROM AUGUST 1, 2026-JUNE 30, 2029

Year	Date Start	Date End	Amount	Contingency Amount (15%)	Annual Total Not to Exceed
1	8/1/2026	6/30/2027	$487,470.92	$73,120.64	$560,591.56
2	7/1/2027	6/30/2028	$487,470.92	$73,120.64	$560,591.56
3	7/1/2028	6/30/2029	$487,470.92	$73,120.64	$560,591.56

TWO-YEAR OPTIONAL TERM EXTENSION FROM JULY 1, 2029-JUNE 30, 2031

Years 4 & 5 subject to a 2% Max. CPI and per contract is rounded to the nearest dollar.

Year	Date Start	Date End	Amount	Contingency Amount (15%)	Annual Total Not to Exceed
*4	7/1/2029	6/30/2030	$497,220.00	$74,583.00	$571,803.00
*5	7/1/2030	6/30/2031	$507,165.00	$76,075.00	$583,240.00

ATTACHMENT NO. 4

DISPLACED JANITOR OPPORTUNITY ACT

[Behind this sheet]

LABOR CODE
DIVISION 2. EMPLOYMENT REGULATION AND SUPERVISION [200 - 2699.5]
PART 3. PRIVILEGES AND IMMUNITIES [920 - 1138.5]
CHAPTER 4.5. Displaced Janitor Opportunity Act [1060 - 1065]

(as of January 1, 2020)

1060. The following definitions shall apply throughout this chapter:

(a) "Awarding authority" means any person that awards or otherwise enters into contracts for janitorial or building maintenance services performed within the State of California, including any subcontracts for janitorial or building maintenance services.

(b) "Contractor" means any person that employs 25 or more individuals and that enters into a service contract with the awarding authority.

(c) "Employee" means any person employed as a service employee of a contractor or subcontractor who works at least 15 hours per week and whose primary place of employment is in the State of California under a contract to provide janitorial or building maintenance services. "Employee" does not include a person who is a managerial, supervisory, or confidential employee, including those employees who would be so defined under the federal Fair Labor Standards Act.

(d) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(e) "Service contract" means any contract that has the principal purpose of providing services through the use of service employees.

(f) "Subcontractor" means any person who is not an employee who enters into a contract with a contractor to assist the contractor in performing a service contract.

(g) "Successor service contract" means a service contract for the performance of essentially the same services as were previously performed pursuant to a different service contract at the same facility that terminated within the previous 30 days. A service contract entered into more than 30 days after the termination of a predecessor service contract shall be considered a "successor service contract" if its execution was delayed for the purpose of avoiding application of this chapter.

1061.

(a) (1) If an awarding authority notifies a contractor that the service contract between the awarding authority and the contractor has been terminated or will be terminated, the awarding authority shall indicate in that notification whether a successor service contract has been or will be awarded in its place and, if so, shall identify the name and address of the successor contractor. The terminated contractor shall, within three working days after receiving that notification, provide to the successor contractor identified by the awarding authority, the name, date of hire, and job classification of each employee employed at the site or sites covered by the terminated service contract at the time of the contract termination.

(2) If the terminated contractor has not learned the identity of the successor contractor, if any, the terminated contractor shall provide that information to the awarding authority, which shall be responsible for providing that information to the successor contractor as soon as that contractor has been selected.

(3) The requirements of this section shall be equally applicable to all subcontractors of a terminated contractor.

(b) (1) A successor contractor or successor subcontractor shall retain, for a 60-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding four months or longer at the site or sites covered by the successor service contract unless the successor contractor or successor subcontractor has reasonable and substantiated cause not to

hire a particular employee based on that employee's performance or conduct while working under the terminated contract. This requirement shall be stated by awarding authorities in all init0ial bid packages that are governed by this chapter.

(2) The successor contractor or successor subcontractor shall make a written offer of employment to each employee, as required by this section, in the employee's primary language or another language in which the employee is literate. That offer shall state the time within which the employee must accept that offer, but in no case may that time be less than 10 days. Nothing in this section requires the successor contractor or successor subcontractor to pay the same wages or offer the same benefits as were provided by the prior contractor or prior subcontractor.

(3) If at any time the successor contractor or successor subcontractor determines that fewer employees are needed to perform services under the successor service contract or successor subcontract than were required by the terminated contractor under the terminated contract or terminated subcontract, the successor contractor or successor subcontractor shall retain employees by seniority within the job classification.

(c) The successor contractor or successor subcontractor, upon commencing service under the successor service contract, shall provide a list of its employees and a list of employees of its subcontractors providing services at the site or sites covered under that contract to the awarding authority. These lists shall indicate which of these employees were employed at the site or sites by the terminated contractor or terminated subcontractor. The successor contractor or successor subcontractor shall also provide a list of any of the terminated contractor's employees who were not retained either by the successor contractor or successor subcontractor, stating the reason these employees were not retained.

(d) During the 60-day transition employment period, the successor contractor or successor subcontractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor or successor subcontractor from which the successor contractor or successor subcontractor shall hire additional employees until such time as all of the terminated contractor's or terminated subcontractor's employees have been offered employment with the successor contractor or successor subcontractor.

(e) During the initial 60-day transition employment period, the successor contractor or successor subcontractor shall not discharge without cause an employee retained pursuant to this chapter. Cause shall be based only on the performance or conduct of the particular employee.

(f) At the end of the 60-day transition employment period, a successor contractor or successor subcontractor shall provide a written performance evaluation to each employee retained pursuant to this chapter. If the employee's performance during that 60-day period is satisfactory, the successor contractor or successor subcontractor shall offer the employee continued employment. Any employment after the 60-day transition employment period shall be at-will employment under which the employee may be terminated without cause.

1062.

(a) An employee, who was not offered employment or who has been discharged in violation of this chapter by a successor contractor or successor subcontractor, or an agent of the employee may bring an action against a successor contractor or successor subcontractor in any superior court of the State of California having jurisdiction over the successor contractor or successor subcontractor. Upon finding a violation of this chapter, the court shall award backpay, including the value of benefits, for each day during which the violation has occurred and continues to occur. The amount of backpay shall be calculated as the greater of either of the following:

(1) The average regular rate of pay received by the employee during the last three years of the employee's employment in the same occupation classification multiplied by the average hours worked during the last three years of the employee's employment.

(2) The final regular rate of pay received by the employee at the time of termination of the predecessor contract multiplied by the number of hours usually worked by the employee.

(b) The court may order a preliminary or permanent injunction to stop the continued violation of this chapter.

(c) If the employee is the prevailing party in the legal action, the court shall award the employee reasonable attorney's fees and costs as part of the costs recoverable.

(d) In the absence of a claim by an employee that he or she was terminated in violation of this chapter, an employee may not maintain a cause of action under this chapter solely for the failure of an employer to provide a written performance evaluation.

1063.

(a) This chapter only applies to contracts entered into on or after January 1, 2002.

(b) Except for the obligations specified in subdivisions (a) and (b) of Section 1061, nothing in this chapter changes or increases the relationship or duties of a property owner or an awarding authority, or their agents, with respect to contractors, subcontractors, or their employees.

(c) Nothing in this chapter limits the right of a property owner or an awarding authority to terminate a service contract or to replace a contractor with another contractor or with the property owner's or awarding authority's own employees.

1063.5.

(a) This chapter shall apply to every contractor that provides food and beverage services at a publicly owned entertainment venue.

(b) For purposes of this chapter, and in addition to the definitions specified in Section 1060, the following terms shall also have the following meanings:

(1) "Awarding authority" means any person that awards or otherwise enters into contracts for food and beverage services at a publicly owned entertainment venue.

(2) "Contractor" means any person that employs an individual to provide food and beverage services at a publicly owned entertainment venue.

(3) "Employee" means any person employed to provide food and beverage services at a publicly owned entertainment venue.

(4) "Publicly owned entertainment venue" means a venue that meets all of the following:

(A) Has been in operation for 15 years or more.

(B) Is located in a zone designated under Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code.

(C) Hosts concerts, shows, or sporting events on a noncontinuous basis.

(c) This section shall remain in effect only until December 31, 2014, and as of that date is repealed.

1064. Nothing in this chapter shall prohibit a local government agency from enacting ordinances relating to displaced janitors that impose greater standards than, or establish additional enforcement provisions to, those prescribed by this chapter.

1065. If any provision or provisions of this chapter or any application thereof is held invalid, that invalidity shall not affect any other provisions or applications of this chapter that can be given effect notwithstanding that invalidity.

RFP# 25-26.23 Custodial Services for City Facilities - Proposals Abstract Summary

	Ultimate Maintenance Services Inc.	Merchants Building Maintenance	H.N.W. Building Maintenance, Inc. dba Beneficial Maintenance Services	Executive Facilities Services, Inc.	Omni Enterprise Inc.	Premier Property Preservation, Inc.	Uniserve Facilities Services	West Pro Compliance, Inc.	CCS Facility Services - Orange County, Inc.
Contractor's Price (30%) Max. 30 points	30	24	23	18	16	11	7	13	22
Indication of timely performance/crew availability (30%) Max. 30 points	26	26	25	27	22	16	21	23	28
Contractors qualifications based on professional experience (30%) Max. 30 points	23	27	25	27	22	15	25	16	30
Client References (10%) Max. 10 points	7	6	8	2	2	2	3	0	0
Total Points:	**89**	**84**	**82**	**74**	**62**	**44**	**56**	**52**	**80**
Annual Cost:									
Sections B-D	$ 375,190.92	$ 413,451.47	$ 414,155.08	$ 559,495.71	$ 594,136.80	$ 746,265.00	$ 815,903.92	$ 640,820.00	$ 427,505.48
Porter 1	$ 70,700.00	$ 73,186.93	$ 79,206.40	$ 66,261.52	$ 73,920.00	$ 70,176.00	$ 70,072.26	*did not provide cost*	$ 76,057.08
Porter 2	$ 41,580.00	$ 39,835.01	$ 40,768.00	$ 46,383.06	*did not provide cost*	$ 49,123.20	$ 49,050.58	*did not provide cost*	$ 38,625.06
Sub-total:	***$ 487,470.92***	***$ 526,473.41***	***$ 534,129.48***	***$ 672,140.29***	***$ 668,056.80***	***$ 865,564.20***	***$ 935,026.76***	***$ 640,820.00***	***$ 542,187.62***
Optional Cost:									
Carpet Cleaning	$ 29,300.00	*did not provide cost*	*did not provide cost*	*did not provide cost*	$ 15,280.00	*did not provide cost*	$ 10,175.62	*did not provide cost*	*did not provide cost*
Window Cleaning	$ 16,700.00	*did not provide cost*	$ 23,300.00	$ 10,440.00	$ 7,700.00	*did not provide cost*	$ 9,528.96	*did not provide cost*	$ 19,184.00
Sub-total:	*$ 46,000.00*	*$ -*	*$ 23,300.00*	*$ 10,440.00*	*$ 22,980.00*		*$ 19,704.58*	*$ -*	*$ 19,184.00*
Total Cost:	**$ 533,470.92**	**$ 526,473.41**	**$ 557,429.48**	**$ 682,580.29**	**$ 691,036.80**	**$ 865,564.20**	**$ 954,731.34**	**$ 640,820.00**	**$ 561,371.62**

COMPENSATION SCHEDULE FOR ULTIMATE CUSTODIAL SERVICES, INC.

Custodial Services for City Facilities RFP 25-26.23

THREE-YEAR TERM FROM AUGUST 1, 2026-JUNE 30, 2029

Year	Date Start	Date End	Amount	Contingency Amount (15%)	Annual Total Not to Exceed
1	8/1/2026	6/30/2027	$487,470.92	$73,120.64	$560,591.56
2	7/1/2027	6/30/2028	$487,470.92	$73,120.64	$560,591.56
3	7/1/2028	6/30/2029	$487,470.92	$73,120.64	$560,591.56

TWO-YEAR OPTIONAL TERM EXTENSION FROM JULY 1, 2029-JUNE 30, 2031

Years 4 & 5 subject to a 2% Max. CPI and per contract is rounded to the nearest dollar.

Year	Date Start	Date End	Amount	Contingency Amount (15%)	Annual Total Not to Exceed
*4	7/1/2029	6/30/2030	$497,220.00	$74,583.00	$571,803.00
*5	7/1/2030	6/30/2031	$507,165.00	$76,075.00	$583,240.00

Agenda Item

Orange City Council

Item #: 3.11. 8/25/2026 **File #:** 26-0456

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

First Amendment to Contract with All Cities Engineering, Inc. and Notice of Completion and Acceptance for the Annual Pipeline Renewal Project

2. SUMMARY

The City of Orange has entered into a contract with All Cities Engineering, Inc. for the Annual Pipeline Renewal Project (Bid No. 25-26.04). The scope of work included the installation of new C900 PVC water main. Due to unforeseen field conditions and an expanded scope of work, an additional $363,293 is needed for project costs. The project was completed in July 2026 to the satisfaction of the Public Works Department.

The approved project budget was $1,309,083 including a 10% contingency. The final construction cost is $1,672,376.

3. RECOMMENDED ACTION

1. Approve the First Amendment with All Cities Engineering, Inc. in the amount of $363,293; and authorize the Mayor and the City Clerk to execute on behalf of the City.

2. Authorize the appropriation of $363,294 from the Water Fund (600) unreserved fund balance to:

   600-5803-85103-255085-20 Pipeline Renewal Project

3. Accept Annual Pipeline Renewal Project as complete.

4. Authorize City Clerk to file Notice of Completion with the Orange County Clerk-Recorder's Office.

4. FISCAL IMPACT

The expenditure for this amendment is $363,294 and will be funded through Water (600):
600-5803-85103-255085-20 Pipeline Renewal Project

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

The City Council previously awarded the Annual Pipeline Renewal Project to All Cities Engineering, Inc. on November 12, 2025 for $1,309,083, representing an original amount of $1,190,075, plus a 10% contingency of $119,008. During construction, unforeseen field conditions required water main re-alignment and additional connections to the transmission main at Santiago Boulevard and Villa Vista Way. Additionally, to coordinate with upcoming Public Works paving projects and address a history of main breaks, the project scope was expanded to include the installation of a new 8-inch PVC water main along S. Hamlin Street, between E. Washington Avenue and E. Chapman Avenue.

All additional work was negotiated using original bid unit prices totaling $457,300. The remaining contingency balance of $94,007 will be utilized leaving a First Amendment amount of $363,294, bringing the final contract total to $1,672,376, which represents a 28% increase over the original contract amount.

The project was completed in July 2026 to the satisfaction of the Public Works Department.

7. ATTACHMENTS

- First Amendment to Contract with All Cities Engineering
- Notice of Completion and Acceptance

Agenda Item

Orange City Council

Item #: 3.11. 8/25/2026 **File #:** 26-0456

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

First Amendment to Contract with All Cities Engineering, Inc. and Notice of Completion and Acceptance for the Annual Pipeline Renewal Project

2. SUMMARY

The City of Orange has entered into a contract with All Cities Engineering, Inc. for the Annual Pipeline Renewal Project (Bid No. 25-26.04). The scope of work included the installation of new C900 PVC water main. Due to unforeseen field conditions and an expanded scope of work, an additional $363,293 is needed for project costs. The project was completed in July 2026 to the satisfaction of the Public Works Department.

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3. RECOMMENDED ACTION

1. Approve the First Amendment with All Cities Engineering, Inc. in the amount of $363,293; and authorize the Mayor and the City Clerk to execute on behalf of the City.
2. Authorize the appropriation of $363,294 from the Water Fund (600) unreserved fund balance to:

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3. Accept Annual Pipeline Renewal Project as complete.
4. Authorize City Clerk to file Notice of Completion with the Orange County Clerk-Recorder's Office.

4. FISCAL IMPACT

The expenditure for this amendment is $363,294 and will be funded through Water (600):
600-5803-85103-255085-20 Pipeline Renewal Project

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

The City Council previously awarded the Annual Pipeline Renewal Project to All Cities Engineering, Inc. on November 12, 2025 for $1,309,083, representing an original amount of $1,190,075, plus a 10% contingency of $119,008. During construction, unforeseen field conditions required water main re-alignment and additional connections to the transmission main at Santiago Boulevard and Villa Vista Way. Additionally, to coordinate with upcoming Public Works paving projects and address a history of main breaks, the project scope was expanded to include the installation of a new 8-inch PVC water main along S. Hamlin Street, between E. Washington Avenue and E. Chapman Avenue.

All additional work was negotiated using original bid unit prices totaling $457,300. The remaining contingency balance of $94,007 will be utilized leaving a First Amendment amount of $363,294, bringing the final contract total to $1,672,376, which represents a 28% increase over the original contract amount.

The project was completed in July 2026 to the satisfaction of the Public Works Department.

7. ATTACHMENTS

- First Amendment to Contract with All Cities Engineering
- Notice of Completion and Acceptance

FIRST AMENDMENT
TO
CONTRACT
[Annual Pipeline Renewal Project (Bid No. 25-26.04)]

THIS FIRST AMENDMENT TO CONTRACT (the "First Amendment to Contract") is made and entered into as of _____, 2026 ("Effective Date") by and between the CITY OF ORANGE, a municipal corporation ("City"), and ALL CITIES ENGINEERING, INC., ("Contractor"), with reference to the following.

A. City and Contractor entered into a Contract (Agreement No. 7896) dated as of November 12, 2025, which is incorporated herein by this reference (the "Original Contract"); and

B. City and Contractor desire to modify, amend and supplement certain portions of the Original Contract by revising the Scope of Work & increasing the compensation.

NOW, THEREFORE, the parties hereby agree as follows:

Section 1. **Defined Terms.** Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Original Contract.

Section 2. **Cross-References.** City and Contractor agree that all references in this First Amendment are deemed and construed to refer to the Original Contract, as implemented by this First Amendment.

Section 3. **Revised Work Performed**. The Contractor's Proposal as referenced in Article 1 of the Original Contract, is hereby amended, modified and supplemented to include the services described on Exhibit A attached hereto and incorporated herein by this reference.

Section 4. **Compensation**. Article 3 of the Original Contract is hereby amended to increase the total not-to-exceed compensation for the services to be rendered by THREE HUNDRED SIXTY-THREE THOUSAND TWO HUNDRED NINETY-TWO DOLLARS AND 50/100 ($363,292.50) and Sections 3.a and 3.c are hereby amended in their entirety to read as follows:

> **"a.** Contractor agrees to receive and accept an amount not to exceed ONE MILLION FIVE HUNDRED FIFTY-THREE THOUSAND THREE HUNDRED SIXTY-SEVEN DOLLARS and 50/100 ($1,553,367.50) unless said amount is amended by Contract Change Order approved by the City, as compensation for furnishing all materials and doing all the Work contemplated and embraced in this Contract. Said compensation covers (1) all loss or damage arising out of the nature of the Work, from the acts of the elements; (2) any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the Work until its acceptance by City, other than as provided below; (3) all risks of every description connected with the Work; (4) all

expenses incurred by or in consequence of the suspension or discontinuance of the Work; and (5) well and faithfully completing the Work, and for the whole thereof, in the manner and according to the Plans and Specifications, and requirements of the Authorized City Representative under them. Retention amounts shall be withheld from progress payments as required by law unless Contractor provides securities in lieu of retention."

"c. The total amount of compensation under this Contract, including contingencies, shall not exceed ONE MILLION SIX HUNDRED SEVENTY-TWO THOUSAND THREE HUNDRED SEVENTY-FIVE DOLLARS and 50/100 ($1,672,375.50)."

Section 5. **Integration**. This First Amendment amends, as set forth herein, the Original Contract and, except as specifically amended hereby, the Original Contract shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this First. Amendment and the terms and provisions of the Original Contract, the terms and provisions of this First. Amendment shall control and govern the rights and obligations of the parties.

[Remainder of page intentionally left blank; signatures on next page]

IN WITNESS of this First Amendment, the parties enter into this First Amendment on the year and day first above written.

"CONTRACTOR"

ALL CITIES ENGINEERING, INC.,
a California corporation

*By: _____
Printed Name: Javier Castro
Title: V.P.

*By: _____
Printed Name: Maria Paula Novoa
Title: Assistant Secretary

"CITY"

CITY OF ORANGE, a municipal corporation

By: _____
Daniel R. Slater, Mayor

ATTEST:

_____
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____
Connor Hyland
Senior Assistant City Attorney

NOTE:** ***If CONTRACTOR is a corporation, the City requires the following signature(s):

- ***(1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR***
- ***The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.***

√

IN WITNESS of this First Amendment, the parties enter into this First Amendment on the year and day first above written.

"CONTRACTOR"	"CITY"
ALL CITIES ENGINEERING, INC., a California corporation	CITY OF ORANGE, a municipal corporation
*By:_____ Printed Name:_____ Title:_____	By:_____ Daniel R. Slater, Mayor
*By: _____ Printed Name: _____ Title: _____	ATTEST: _____ Pamela Coleman, City Clerk
	APPROVED AS TO FORM: _____ Connor Hyland Senior Assistant City Attorney

NOTE:** **If CONTRACTOR is a corporation, the City requires the following signature(s):

-- (1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR

-- The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.

√ X

EXHIBIT "A"

SUPPLEMENTAL SCOPE OF SERVICES

[Behind this page.]

ALL CITIES ENGINEERING, INC.

PO Box 3619, Riverside, CA 92519
License No. 1009171 | (951) 255-3964

INVOICE

BILL TO

City of Orange
Public Works Department - Water Division

Invoice No.	W725-CO2
Invoice Date	7/27/2026
Project No.	W725
Change Order	COR 2
Terms	Per Contract

ANNUAL PIPELINE RENEWAL PROJECT

Harlin Street and Chapman Avenue Improvements

#	Description	Qty.	Rate	Amount
1	Mobilization	1 LS	$7,100	$7,100.00
2	Furnish and install 8" PVC C-900	656 LF	$150	$98,400.00
3	Install fire hydrant	2 EA	$12,000	$24,000.00
4	Remove existing fire hydrant	2 EA	$2,000	$4,000.00
5	Install 8" valve	8 EA	$2,700	$21,600.00
6	Install 1" water service	17 EA	$7,000	$119,000.00
7	Remove and replace existing V-gutter	100 SF	$30	$3,000.00
8	Asphalt	70 TON	$350	$24,500.00
9	Traffic control	1 LS	$12,500	$12,500.00

TOTAL DUE **$314,100.00**

PAYMENT INFORMATION

Payment is due in accordance with the Contract terms.

Please reference Invoice W725-CO2 and Project W725 with payment.

CHANGE ORDER REQUEST (COR)

Project Name:	ANNUAL PIPELINE RENEWAL PROJECT	**COR Number:**	1
Project Number:	W725	**Date of Request:**	7/27/26
Requested By:	All Cities Engineering, Inc.		

Change Name:	Harlin Street and Chapman Avenue Improvements

Description of Change (Required):

Perform additional water improvements consisting of mobilization; furnish and install 656 LF of 8-inch PVC C-900 water main; install two fire hydrants; remove two existing fire hydrants; install eight 8-inch valves; install seventeen 1-inch water services; remove and replace 100 SF of existing V-gutter; place 70 tons of asphalt; and provide traffic control.

Reason for Change (Required):

The City requested additional pipeline renewal work at Harlin Street and Chapman Avenue beyond the original Contract scope.

Location of Change (Required): List all locations if various locations are included in this Request

Harlin Street and Chapman Avenue, City of Orange.

Additional Days Requested Due to Change (If Applicable):

N/A

Cost Breakdown:	**Total Net Change in Cost:**
Revised proposal dated 3/26/2026 - negotiated lump sum.	$314,100.00

Note: Attach all supporting documents for cost justification.

Requestor:

Signature: Javier Castro

Title: V.P. **Date:** 7/27/26

ALL CITIES ENGINEERING INC.
PO BOX 3619 RIVERSIDE CA, 92519
License No. 1009171
(951) 255-3964

PROPOSAL

Project: Orange – Harlin St & Chapman Ave

Date: 03/26/2026

ITEM NO.	DESCRIPTION	UNIT	EST. QTY	ITEM PRICE	TOTAL
1	Mobilization	LS	1	$7,100	$7,100
2	Furnish and Install 8" PVC C-900	LF	656	$150.00	$98,400
3	Install Fire Hydrant	EA	2	$12,000	$24,000
4	Remove existing Fire Hydrant	EA	2	$2,000	$4,000
5	Install 8" Valve	EA	8	$2,700	$21,600
6	Install 1" Water Service	EA	17	$7,000	$119,000
7	Remove and Replace Existing V-Gutter	SF	100	$30.00	$3,000
8	Asphalt	TON	70	$350.00	$24,500
9	Traffic control	LS	1	$12,500	$12,500
10					
11					
12					
13					
				TOTAL	**$314,100.00**

Quotation prepared by: JAVIER CASTRO

To accept this quotation, sign here and return: _____

Thank you for your business!

ALL CITIES ENGINEERING, INC.

PO Box 3619, Riverside, CA 92519

License No. 1009171 | (951) 255-3964

INVOICE

BILL TO

City of Orange

Public Works Department - Water Division

Invoice No.	W725-CO3
Invoice Date	7/27/2026
Project No.	W725
Change Order	COR 3
Terms	Per Contract

ANNUAL PIPELINE RENEWAL PROJECT

Villa Vista and Santiago Boulevard Improvements

#	Description	Qty.	Rate	Amount
1	Negotiated lump sum for all labor, materials, equipment, and traffic control	1 LS	$135,000	$135,000.00

TOTAL DUE **$135,000.00**

PAYMENT INFORMATION

Payment is due in accordance with the Contract terms.

Please reference Invoice W725-CO3 and Project W725 with payment.

Thank you.

CHANGE ORDER REQUEST (COR)

Project Name:	ANNUAL PIPELINE RENEWAL PROJECT	**COR Number:**	3
Project Number:	W725	**Date of Request:**	7/27/26
Requested By:	All Cities Engineering, Inc.		

Change Name:	Villa Vista and Santiago Boulevard Improvements

Description of Change (Required):

Perform the required additional work at Villa Vista and Santiago Boulevard in accordance with the previously submitted proposal. The negotiated lump sum includes all labor, materials, equipment, and traffic control necessary to complete the work.

Reason for Change (Required):

The City requested additional pipeline renewal work at Villa Vista and Santiago Boulevard beyond the original Contract scope.

Location of Change (Required): List all locations if various locations are included in this Request

Villa Vista and Santiago Boulevard, City of Orange.

Additional Days Requested Due to Change (If Applicable):

N/A

Cost Breakdown:	**Total Net Change in Cost:**
Negotiated lump sum per revised proposal.	$135,000.00

Note: Attach all supporting documents for cost justification.

Requestor:

Signature: Javier Castro

Title: V.P. **Date:** 7/27/26

ALL CITIES ENGINEERING, INC.

PO BOX 3619
Riverside, CA 92519
License No. 1009171
(951) 255-3964

REVISED PROPOSAL – VILLA VISTA AND SANTIAGO BLVD

Per our discussions, we have agreed to perform the required work for a negotiated **lump sum price of $135,000.00**.

This lump sum amount includes all labor, materials, equipment, and traffic control necessary to complete the work described in the original proposal.

TOTAL LUMP SUM PRICE: $135,000.00

Accepted By: _____

Date: _____

ALL CITIES ENGINEERING, INC.

PO Box 3619, Riverside, CA 92519

License No. 1009171 | (951) 255-3964

INVOICE

BILL TO

City of Orange

Public Works Department - Water Division

Invoice No.	W725-CO1
Invoice Date	7/27/2026
Project No.	W725
Change Order	COR 1
Terms	Per Contract

ANNUAL PIPELINE RENEWAL PROJECT

Install 1-1/2-Inch Water Meter

#	Description	Qty.	Rate	Amount
1	Furnish and install one 1-1/2-inch water meter, complete in place	1 LS	$8,200	$8,200.00

TOTAL DUE **$8,200.00**

PAYMENT INFORMATION

Payment is due in accordance with the Contract terms.

Please reference Invoice W725-CO1 and Project W725 with payment.

Thank you.

CHANGE ORDER REQUEST (COR)

Project Name:	ANNUAL PIPELINE RENEWAL PROJECT	**COR Number:**	1
Project Number:	W725	**Date of Request:**	7/27/26
Requested By:	All Cities Engineering, Inc.		

Change Name:	Install 1-1/2-Inch Water Meter

Description of Change (Required):
Furnish and install one 1-1/2-inch water meter, complete in place, as requested by the City.

Reason for Change (Required):
The additional water meter installation was requested beyond the original Contract scope.

Location of Change (Required): List all locations if various locations are included in this Request
City-designated location within the Annual Pipeline Renewal Project limits.

Additional Days Requested Due to Change (If Applicable):
N/A

Cost Breakdown:	**Total Net Change in Cost:**
Proposal dated 3/10/2026 - lump sum.	$8,200.00

Note: Attach all supporting documents for cost justification.

Requestor:

Signature: Javier Castro

Title: V.P. **Date:** 7/27/26

ALL CITIES ENGINEERING INC.
PO BOX 3619 RIVERSIDE CA, 92519
License No. 1009171
(951) 255-3964

SHOP DRAWING/SUBMITTAL REVIEW

- ☒ No exception taken
- ☐ Make corrections noted
- ☐ Revise and resubmit
- ☐ Rejected - see remarks

Corrections or comments made on the shop drawings during this review do not relieve contractor from compliance with requirements of the drawings and specifications. This check is only for review of general conformance with the design concept of the project and general compliance with the information given in the contract documents. The contractor is responsible for confirming and correlating all quantities and dimensions: selection fabrication processes and techniques of construction: coordinating this work with that of all other trades: and performing his work in a safe and satisfactory manner.

By Jonathan Smith Date 3/11/2026

City of Orange
Public Works Department - Water Division

PROPOSAL

Project: Orange – 2" water meter

Date: 03/10/2026

ITEM NO.	DESCRIPTION	UNIT	EST. QTY	ITEM PRICE	TOTAL
1	Install 1 1/2" water meter	LS	1	$8,200	$8,200
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
				TOTAL	**$8,200.00**

Quotation prepared by: JAVIER CASTRO

To accept this quotation, sign here and return: _____

Thank you for your business!

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Orange
300 East Chapman Avenue
Orange, California 92866
Attention: City Clerk

[*Space above this line for Recorder's use only.]*

THIS DOCUMENT IS RECORDED AT THE REQUEST AND FOR THE BENEFIT OF THE CITY OF ORANGE AND IS EXEMPT FROM THE PAYMENT OF A RECORDING FEE PURSUANT TO GOVERNMENT CODE SECTIONS 6103 AND 27383.

NOTICE OF COMPLETION AND ACCEPTANCE

NOTICE IS HEREBY GIVEN that work on that certain public work and improvements known as "Annual Pipeline Renewal Project, Bid No. 25-26.04; W-725" (herein referred to as the "Project"), for the owner, the City of Orange, a municipal corporation (herein referred to as the "City"), whose address is 300 E. Chapman Avenue, Orange, CA 92866, was completed and accepted by the City Council of the City of Orange on August 25, 2026 at a regular meeting of its members, at which a quorum was present and acting throughout. The Contractor who performed (or caused to be performed) said public work and improvements was All Cities Engineering, Inc., a California corporation, with its principal office at 5881 Snowgrass Trail, in the City of Riverside, State of California.

The name of the surety on the Labor and Material Bond for the Project is U.S. Specialty Insurance Company (Bond# S063604) in the amount of $1,190,075.01.

DATED as of the 25th day of August 2026.

CITY OF ORANGE, a municipal corporation

By:_____
Daniel R. Slater
Mayor of the City of Orange

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Daniel R. Slater, Mayor of the City of Orange, state that I have read the foregoing document, know the contents thereof, and that the facts therein stated are true of my own knowledge. I hereby declare under penalty of perjury that the foregoing is true and correct.

DATED as of the 25th day of August 2026 at Orange, California.

_____
Daniel R. Slater, Mayor of the City of Orange

I, Pamela Coleman, City Clerk for the City of Orange, hereby attest that Daniel R. Slater is known to me to be the Mayor of the City of Orange and known to me to be the person who executed the within instrument on behalf of said municipal corporation, and acknowledged to me that the City of Orange executed the same.

_____
Pamela Coleman, City Clerk of the City of Orange

Agenda Item

Orange City Council

Item #: 3.12. 8/25/2026 **File #:** 26-0470

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

First Amendment to Contract with CJ Concrete Construction, Inc. for Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026

2. SUMMARY

The City of Orange has entered into a contract with CJ Concrete Construction, Inc. for the Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026. Additional locations have been added to the agreed bid unit prices in the amount of $105,100.

3. RECOMMENDED ACTION

1. Approve the amendment to the contract with CJ Concrete Construction, Inc. in the amount of $105,100 for Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026; and authorize the Mayor and the City Clerk to execute on behalf of the City.

2. Authorize the continuing appropriation of $161,604.93 from the Fiscal Year 2026 CIP budget account into the Fiscal Year 2027 budget:

   500-5101-87102-255702- Pavement Management Program

4. FISCAL IMPACT

The expense for this amendment is $105,100 and will be funded through Capital Projects (500):
500-5101-87102-255702-20 Pavement Management Program

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

The City Council Awarded the Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026 on June 23, 2026, to CJ Concrete Construction, Inc. The project addresses concrete repairs identified by the Public Works Department, replacing sidewalk displacements and lifted curbs and gutters.

The unit bid prices from CJ Concrete Construction, Inc., were very favorable to the City to increase the scope of work. As such, staff recommends adding approximately 4,650 square feet of sidewalk,

600 linear feet of curb and gutter and 150 square feet of driveway approaches.

The awarded contract amount for CJ Concrete Construction, Inc. was $597,816.00 including the 15% contingency. First Amendment to the contract represents 17.5% increase from the original awarded contract amount bringing the total contract amount of total awarded contract amount to $702,916.

7. ATTACHMENTS

- First Amendment to Contract

Agenda Item

Orange City Council

Item #: 3.12. 8/25/2026 **File #:** 26-0470

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Christopher Cash, Public Works Director**

1. SUBJECT

First Amendment to Contract with CJ Concrete Construction, Inc. for Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026

2. SUMMARY

The City of Orange has entered into a contract with CJ Concrete Construction, Inc. for the Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026. Additional locations have been added to the agreed bid unit prices in the amount of $105,100.

3. RECOMMENDED ACTION

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2. Authorize the continuing appropriation of $161,604.93 from the Fiscal Year 2026 CIP budget account into the Fiscal Year 2027 budget:

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4. FISCAL IMPACT

The expense for this amendment is $105,100 and will be funded through Capital Projects (500):
500-5101-87102-255702-20 Pavement Management Program

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

The City Council Awarded the Annual Concrete Replacement at Various Locations Fiscal Year 2025-2026 on June 23, 2026, to CJ Concrete Construction, Inc. The project addresses concrete repairs identified by the Public Works Department, replacing sidewalk displacements and lifted curbs and gutters.

The unit bid prices from CJ Concrete Construction, Inc., were very favorable to the City to increase the scope of work. As such, staff recommends adding approximately 4,650 square feet of sidewalk,

600 linear feet of curb and gutter and 150 square feet of driveway approaches.

The awarded contract amount for CJ Concrete Construction, Inc. was $597,816.00 including the 15% contingency. First Amendment to the contract represents 17.5% increase from the original awarded contract amount bringing the total contract amount of total awarded contract amount to $702,916.

7. ATTACHMENTS

- First Amendment to Contract

FIRST AMENDMENT
TO
CONTRACT
[Annual Concrete Replacement at Various Locations
FY 2025-2026, (Bid No. 25-26.15)]

THIS FIRSTAMENDMENT TO CONTRACT (the "First Amendment to Contract") is made and entered into as of _____, 2026 ("Effective Date") by and between the CITY OF ORANGE, a municipal corporation ("City"), and CJ CONCRETE CONSTRUCTION, INC., a California corporation ("Contractor"), with reference to the following.

A. City and Contractor entered into a Contract (Agreement No. AGR-7813.A) dated as of June 23, 2026, which is incorporated herein by this reference (the "Original Contract"); and

B. City and Contractor desire to modify, amend and supplement certain portions of the Original Contract by increasing the compensation.

NOW, THEREFORE, the parties hereby agree as follows:

Section 1. **Defined Terms.** Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Original Contract.

Section 2. **Cross-References.** City and Contractor agree that all references in this First Amendment are deemed and construed to refer to the Original Contract, as implemented by this First Amendment.

Section 3. **Compensation**. Article 3 of the Original Contract is hereby amended to increase the total not-to-exceed compensation for the services to be rendered by ONE HUNDRED FIVE THOUSAND ONE HUNDRED DOLLARS and 00/100 ($105,100.00) and Sections 3.a and 3.c are hereby amended in their entirety to read as follows:

> **"a.** Contractor agrees to receive and accept an amount not to exceed SIX HUNDRED TWENTY-FOUR THOUSAND NINE HUNDRED FORTY DOLLARS and 00/100 ($624,940.00) as compensation for furnishing all materials and doing all the Work contemplated and embraced in this Contract. Said compensation covers (1) all loss or damage arising out of the nature of the Work, from the acts of the elements; (2) any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the Work until its acceptance by City, other than as provided below; (3) all risks of every description connected with the Work; (4) all expenses incurred by or in consequence of the suspension or discontinuance of the Work; and (5) well and faithfully completing the Work, and for the whole thereof, in the manner and according to the Plans and Specifications, and requirements of the Authorized City Representative under them. Retention amounts shall be withheld from progress payments as required by law unless Contractor provides securities in lieu of retention."

"c. The total amount of compensation under this Contract, including contingencies, shall not exceed SEVEN HUNDRED TWO THOUSAND NINE HUNDRED SIXTEEN DOLLARS and 00/100 ($702,916.00)."

Section 4. Integration. This First Amendment amends, as set forth herein, the Original Contract and, except as specifically amended hereby, the Original Contract shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this First Amendment and the terms and provisions of the Original Contract, the terms and provisions of this First Amendment shall control and govern the rights and obligations of the parties.

IN WITNESS of this First Amendment, the parties enter into this First Amendment on the year and day first above written.

"CONTRACTOR"

CJ CONCRETE CONSTRUCTION, INC.,
a California corporation

*By: _____
Printed Name: John C. Sarno
Title: President

*By: _____
Printed Name: John C. Sarno
Title: Vice President

"CITY"

CITY OF ORANGE, a municipal corporation

By: _____
Daniel R. Slater, Mayor

ATTEST:

_____
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____
Connor Hyland
Senior Assistant City Attorney

NOTE:** ***If CONTRACTOR is a corporation, the City requires the following signature(s):

-- ***(1) the Chairman of the Board, the President or a Vice-President, AND (2) the Secretary, the Chief Financial Officer, the Treasurer, an Assistant Secretary or an Assistant Treasurer. If only one corporate officer exists or one corporate officer holds more than one corporate office, please so indicate. OR***

-- ***The corporate officer named in a corporate resolution as authorized to enter into this Agreement. A copy of the corporate resolution, certified by the Secretary close in time to the execution of the Agreement, must be provided to the City.***

√

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"CONTRACTOR"	"CITY"
CJ CONCRETE CONSTRUCTION, INC., a California corporation	CITY OF ORANGE, a municipal corporation
*By:_____ Printed Name:_____ Title:_____	By:_____ Daniel R. Slater, Mayor
*By: _____ Printed Name: _____ Title: _____	ATTEST: _____ Pamela Coleman, City Clerk
	APPROVED AS TO FORM: _____ Connor Hyland Senior Assistant City Attorney

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√ X

Agenda Item

Orange City Council

Item #: 3.13. 8/25/2026 **File #:** 26-0463

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Nathalie Adourian, City Attorney**

1. SUBJECT

Response to the 2025-2026 Orange County Grand Jury Report, “PFAS and Public Awareness: A Closer Look at Orange County Drinking Water”

2. SUMMARY

The 2025-2026 Orange County Grand Jury issued its report entitled “PFAS and Public Awareness: A Closer Look at Orange County Drinking Water.” The City of Orange is required to respond to certain findings and recommendations contained in the report. The City’s proposed response is presented to the City Council for consideration and approval.

3. RECOMMENDED ACTION

Approve the City of Orange response to the 2025-2026 Orange County Grand Jury Report, “PFAS and Public Awareness: A Closer Look at Orange County Drinking Water,” and authorize the Mayor to execute the response on behalf of the City Council.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology.

6. DISCUSSION AND BACKGROUND

The 2025-2026 Orange County Grand Jury issued the report “PFAS and Public Awareness: A Closer Look at Orange County Drinking Water,” which includes findings and recommendations directed to water agencies throughout Orange County. The City of Orange is required to respond to Findings F2, F4, F6, and F8 and Recommendations R2, R4, and R5.

Pursuant to California Penal Code Sections 933 and 933.05, the City Council is required to respond to the findings and recommendations pertaining to matters under its control. The proposed City response is attached for the City Council’s consideration and approval.

Upon approval, the response will be submitted to the Presiding Judge of the Orange County Superior Court as required by law.

7. ENVIRONMENTAL REVIEW

The proposed action is not subject to the California Environmental Quality Act (CEQA) because it does not constitute a “project” within the meaning of CEQA Guidelines Section 15378, as it will not result in a direct or reasonably foreseeable indirect physical change in the environment.

7. ATTACHMENTS

- Proposed City of Orange Response to the 2025-2026 Orange County Grand Jury Report, “PFAS and Public Awareness: A Closer Look at Orange County Drinking Water”
- 2025-2026 Orange County Grand Jury Report, “PFAS and Public Awareness: A Closer Look at Orange County Drinking Water”

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CITY OF ORANGE

Office of Mayor PHONE: (714) 744-2211 • FAX: (714) 744-5523 www.cityoforange.org

August 12, 2026

The Honorable Sheila F. Hanson
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Response to the 2025-2026 Orange County Grand Jury Report "PFAS and Public Awareness – A Closer Look at Orange County Drinking Water"

Dear Honorable Judge Hanson:

The following is the City of Orange's response to the findings and recommendations contained in the Orange County Grand Jury Report, "PFAS and Public Awareness – A Closer Look at Orange County Drinking Water." The City of Orange is required to respond to Findings F-2, F-4, F-6, and F-8, and Recommendations R-2, R-4, and R-5.

FINDINGS:

F-2. PFAS is widespread, and contamination has been detected in Orange County groundwater sources. Community water systems are required to report PFAS monitoring results in their annual Consumer Confidence Reports.

City's Response: The City agrees with this finding.

PFAS are human-made chemicals that have been used in consumer products such as carpets, clothing, fabrics for furniture, paper packaging for food, fire-fighting foams, and other materials designed to be waterproof, stain-resistant, or nonstick. PFAS has been detected in water throughout the United States and has been detected in Orange County groundwater sources. Orange County has led the nation in PFAS testing and treatment to remove PFAS from its groundwater.

Beginning in 2027, community water systems must include applicable PFAS monitoring and compliance information in their Consumer Confidence Reports (CCR). The City of Orange currently includes its PFAS test results in its CCR.

F-4. OCWD has taken a proactive leadership role in addressing PFAS in the Orange County Groundwater Basin, though PFAS treatment implementation varies across local cities and water districts.

City's Response: The City agrees with the finding.

The City of Orange agrees that the Orange County Water District (OCWD) has taken a proactive leadership role in addressing PFAS in Orange County and has done so in a collaborative manner with water retailers, regulatory agencies, and industry experts. OCWD has been committed to ensuring that the Orange County community is knowledgeable about PFAS and that the local water agencies have the resources to address PFAS contamination. OCWD implemented a PFAS treatment policy that enables constructing treatment facilities for impacted water agencies, including the City of Orange, by funding 100% of design and construction costs, with operation and maintenance costs shared 50/50 with the retail water agency. The resulting treatment program has been systematic, coordinated, and consistent between water retailers and OCWD for the benefit of Orange County communities.

F-6. Orange County drinking water meets or exceeds state and federal standards and is safe for consumption without additional home filtration.

City's Response: The City agrees with the finding.

The City of Orange agrees that the drinking water provided by the City to its customers meets applicable state and federal drinking water standards and is safe for consumption. The City continuously monitors its water supplies and conducts thousands of water quality tests each year throughout the service area to ensure the water we serve to our community is of high quality and safe without additional home filtration.

F-8. There are limited online PFAS education and outreach programs among Orange County water retailers. Most retailers rely on OCWD for PFAS education and outreach. PFAS advisories were included in approximately 55% of the Orange County water retailers' annual water quality reports in 2025.

City's Response: The City partially disagrees with this finding.

Specifically, the City disagrees with the characterization that there are limited PFAS education and outreach efforts among water retailers, as applied to the City of Orange. Like many water agencies, the City collaborates with other water utilities and OCWD to synthesize a uniform, concise message about PFAS contamination and potential health effects for the public. The City regularly responds to questions from our customers related to PFAS and other contaminants in drinking water.

Regarding the inclusion of PFAS advisories in the annual water quality report in 2025, the City's 2025 CCR contains test results, sampling dates, notification levels, ranges of detections, and the public health goals for various PFAS compounds. The City's CCR is posted online,

and customers are informed about the report on their utility bills. Additionally, the City advertises the availability of the water quality report in the local newspaper to reach a wider audience.

RECOMMENDATIONS:

R-2. By July 1, 2029, OCWD and its member agencies should monitor PFAS in groundwater and surface water sources and promptly implement PFAS treatment when response levels are exceeded.

City's Response: The recommendation is being implemented and will be complete by July1, 2029.

The City is currently monitoring all its groundwater sources for PFAS as required by the State Water Resources Control Board and the U.S. Environmental Protection Agency. PFAS treatment systems have been installed at 8 groundwater wells. These systems are in operation and the selected ion exchange technology has been effective in removing PFAS. An additional four wells at three different locations are in design with construction scheduled to begin in early 2027. When response levels are exceeded, Orange has removed the well from operation immediately and implemented treatment for PFAS before the well can be brought back into service.

R-4. By July 1, 2029, all Orange County water retailers should consistently include a PFAS advisory, treatment facilities status, and compliance information in consumer confidence reports and on agency websites, using clear and understandable language for the public.

City's Response: The recommendation is being implemented and will be complete by July 1, 2029.

By July 1, 2029, the City will include the appropriate PFAS advisory, when such advisory is required, and compliance information in its CCR and on its website, using clear and understandable language for the public. Orange will include an advisory in its CCR if it has a detection for PFAS, as defined by federal and state regulations. Regarding the treatment facilities status, our wells will have PFAS treatment systems operational when they are in service.

R-5. By September 30, 2026, OCWD and all Orange County water retailers should enhance coordinated public education efforts to reassure their customers about drinking water safety.

City's Response: The recommendation is being implemented.

The City has made consistent efforts to promote drinking water safety through public outreach and education. Orange plans to continue engaging the public through social media, tours, community events, and student engagement to enhance awareness and educate customers about drinking water safety.

Thank you for your service and efforts on behalf of the City of Orange. We hope this response will be helpful.

Sincerely,

Dan Slater
Mayor, City of Orange

cc: The Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

BCC:
Jarad L. Hildenbrand, City Manager
Nathalie Adourian, City Attorney

PFAS and Public Awareness

A Closer Look at Orange County Drinking Water

Orange County Grand Jury 2025-2026

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SUMMARY

Per- and Polyfluoroalkyl Substances (PFAS) form a broad class of thousands of synthetic chemicals characterized by strong carbon–fluorine bonds and are among the most durable compounds in organic chemistry. This bond strength makes PFAS highly resistant to breaking down, allowing them to persist in the environment for decades or longer. Because of this persistence, PFAS are often called “forever chemicals.”

Various industries have used PFAS in consumer and commercial applications since the 1940s because their chemical properties provide water, oil, and stain resistance, as well as heat stability. These properties support applications across numerous sectors, including aerospace, automotive, textiles, firefighting foams, food packaging, electronics, and medical devices. As a result of their widespread use and persistence, PFAS now appear globally in water, air, soil, wildlife, and human blood.

Scientific studies continue to show associations between PFAS exposure and harmful health effects in humans and animals, although the degree of risk varies by compound. In response, federal and state agencies, including the United States Environmental Protection Agency (EPA) and the United States Food and Drug Administration (FDA), began accelerating regulatory actions in the 2010s to reduce PFAS exposure, enhance monitoring, and develop treatment and disposal methods.

This report identifies and describes PFAS levels detected by Orange County drinking water agencies. It evaluates how these agencies have responded to recent PFAS regulatory requirements. It also examines the progress of PFAS treatment facility planning and installation, along with implementation of public education programs related to PFAS in drinking water. This report’s findings and recommendations aim to strengthen PFAS reporting in annual Water Quality Reports (Consumer Confidence Reports) and expand public outreach by Orange County drinking water agencies.

BACKGROUND

PFAS are a large group of man-made "forever chemicals" produced since the 1940s, known for extreme persistence, environmental mobility, and bioaccumulation due to strong carbon-fluorine bonds.[1] Used in water/stain-resistant coatings, firefighting foams, industrial processes, PFAS have contaminated soil, water, and air globally.

[1] Elsie M. Sunderland, et al., “A review of the pathways of human exposure to poly- and perfluoroalkyl substances (PFASs) and present understanding of health effects,” *Journal of Exposure Science & Environmental Epidemiology*, November 23, 2018, accessed March 16, 2026, https://sunderlandlab.org/assets/sunderland_jeseerev_2018wsi.pdf.

Contaminated drinking water has led to high levels of exposure to PFOA, PFOS, and other PFAS[2] for some populations residing near manufacturing facilities. Workers in facilities that make or use PFAS can be exposed to higher amounts of these chemicals and have higher levels in their blood.[3] Infants may be exposed to PFAS through breastfeeding.[4]

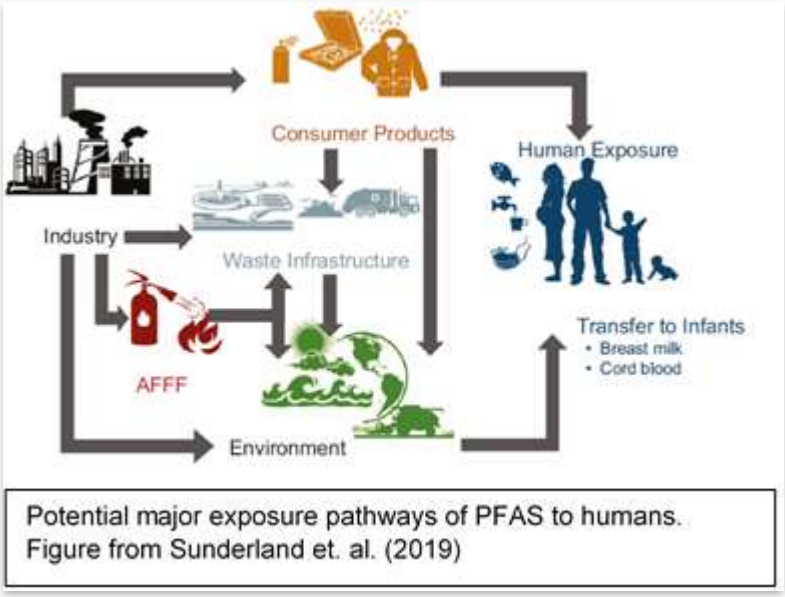

Figure 1 - Potential Major Exposure Pathways of PFAS to Humans[5]

PFAS, especially PFOA and PFOS, have been detected in air, water, and soil in and around manufacturing facilities. However, these releases have been declining since companies began phasing out the production and use of several PFAS in the early 2000s.[6] Due to their chemical structure, PFAS are very stable in the environment and are resistant to breaking down. Some PFAS are volatile and can be carried long distances through the air, which may lead to contamination of soils and groundwater far from the source of the PFAS emission.[7]

The four major sources of PFAS are: fire training/fire response sites, industrial sites, landfills, and wastewater treatment plants/biosolids. PFAS can get into drinking water when products containing them are used or spilled onto the ground or into lakes and rivers. Once in groundwater, PFAS are easily transported long distances and can

[2] Kyle Steenland, Tony Fletcher, and David A. Savitz, "Epidemiologic Evidence on the Health Effects of Perfluorooctanoic Acid (PFOA)," *National Library of Medicine*, accessed May 12, 2026, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2920088/.
[3] Sunderland, "A review of the pathways of human exposure."
[4] Ibid.
[5] Ibid.
[6] Ibid.
[7] "Frequently Asked Questions (FAQs) PFAS General," California State Water Resources Control Board, March 4, 2019, https://www.waterboards.ca.gov/pfas/docs/pfas_general_faq.pdf.

contaminate drinking wells. PFAS in the air can also end up in rivers and lakes used for drinking water.[8]

PFAS have been used extensively in surface coating and protectant formulations due to their unique ability to repel oil, grease, and water. Major applications have included protectants for paper and cardboard packaging products, carpets, leather products, and textiles that enhance water, grease, and soil repellency, and in firefighting foams. PFAS have also been used as processing aids in the manufacture of nonstick coatings on cookware. Common consumer products containing PFAS include Teflon, Gore-Tex and Scotchgard.[9]

Background Summary of PFAS and Its Effects

Source and Exposure: Primary sources include industrial sites, firefighting training, landfills, and wastewater treatment plants. They enter drinking water, food, and indoor dust, resulting in widespread human exposure.

Health and Environmental Impact: PFAS are associated with adverse effects, including cancer (i.e. testicular, kidney), developmental delays, liver damage, and high cholesterol. They do not break down easily, leading to "background" contamination even in remote areas.[10]

Regulation and Action: While major US manufacturing of certain PFAS ended around 2015, they remain in products and in the environment. The EPA has established Maximum Contaminant Levels (MCLs) for drinking water.[11]

"Forever Chemicals" Definition: Their chemical structure, featuring one of the strongest bonds in organic chemistry, makes them resistant to heat, water, and oil, thus earning them the nickname "forever chemicals."[12]

In Orange County, PFAS have been detected in the **Orange County Groundwater Basin**, which provides 77% to 85% of the drinking water for north and central parts of the county. Local agencies have taken a proactive stance, shutting down dozens of impacted wells and building some of the nation's largest treatment facilities to ensure tap water meets safety standards.[13]

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[8] "PFAS background," California State Water Resources Control Board, January 14, 2025, https://www.waterboards.ca.gov/pfas/background.html
[9] Ibid.
[10] "PFAS Explained," EPA, accessed March 11, 2026, https://www.epa.gov/pfas/pfas-explained.
[11] "Per- and Polyfluoroalkyl Substances (PFAS), Final PFAS National Primary Drinking Water Regulation," Accessed May 12, 2026, https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas.
[12] Ibid.
[13] University of California, Irvine, "UCI PFAS Health Study, Frequently Asked Questions," accessed May 12, 2026, https://sites.uci.edu/pfas/frequently-asked-questions/.

REASON FOR STUDY

Recent regulatory actions related to PFAS have created significant operational, financial, and communication challenges for drinking water agencies across California. Orange County agencies face an intensifying timeline due to the region's reliance on groundwater supplies, the presence of PFAS in local aquifers, and the need to comply with evolving state and federal standards. As regulatory and monitoring requirements expand, agencies must rapidly adapt their treatment strategies, capital planning, and public outreach efforts.

This study is necessary to provide a clear, up-to-date understanding of how Orange County drinking water agencies are responding to these new requirements. Evaluating the status of PFAS treatment planning and installation helps illustrate the extent of infrastructure readiness, the pace of implementation, and the challenges agencies encounter as they work to bring new systems online. At the same time, assessing the development and delivery of PFAS-related education programs offers insight into how effectively agencies are communicating risks, regulatory changes, and water quality information to the public.

By documenting current conditions and identifying gaps or emerging needs, the study supports informed decision-making among water providers, policymakers, and ratepayers. This work helps ensure that Orange County communities receive safe drinking water and that agencies are equipped to meet regulatory expectations while maintaining public trust.

METHOD OF STUDY

The Orange County Grand Jury investigated the PFAS in Orange County drinking water to provide a clear and accurate assessment. The Grand Jury based its study on a comprehensive review of multiple sources, including interviews, public records, field investigations, and relevant news articles. Multiple independent sources corroborated and validated all facts, findings, and recommendations presented in the report.

- Interviewed several Orange County governmental leaders and senior staff directly involved in managing drinking water quality
- Reviewed and analyzed key documents related to the investigation, including:
    - Published Water Quality reports from all Orange County water retailers
    - Records from all Orange County water agencies
- Examined news articles and publications relevant to the topic.
- Conducted extensive internet research.

- Performed field investigations in which Grand Jury members visited several water management agencies to directly observe and assess drinking water processes.

INVESTIGATION AND ANALYSIS

The 2025-2026 Orange County Grand Jury investigated the presence of PFAS in Orange County drinking water and the response of Orange County community water systems. Community water systems (CWS) are city, county, regulated utilities, regional water systems and even small water companies and districts where people live. Non-community water systems[14] provide drinking water to the public at locations where people do not reside permanently. The investigation included evaluation of Orange County CWS compliance with federal and state PFAS monitoring and reporting requirements and the extent of the voluntary response to PFAS contamination. The Grand Jury also evaluated annual Consumer Confidence Reports, also called Annual Water Quality Reports, which are issued annually by CWS and distributed to their customers.

Orange County Drinking Water Systems

The Grand Jury investigation was limited to community water systems (CWS) operated by cities or special districts that are regulated under the Safe Drinking Water Act .[15] CWS are defined as public water systems that serve at least 15 service connections used by yearlong residents, or regularly serve at least 25 yearlong residents of the area served by the system.[16] In Orange County, there are 31 such CWS that are operated by cities or special districts and that sell drinking water directly to customers on a retail basis. In this report, these Orange County CWS may be referred to as retail water districts or water retailers.

Drinking Water Sources

North and Central Orange County

Orange County is divided into two distinct areas when it comes to drinking water sources. There are 2.5 million residents of north and central Orange County, who receive about 85% of their drinking water supplies from the Orange County Groundwater Basin, and the remaining 15% of their water supplies are imported from

[14] “California Code, Health and Safety Code - HSC § 116275,” FindLaw, accessed May 21,2026, https://codes.findlaw.com/ca/health-and-safety-code/hsc-sect-116275/.
[15] “Summary of the Safe Drinking Water Act,” EPA, describing statutory authority at 42 U.S.C. § 300f et seq., accessed My 21, 2026, https://www.epa.gov/laws-regulations/summary-safe-drinking-water-act.
[16] “California Code, Health and Safety Code - HSC § 116275,” FindLaw.

the State Water Project and Colorado River delivered by Municipal Water District of Orange County (MWDOC).[17]

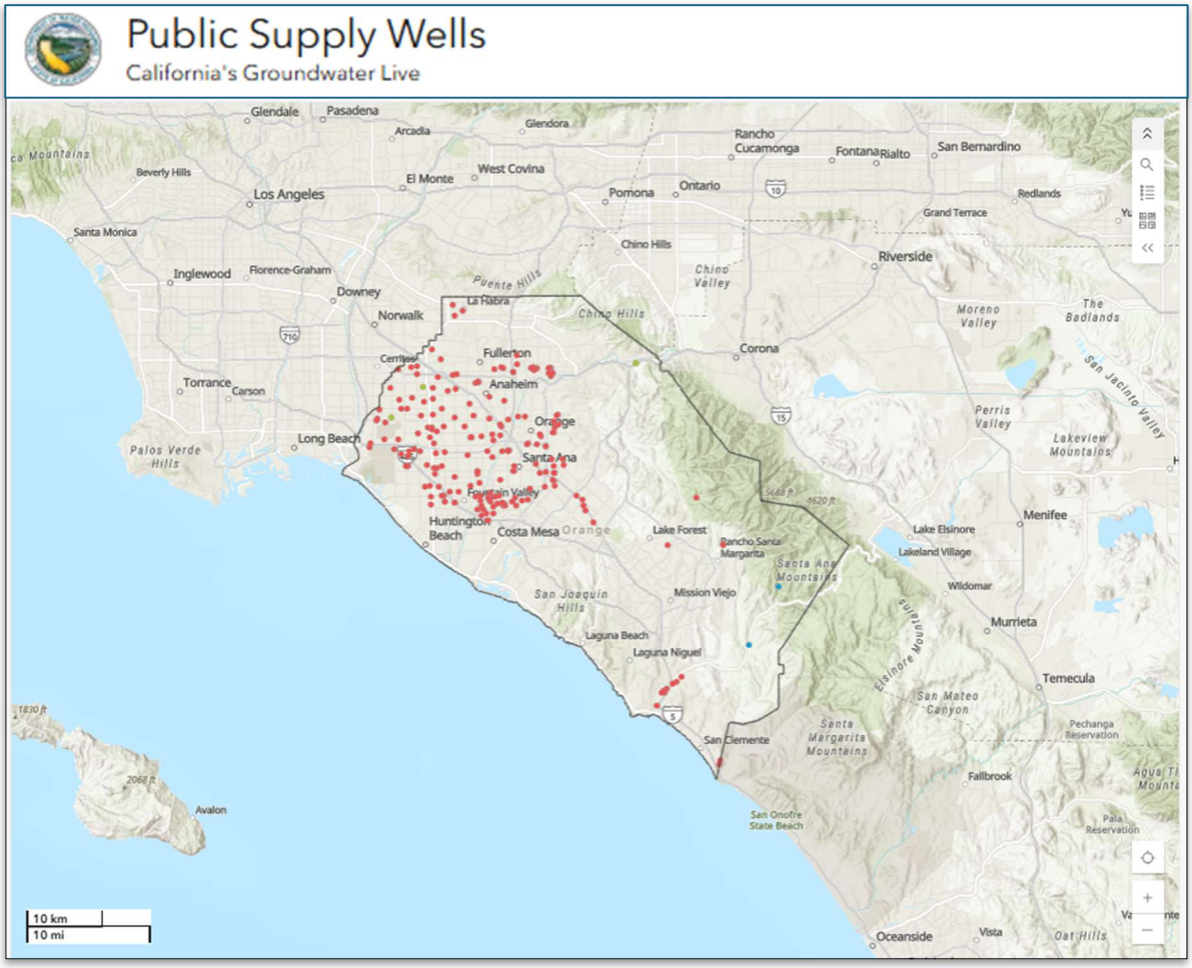
South Orange County

Approximately 600,000 residents of south Orange County rely primarily on imported water supplies delivered by MWDOC, and a few south County communities also have groundwater supplies from the San Juan Basin and surface water supplies from Irvine Lake (also referred to as the Santiago Reservoir).[18]

Public Supply Wells

According to the California Department of Water Resources (DWR) as of November 2024,[19] there were a total of 217 public supply wells for drinking water in Orange County. Of the 217 total wells, 211 were CWS wells and six were non-community water system wells. See Figure 2 for a Department of Water Resources map of Orange County groundwater public supply wells. This map illustrates the reliance of north and central Orange County on groundwater sources, and the reliance of south Orange County on imported water supplies.

[17] "How water works in Orange County," OCWD, accessed May 21, 2026, https://www.ocwd.com/learning-center/how-water-works-in-oc/.
[18] Ibid.
[19] "California's Groundwater Live: Well Infrastructure," California Department of Water Resources, accessed April 13, 2026, https://storymaps.arcgis.com/stories/f2b252d15a0d4e49887ba94ac17cc4bb.



Source: State of California, Department of Water Resources

Figure 2 - Orange County Groundwater Public Supply Wells

Orange County Water District

Orange County Water District (OCWD) manages the Orange County Groundwater Basin to ensure sustainable use through replenishment of groundwater and delivery of water supplies to its 19 member agencies. Some OCWD member agencies are also members of MWDOC.

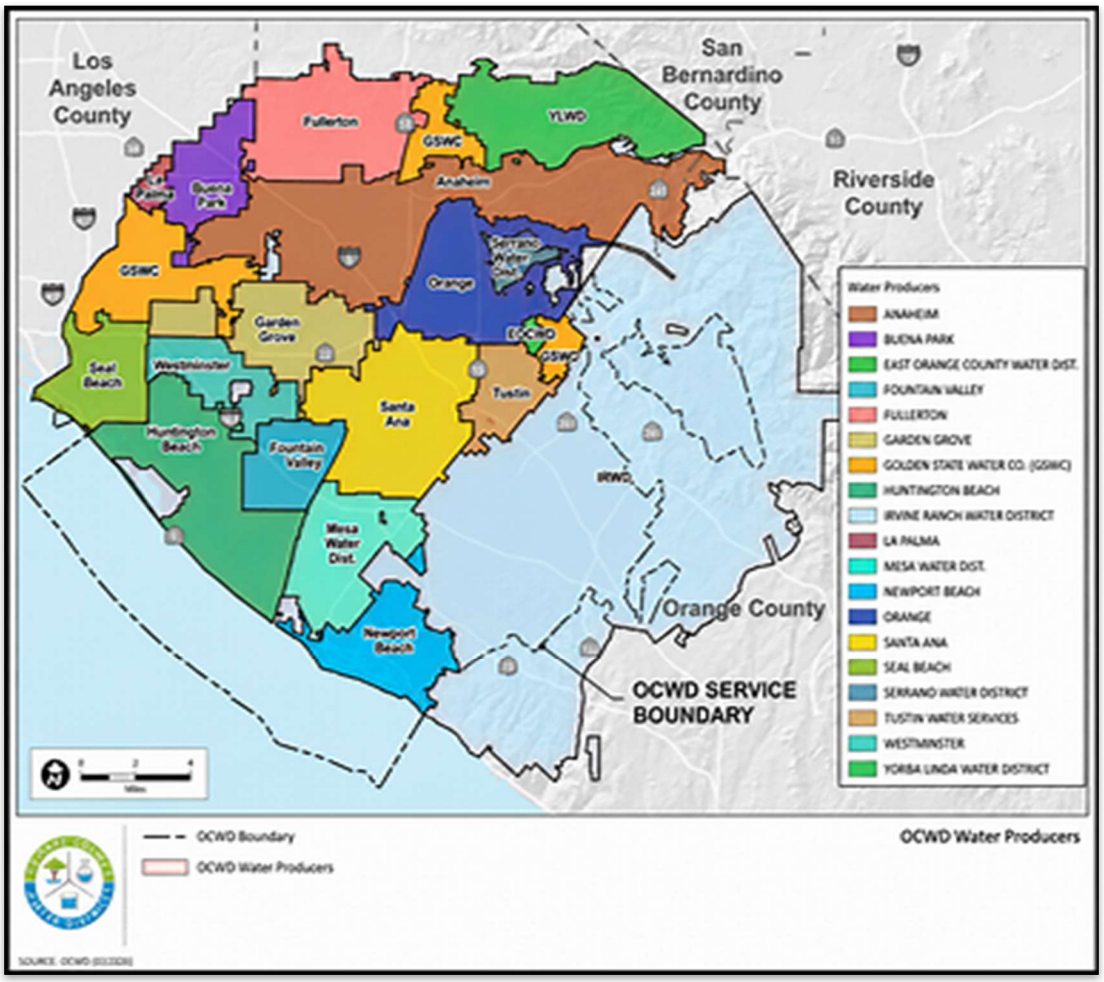
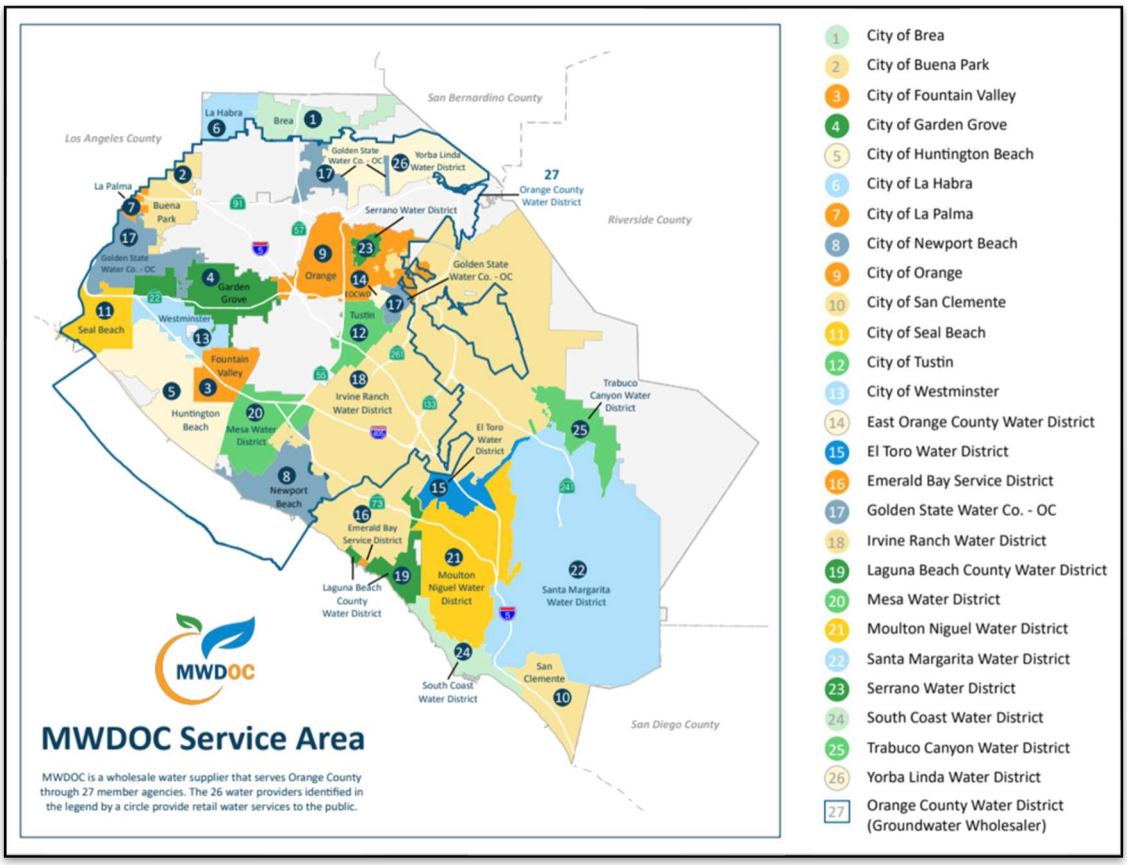


Figure 3 - Orange County Water District (OCWD) Service Area

Municipal Water District of Orange County

MWDOC is the wholesale water provider and resource planning agency that partners with the Metropolitan Water District of Southern California (MWD) to deliver imported water to its 27 member agencies.[20] Some MWDOC member agencies are also members of OCWD.

[20] "How water works in Orange County," OCWD.



Source: MWDOC

Figure 4 - Municipal Water District of Orange County (MWDOC) Service Area

PFAS and the Health Effects of Exposure

What are PFAS?

PFAS are a large group of many thousands of manufactured chemicals that are resistant to heat, oil, and water. Among the many thousands of different PFAS, some have been more widely used and studied than others.[21] PFAS have been used extensively in surface coating and protectant formulations due to their unique ability to reduce the surface tension of liquids, and their ability to repel oil, grease, water, and staining. Major applications have included use as processing aids in the manufacture of nonstick coatings on cookware, surface protectants for paper and cardboard such as disposable food packaging, microwave popcorn bags, pizza boxes, and candy wrappers. Other surface protectants include those used on furniture and carpets,

[21] "PFAS Explained," EPA.

leather products, outdoor gear, and textiles.[22] PFAS are also one of the main components of aqueous film forming foams (AFFF) used frequently at airports and military bases for firefighting and emergency response training activities.[23] It is important to note that PFAS-containing firefighting foams and other emergency response materials containing PFAS are no longer in use at Orange County airports and harbors.[24]

PFOA and PFOS are two types of PFAS of particular concern that are no longer manufactured or imported into the US. Trace amounts of PFOA and PFOS may still be contained in some imported goods and in other PFAS goods and materials that are still produced and used in the US.[25] Under the PFOA Stewardship Program with the EPA, eight major PFAS producers have phased out PFOA and other PFAS substances from their emissions and products; however, manufacturers are replacing substances in the PFAS family with others such as GenX and ADONA.[26]

Understanding the PFAS Cycle: How PFAS Moves Through the Environment

PFAS move through the environment in a repeating cycle through air, water, soil, products, animals, and humans. This is known as the PFAS cycle. This cycle can be described in four stages and is illustrated at Figure 5.[27]

Manufacturing and use. The PFAS cycle begins during manufacturing or everyday use of PFAS-containing consumer and industrial products. During manufacture and use, PFAS are released into the air, water, and soil. As more PFAS are manufactured and used, the more they accumulate because they are persistent and resistant to degradation.

Environmental spread. After PFAS are released to the environment, they move through wind, snowfall, rain, and runoff to soil and surface water, and infiltration to groundwater. Industrial sites and wastewater treatment plants are key entry points

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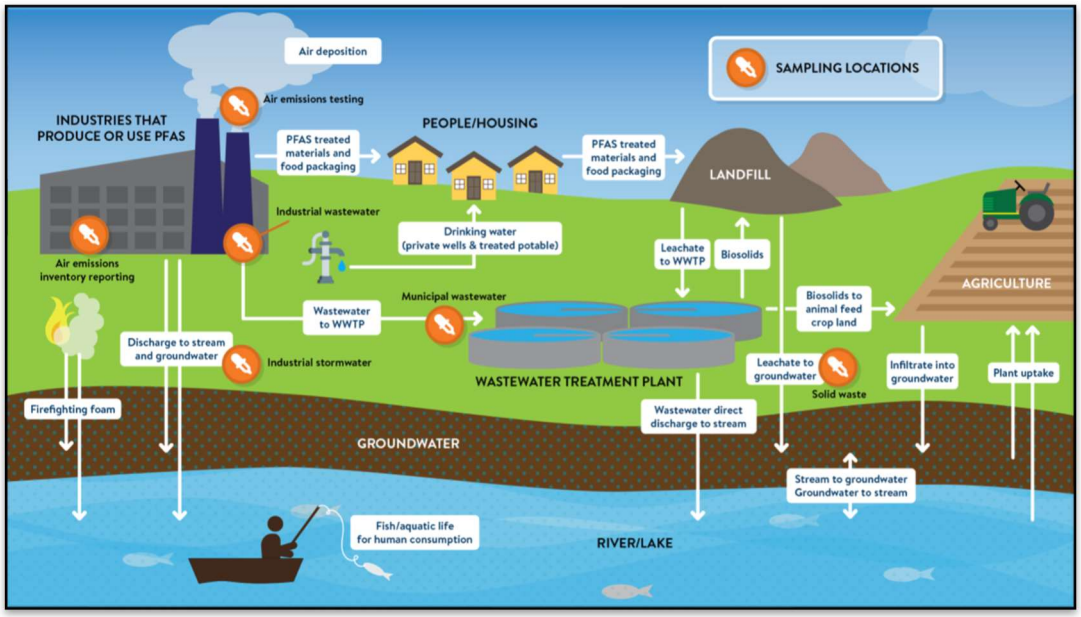
[22] "Our Current Understanding of the Human Health and Environmental Risks of PFAS," EPA, Accessed May 21, 2026, https://www.epa.gov/pfas/our-current-understanding-human-health-and-environmental-risks-pfas.
[23] Sunderland. "A review of the pathways of human exposure."
[24] "SB-1044 Compliance: Phasing Out PFAS in Class B Firefighting Foam," CAL FIRE, accessed April 17, 2026, https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/fire-fighting-equipment-and-foam-pfas.
[25] "PFAS – Frequently Asked Questions," California State Water Resources Control Board Division of Water Quality (SWRCB), 5, [3] 3M Company, "Fluorochemical use, distribution and release overview.," AR226-0550, 1999, updated March 19, 2020, accessed March 25, 2026, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.
[26] "Risk Management for Per- and Polyfluoroalkyl Substances (PFAS) under TSCA," EPA, accessed May 21, 2026, https://www.epa.gov/assessing-and-managing-chemicals-under-tsca/risk-management-and-polyfluoroalkyl-substances-pfas.
[27] "Understanding the PFAS Cycle," EcoPulse, accessed April 13, 2026, https://www.ecopulsenow.com/insights/understanding-the-pfas-cycle.

into the environment. PFAS are absorbed from the environment by plants and animals, and then move up the food chain.

Human exposure. Most people are exposed to PFAS through using PFAS-contaminated products, drinking contaminated water, and eating contaminated food such as fish caught from water contaminated by PFAS, and dairy products from livestock exposed to PFAS.[28] The US Centers for Disease Control (CDC) National Health and Nutrition Examination Survey (NHANES) estimated that in NHANES 2017–2018 data 98% of the US population had combined PFAS serum levels greater than 2 nanograms per milliliter.[29]

Re-entry. Even after disposal of PFAS products, PFAS can re-enter the environment through landfill leachate or runoff to soils, agricultural spreading of biosolids, and municipal wastewater treatment effluent discharges to surface water, resulting in PFAS cycling back into soil, animal feed crops, and water.



Source: Minnesota Pollution Control Agency

Figure 5 - The PFAS Cycle

What is the Source of PFAS in Orange County Groundwater?

Wastewater treatment plants located along the Santa Ana River that discharge effluent to the Santa Ana River upstream of managed aquifer recharge operations are sources

[28] "Risk Management for Per- and Polyfluoroalkyl Substances (PFAS) under TSCA," EPA.
[29] "National Health and Nutrition Examination Survey. NHANES 2017-18 Overview," Centers for Disease Control and Prevention (CDC), accessed April 16, 2026, https://wwwn.cdc.gov/nchs/nhanes/continuousnhanes/default.aspx?BeginYear=2017.

of PFAS contamination for public water systems downstream of these wastewater treatment plants.[30] The OCWD Groundwater Replenishment System (GWRS) actively manages and recharges the Orange County groundwater basin with surface water from the Santa Ana River, imported surface water, and purified recycled water from the GWRS. For much of the year, flow in the Santa Ana River consists predominantly of effluent from municipal wastewater treatment plants upstream from the Orange County groundwater basin.[31] Figure 6 illustrates these upstream wastewater discharges to the Santa Ana River.[32] PFAS has recently been measured in the Santa Ana River at concentrations consistent with wells surrounding the recharge facilities, suggesting that historic concentrations of PFAS in the Santa Ana River may be a primary input of PFAS in the Orange County groundwater basin.[33]

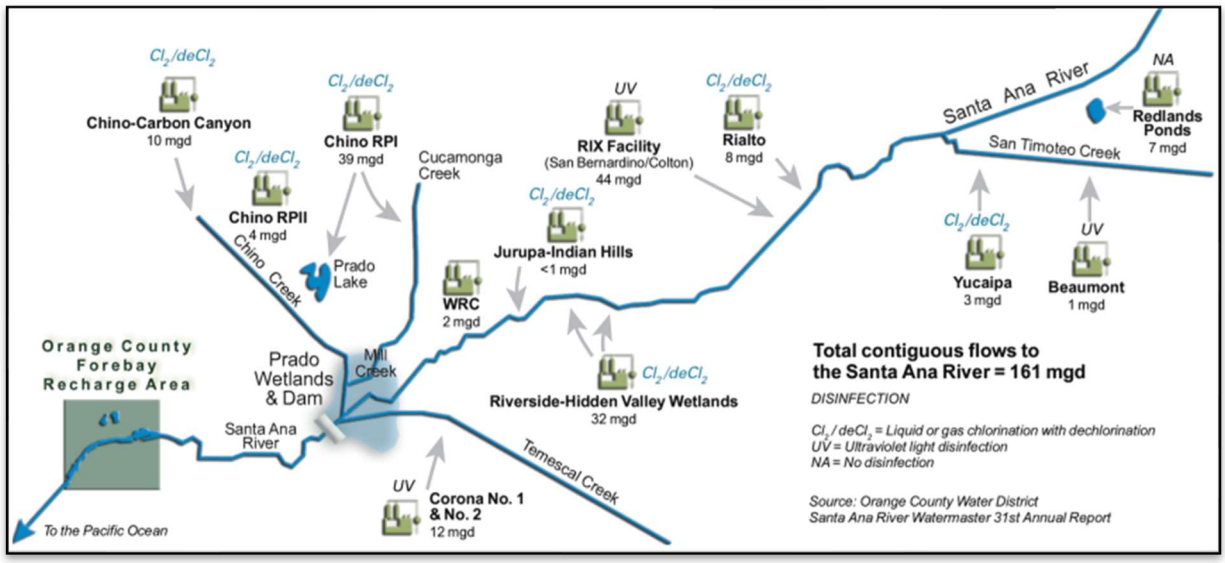


Figure 6 - Wastewater Treatment Discharges to the Santa Ana River

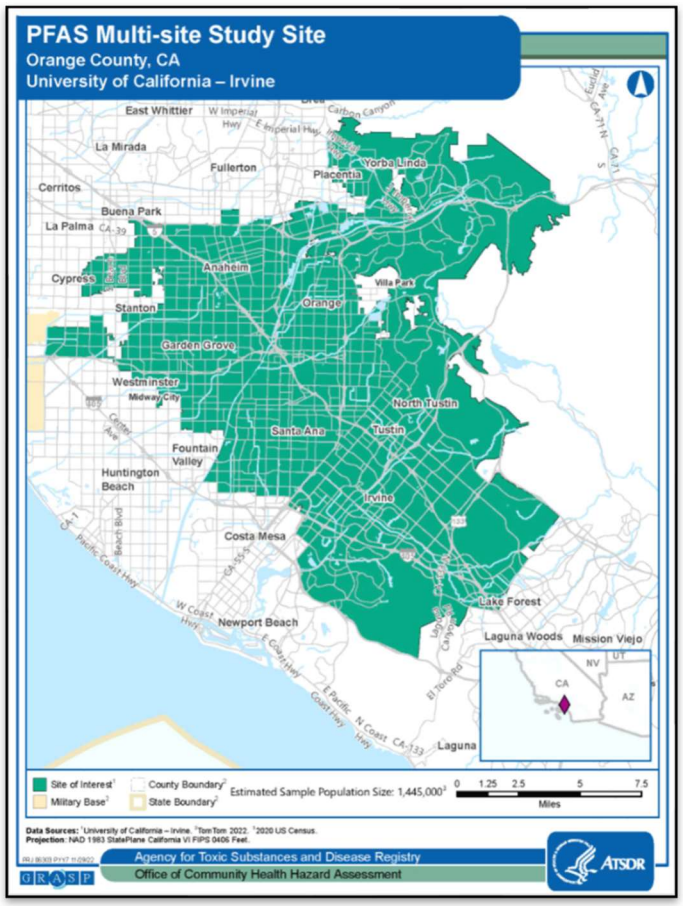
How Much PFAS is Found in the General Population?

Because of their widespread use and their persistence in the environment, many PFAS are found in the blood of people and animals all over the world.[34] CDC scientists have measured PFAS in the blood serum (the clear portion of blood) of 98% of participants

[30] "Per- and Polyfluoroalkyl Substances (PFAS), What are PFAS?" SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/santaana/water_issues/programs/pfas/.
[31] "UCI PFAS Health Study," University of California, Irvine, accessed May 12, 2026, https://sites.uci.edu/pfas/.
[32] National Water Research Institute, *Report of the Scientific Advisory Panel: Orange County Water District's Santa Ana River Water Quality and Health Study*, Fountain Valley, CA, 2004, accessed April 14, 2026, https://www.ocwd.com/wp-content/uploads/sarwqh-final-nwri-panel-report-2004.pdf.
[33] Russ Detwiler, *Reconstructing historical PFAS concentrations in groundwater using a reduced-order modeling framework.* Alburquerque NM, InterPore2025, May 20, 2025, accessed April 16, 2026, https://events.interpore.org/event/56/contributions/7590/.
[34] "PFAS Explained," EPA.

aged 12 years and older since 1999, indicating widespread exposure to PFAS in the US population.[35]

Researchers at the University of California, Irvine (UCI) are participating in the CDC Multi-site Study (MSS).[36] The MSS provides information to communities about the health effects of exposure to PFAS. The UCI MSS site is the area in Orange County, shown at Figure 7.

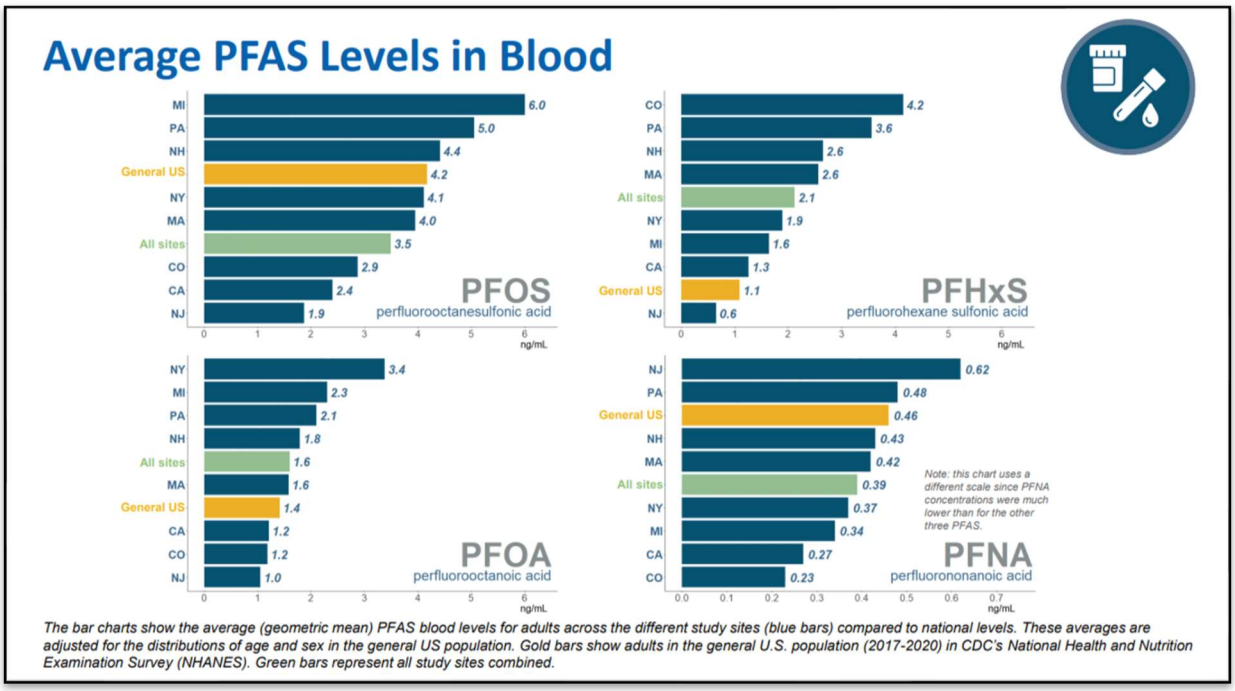


Source: CDC

Figure 7 - CDC Multi-site Study Site Orange County, CA

At the July 2025 MSS update, the UCI researchers shared results showing average levels of certain PFAS chemicals in the blood of adults who participated at the Orange County study site. They compared Orange County results with other study locations and with national averages. For adults at the Orange County site, the average blood levels were estimated to be 2.4 for PFOS, 1.2 for PFOA, 1.3 for PFHxS, and 0.27 for PFNA (measured in nanograms per milliliter, ng/L) These levels were lower than the averages seen across all study sites. In addition, all of these levels, except PFHxS, were lower than the average levels found in the general U.S. population. See Figure 8 for the UCI MSS chart of Average PFAS Levels in Blood.[37] On the chart, the Orange County study site is labeled “CA.” Orange County is the only California location included in the study.

[35] “PFAS Frequently Asked Questions,” SWRCB, 5, [8] CDC, “National Report on Human Exposure to Environmental Chemicals,” 2019, accessed April 23, 2026, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.
[36] “Multi-site Study,” CDC, Agency for Toxic Substances and Disease Registry (ATSDR), Per- and Polyfluoralkyl Substances (PFAS) and Your Health, accessed April 16, 2026, https://www.atsdr.cdc.gov/pfas/health-studies/multi-site-study.html.
[37] “PFAS Multi-site Study (MSS), Virtual Open House,” CDC, ATSDR, July 28, 2025, accessed April 16, 2026, https://www.atsdr.cdc.gov/media/pdfs/2025/08/Open-House-Slides-508.pdf.



Source: CDC

Figure 8 - Average PFAS Levels in Blood, CDC Multi-site Study Virtual Open House, July 2025

Because of the phasing out of certain PFAS compounds, serum levels of PFOA and PFOS in the general population of the US have decreased dramatically in recent years. According to the CDC, blood levels of both PFOS and PFOA have steadily decreased in US residents since 1999-2000.[38]

The half-life of PFAS in the human body is defined as the time required for the PFAS concentrations in serum or plasma to fall by half from the starting concentration.[39] Thirteen studies conducted mainly in Europe and the US involving both general populations and exposed workers resulted in half-life estimates for PFOA of 2.73 years (range: 1.48 to 5.1 years), 4.70 years for PFOS (range: 1.69 to 5.7 years), and 5.31 years for PFHxS (range: 2.84 to 8.5 years).[40] Based on that information, with no additional exposure, it could be anticipated that PFAS may be cleared from the body after an average of five years. However, PFAS exposures continue in general

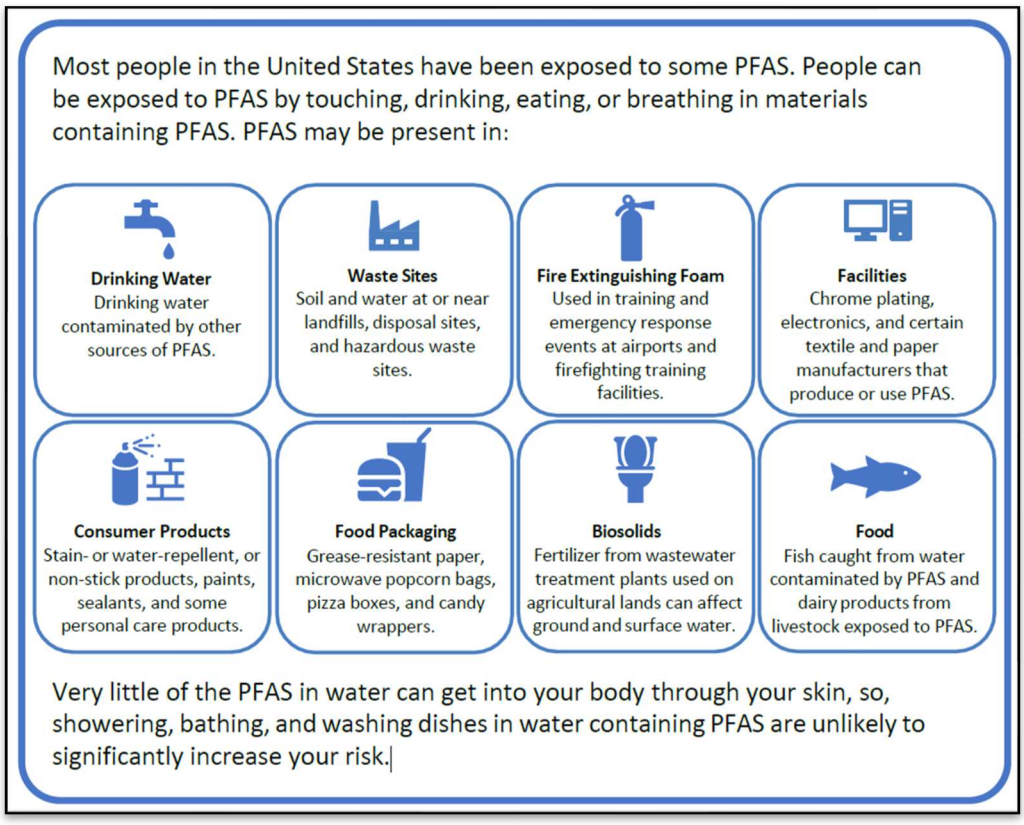
[38] "Per- and Polyfluoralkyl Substances (PFAS) and Your Health, Fast Facts: PFAS in the U.S. Population," CDC, ATSDR, https://www.atsdr.cdc.gov/pfas/data-research/facts-stats/index.html.
[39] Isabella Rosato, et al. "Estimation of per- and polyfluoroalkyl substances (PFAS) half-lives in human studies: a systematic review and meta-analysis," *Environmental Research*, Volume 242, February 1, 2024, 117743, accessed April 13, 2026, https://www.sciencedirect.com/science/article/pii/S0013935123025471.
[40] Isabella Rosato, et al. "Estimation of per- and polyfluoroalkyl substances (PFAS) half-lives."

populations primarily through food and water despite production phase outs and regulatory interventions.

How Are People Exposed to PFAS?

There is general agreement that dietary intake is the largest source of PFAS exposure rather than inhalation or dermal contact.[41] Direct exposures due to use in products can be quickly phased out by production phaseouts but exposures driven by PFAS accumulation in the environment, food chains, and contamination of groundwater and drinking water persist because of the continuing PFAS cycle. Human exposures to PFOS and PFOA, the two PFAS that are of greatest regulatory concern, have been declining due to regulatory interventions while understanding of their adverse effects on human health has been rapidly advancing. At the same time, a proliferation of new PFASs has rapidly replaced PFOS and PFOA with shorter chain length PFASs and new chemicals that are difficult to detect using standard methods.[42] Emerging evidence from animal experiments suggests some of these alternative PFASs can be equally hazardous.[43]

[41] Sunderland, “A review of the pathways of human exposure,” 136.
[42] Sunderland, “A review of the pathways of human exposure,” 132.
[43] Ibid.



Source: EPA

Figure 9 - How are people exposed to PFAS?[44]

PFAS Exposure and Excretion

Exposure happens when a person breathes, eats, drinks, or touches a chemical and it enters their body. Excretion is the process whereby substances, like PFAS, leave the body. All PFAS can leave the body over time through urine, through menstrual blood or blood donation, or through breast milk. All of these factors could affect PFAS levels measured in blood.[45] While PFAS blood test results can tell you the amount of certain PFAS in your blood, the test results will not provide information to pinpoint a health problem and will not predict future health outcomes. You can talk with your healthcare provider about the benefits and limitations of PFAS blood testing.[46]

[44] "PFAS Explained," EPA, 2, March 11, 2026, https://www.epa.gov/system/files/documents/2023-10/final-virtual-pfas-explainer-508.pdf.
[45] "Per- and Polyfluoralkyl Substances (PFAS) and Your Health, Preventing PFAS Exposure," CDC, ATSDR, accessed April 16, 2026, https://www.atsdr.cdc.gov/pfas/prevent-exposure/your-body.html.
[46] "Per- and Polyfluoralkyl Substances (PFAS) and Your Health, Testing for PFAS," CDC, ATSDR, accessed April 17, 2026, https://www.atsdr.cdc.gov/pfas/blood-testing/index.html.

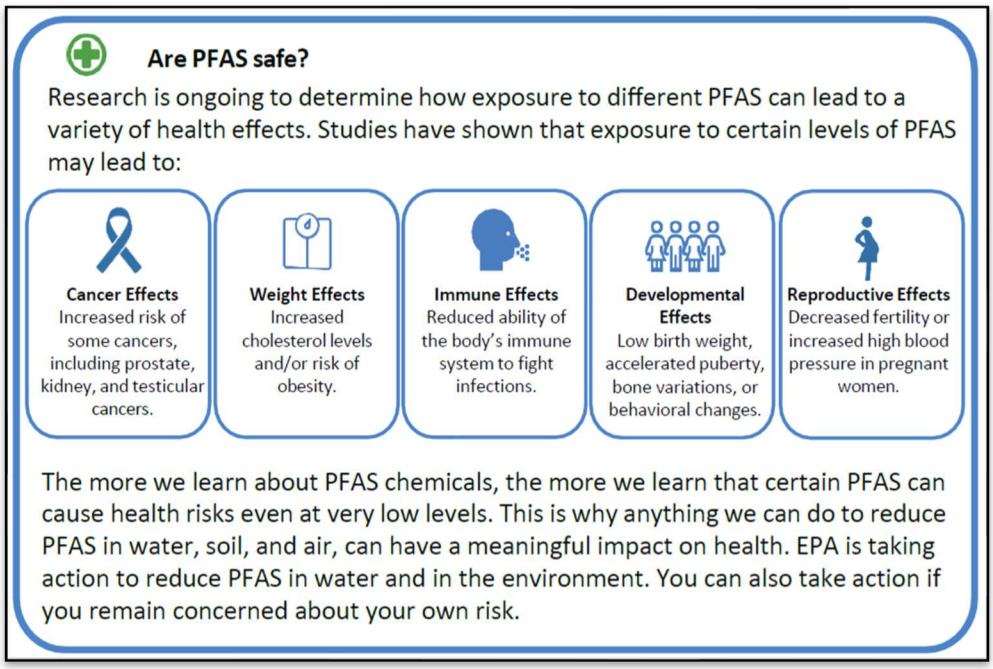
What are the Health Effects of Exposure?

Exposure to unsafe levels of PFOA/PFOS may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver effects, immune effects, thyroid effects, and other effects such as cholesterol changes.[47]

Laboratory studies in animals who were exposed to PFAS found links between the chemicals and increased cholesterol, changes in the body's hormones, alterations of the immunologic system, decreased fertility, increased risk of cancer (especially kidney and testicular), low birth weight, delayed puberty onset, and birth defects. Since humans and animals react differently to PFAS, not all effects observed in animals may occur in humans. Although many epidemiology studies have examined the potential of PFAS to result in adverse health effects, most of the studies are cross-sectional in design and do not establish causality. Based on several factors outlined in the report of PFAS by the CDC including the consistency of findings across studies, the available epidemiology studies suggest associations between PFAS exposure and several health outcomes in humans.[48]

[47] "PFAS Frequently Asked Questions," SWRCB, 5, [6] A. M. Calafat, L.-Y. Wong, Z. Kuklenyik, J. A. Reidy, and L. L. Needham, "Polyfluoroalkyl Chemicals in the US Population: Data from the National Health and Nutrition Examination Survey (NHANES) 2003–2004 and Comparisons with NHANES 1999–2000," Environ. Health Perspect., vol. 115, no. 11, pp. 1596 - 1602, Nov. 2007, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.

[48] "PFAS Frequently Asked Questions," SWRCB, 8, [1] ATSDR, "Toxicological Profile for Perfluoroalkyls, Draft for Public Comment," 2018, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.



Source: EPA

Figure 10 - Are PFAS Safe?[49]

PFAS Regulatory Requirements

Public drinking water systems are required to follow certain regulations to ensure that the water they serve to their customers is safe to drink.[50]

In recent years, specific regulations have been issued to address PFAS contamination that require monitoring and taking actions when PFAS is detected in drinking water sources. The following sections present PFAS regulations in the order they were issued by the EPA and California State Water Resources Control Board (SWRCB).

PFAS Monitoring Requirements

Monitoring refers to the collection and evaluation of data for contaminants that are suspected of being present in water. Samples are collected and analyzed according to EPA-approved laboratory methods. Monitoring results are reported to either the EPA or SWRCB. This data serves as a primary source of occurrence and exposure information used to develop regulatory decisions.

OCWD conducts all sampling and analyses and reporting of monitoring results to regulatory agencies on behalf of its member agencies. OCWD owns and operates its

[49] "PFAS Explained," EPA, 1, accessed March 11, 2026, https://www.epa.gov/system/files/documents/2023-10/final-virtual-pfas-explainer-508.pdf.
[50] "Drinking Water Standards and Regulations: An Overview," CDC, accessed May 21, 2026, https://www.cdc.gov/drinking-water/about/drinking-water-standards-and-regulations-an-overview.html.

own EPA-certified laboratory where it can use analytical methods approved by the EPA. MWDOC member agencies conduct monitoring activities using either their own staff or contractors to collect samples, which are delivered to EPA-certified laboratories for analyses. Laboratories report the results of their analyses to each MWDOC water retailer, who then reports the results to either the EPA or SWRCB.

EPA Unregulated Contaminant Monitoring Rule

EPA uses the Unregulated Contaminant Monitoring Rule (UCMR) to collect data every five years for no more than 30 priority contaminants that are suspected to be present in drinking water and do not have health-based standards set under the Safe Drinking Water Act (SDWA).[51] The UCMR applies to all large public water systems (PWSs) serving greater than 10,000 people, all small PWSs serving between 3,300 and 10,000 people, and a representative sample of small PWSs serving fewer than 3,300 people.

EPA establishes the list of contaminants for each five-year UCMR cycle, considering an initial list of contaminants that are not regulated by the National Primary Drinking Water Regulations, are known or anticipated to occur at PWSs, and may warrant regulation under the SDWA.[52]

The SDWA Public Notification Rule ensures that consumers will receive notice if there is a risk to public health from their drinking water. The Public Notification Rule requires that all PWSs notify their customers of the availability of UCMR results no later than 12-months after results are known. CWS are required to report UCMR results in their Consumer Confidence Report (CCR) when unregulated contaminants are detected. The annual drinking water quality report must include notice of availability of unregulated contaminant monitoring results, the average of the year's results and the range of detections.[53]

The Grand Jury obtained UCMR monitoring data for all sampling and analyses conducted to fulfill UCMR requirements for its member agencies. The highest PFAS detections for all OCWD sources during the UCMR 3 and UCMR 5 monitoring cycles are shown at Figure 11.

[51] "Summary of the Safe Drinking Water Act," EPA.
[52] "Learn About the Unregulated Contaminant Monitoring Rule," EPA, accessed April 7, 2026, https://www.epa.gov/dwucmr/learn-about-unregulated-contaminant-monitoring-rule.
[53] "Public Notification Rule," EPA, accessed April 7, 2026, https://www.epa.gov/dwreginfo/public-notification-rule#rule-summary.

EPA UCMR	Number of PFAS on UCMR Contaminants List	Maximum PFAS Detection Among all OCWD Sources
2012-2016 UCMR 3	6 PFAS Figure 20, Appendix A	70 ng/L
2022-2026 UCMR 5	29 PFAS Figure 21, Appendix A	29 ng/L

Source: Compiled from OCWD data

Figure 11 - Highest PFAS Detections Among All OCWD Sources During UCMR 3 and UCMR 5 Monitoring Cycles

California State Water Resources Control Board PFAS General Monitoring Orders

Beginning in 2020, the SWRCB Division of Drinking Water, based on review of monitoring results from its 2019 PFAS monitoring orders, determined that it was necessary to expand monitoring to groundwater sources located within the vicinity of the PFAS detections. Several PFAS general monitoring orders were issued to PWSs 2020, 2021, 2022, and 2025 that included Orange County groundwater well locations.[54]

Each of the SWRCB PFAS monitoring orders included requirements for sample collection and laboratory analysis by specific dates, to be followed by monitoring conducted every calendar quarter thereafter.[55] These PFAS monitoring orders established Consumer Confidence Report Detection Levels (CCRDL), and Notification and Response Levels for each PFAS chemical to be monitored. A list of the SWRCB PFAS monitoring orders and exhibits identifying groundwater sources required to be monitored are shown at Appendix A, as well as copies of the CCRDL for each monitoring order.

The Grand Jury obtained monitoring data for all sampling and analyses conducted to fulfill SWRCB monitoring order requirements for sources listed in the monitoring orders that are owned by their member agencies. The highest PFAS detections for all these OCWD sources are shown at Figure 12.

[54] "PFAS DDW General Orders," SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/.
[55] Ibid.

SWRCB Order	Number of PFAS on Order CCRDL	Selected Monitoring Date Range	Maximum PFAS Detection Among All OCWD Sources Listed on Order Exihibit A
2020-0003-DDW	18 PFAS Figure 23, Appendix A	8/27/20 - 2/15/21	67.5 ng/L
2021-0003-DDW	18 PFAS Figure 24, Appendix A	2/16/21 - 10/30/22	470 ng/L[2]
2022-0001-DDW	25 PFAS Figure 25, Appendix A	10/31/22 - 4/24/24	169 ng/L[3]
2025-0002-DDW	25 PFAS Figure 26, Appendix A	4/25/24 - 3/19/26[1]	73.7 ng/L

[1]OCWD monitoring data as of March 19, 2026
[2]Outlier result. Next maximum PFAS result 88 ng/L
[3]Outlier result. Next maximum PFAS result 73.7 ng/L

Source: Compiled from OCWD data

Figure 12 - Highest PFAS Detections Among All OCWD Sources Listed on Each SWRCB Monitoring Order Exhibit A

2025 SWRCB General Order DW 2025-0002-DDW

The 2025 SWRCB General Order, issued on December 12, 2025, adopted the initial monitoring requirements in the federal PFAS Rule for each California CWS and non-transient, non-community water system. The 2025 SWRCB Order allows previously acquired data to count toward initial monitoring if collected on or after January 1, 2019, and reported concentrations no greater than the respective MCL.[56]

The 2025 SWRCB General Order also included a list of Orange County groundwater sources showing that 151 of the 198 listed sources had completed initial monitoring as required by the federal PFAS Rule.[57]

PFAS Notification and Response Requirements

Notification and response levels are health-based advisory levels established by the SWRCB Division of Drinking Water (DDW) for chemicals in drinking water that do not have established MCLs.

When chemicals are found in drinking water at concentrations greater than their notification levels, PWSs are required by law to make specific notifications. When

[56] "ORDER DW 2025-0002-DDW," SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/order-dw-2025-0002-ddw-pfas-initial-monitoring.pdf.
[57] "Exhibit A – List of Sources and Required Monitoring Frequency," SWRCB, accessed May 21, 2026, https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.waterboards.ca.gov%2Fdrinking_water%2Fcertlic%2Fdrinkingwater%2Fpfas_ddw_general_order%2Fdocs%2Forder-dw-2025-0002-ddw-exhibit-a.xlsx&wdOrigin=BROWSELINK.

chemicals are found in drinking water at concentrations greater than their response levels, DDW recommends removal of a drinking water source from service.[58]

PFAS notification and response levels specified in CCRDLs attached to SWRCB general monitoring orders remain in effect until MCLs are established and become effective. For example, MCLs for specific PFAS will become effective in 2029, and at that time will supersede notification and response levels specified the 2022 CCRDL.

PFAS National Primary Drinking Water Regulation

In April 2024 EPA announced the final National Primary Drinking Water Regulation for six PFAS (the federal PFAS Rule).[59] The PFAS Rule applies to all CWS. The EPA expects that over many years this rule will prevent PFAS exposure in drinking for approximately 100 million people, prevent thousands of deaths, and reduce tens of thousands of serious PFAs-attributable illnesses.[60]

The PFAS Rule establishes initial monitoring and compliance monitoring requirements, and enforceable maximum contaminant levels (MCL) for six PFAS in drinking water. Initial monitoring for six listed PFAS must be implemented beginning April 2024 and must be completed no later than April 26, 2027. Compliance monitoring requirements beginning April 26, 2027, will be either triennial, annual, or quarterly as determined by the SWRCB based on results of the initial monitoring.

Maximum Contaminant Level (MCL) is the highest level of a contaminant allowed in drinking water. EPA has established legally enforceable MCLs of 4.0 parts per trillion (ppt) for PFOA and PFOS, and 10.0 ppt for PFHxS, PFNA, and HFPO-DA (GenX chemicals). Figure 13 shows the MCLs and MCLG effective April 26, 2029.

Ensuring compliance with drinking water MCLs for the PFAS of most concern is the reason over $600 million (see Figure 17) is being spent to construct PFAS treatment facilities in Orange County.

[58] "Drinking Water Notification Levels," SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/NotificationLevels.html.
[59] "Per- and Polyfluoroalkyl Substances (PFAS), Final PFAS National Primary Drinking Water Regulation," EPA, accessed May 21, 2026, https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas.
[60] Ibid.

Chemical	Maximum Contaminant Level Goal (MCLG)	Maximum Contaminant Level (MCL)
PFOA	0	4.0 ppt
PFOS	0	4.0 ppt
PFNA	10 ppt	10 ppt
PFHxS	10 ppt	10 ppt
HFPO-DA (GenX chemicals)	10 ppt	10 ppt
Mixture of two or more: PFNA, PFHxS, HFPO-DA, and PFBS	Hazard Index of 1	Hazard Index of 1
Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety and are non-enforceable public health goals. **Maximum Contaminant Level (MCL):** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to MCLGs as feasible using the best available treatment technology and taking cost into consideration. MCLs are enforceable standards. **ppt**: parts per trillion		
Hazard Index (HI): The Hazard Index is a long-established approach that EPA regularly uses to understand health risk from a chemical mixture (i.e., exposure to multiple chemicals). The HI is made up of a sum of fractions. Each fraction compares the level of each PFAS measured in the water to the health-based water concentration.		

Source: EPA

Figure 13 - PFAS Rule Enforceable Maximum Contaminant Levels and Maximum Contaminant Level Goals[61]

In addition to ongoing compliance monitoring and MCLs, the PFAS Rule also includes additional requirements with future effective dates. Between April 2027 and April 2029, if monitoring shows that drinking water levels exceed MCLs, CWS must implement solutions that reduce these PFAS; results of initial monitoring must be included in the CCR; results of compliance monitoring must be included in the CCR; and public notification is required for monitoring and testing violations. Starting April 2029, CWS that have MCL violations must take action to reduce levels of these PFAS in their drinking water, and public notification is required for MCL violations.

Compliance with Regulatory Requirements

Consumer Confidence Reports

The Grand Jury reviewed the 2025 Consumer Confidence Reports (Water Quality Reports) issued by 31 water retailers serving Orange County. The CCR is to be delivered to all billing customers by July 1 of each year and must include specified information. All 31 water retailers complied with the eight content requirements specified by the EPA, shown in Appendix B.[62] Seven of the 11 water retailers operating PFAS

[61] "PFAS National Primary Drinking Water Regulation, April 2024," EPA, accessed May 12, 2026, https://www.epa.gov/system/files/documents/2024-04/pfas-npdwr_fact-sheet_general_4.9.24v1.pdf.
[62] "Consumer Confidence Report Rule: A Quick Reference Guide," EPA, accessed April 18, 2026, https://www.epa.gov/sites/default/files/2014-05/documents/guide_qrg_ccr_2011.pdf.

treatment facilities in Orange County included a PFAS advisory section in their CCRs, while only 55 percent of the 31 water retailers included any PFAS advisory statement.

The Grand Jury found that the 31 Orange County water retailers reported either “not detected” results or concentrations below notification thresholds for the six PFAS listed in the EPA PFAS Rule on their 2025 CCRs. After PFAS treatment facilities became operational, OCWD member retailers operating these facilities consistently reported “not detected” results for the same six PFAS. The Grand Jury found that PFAS results from individual wells do not necessarily reflect the quality of water delivered to customers, as some tested wells were later placed into inactive status or destroyed. CCRs documented PFAS constituents exceeding notification levels as required and did not report “not detected” results for those constituents. Monitoring results and CCRs are available in the Safe Drinking Water Information System (SDWIS), California’s official database for tracking public water systems, drinking water quality monitoring, regulatory compliance, and enforcement.[63]

Notification and Response

As of 2020, drinking water retailers with PFAS detections above notification and response levels at wells without PFAS treatment facilities began to rely on imported water, or groundwater blended with imported water to deliver drinking water with PFAS concentrations below notification and response levels. As of 2021, multiple water retailers in Orange County shut down groundwater wells after PFAS concentrations at those wells exceeded established response levels.[64]

PFAS Rule Initial Monitoring

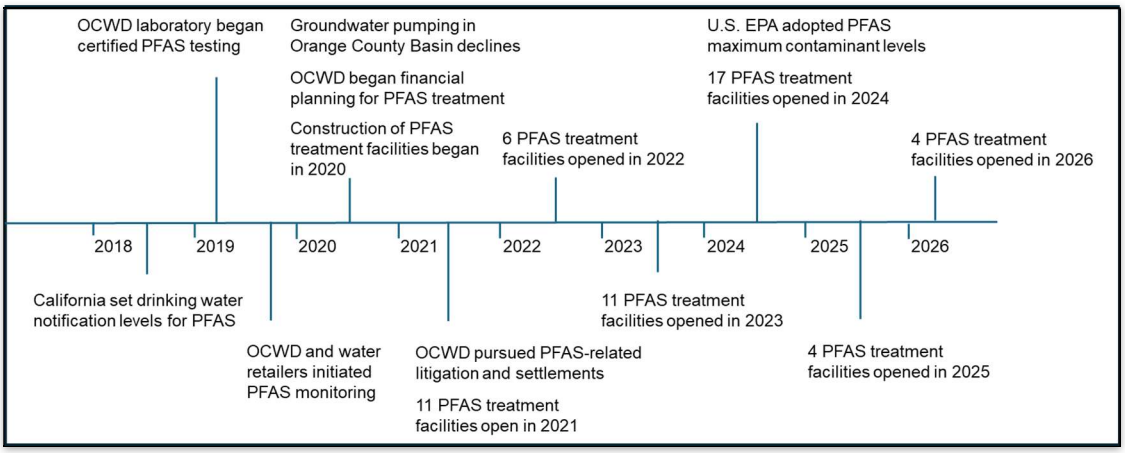
When the 2025 SWRCB General Order adopting the PFAS National Primary Drinking Water Regulation was issued in December 2025, 76% of listed Orange County groundwater sources had already completed initial monitoring required to be completed by April 2027. Most of the remaining Orange County sources received credit for previously acquired data, leaving only 6% with all requirements to be completed by April 2027.

[63] “Drinking Water Watch,” SWRCB, Division of Drinking Water, Safe Drinking Water Information System (SDWIS), accessed April 26, 2026, https://sdwis.waterboards.ca.gov/PDWW/.
[64] “Orange County launches first water plant to remove PFAS toxins,” Solano Public Health, accessed April 29, 2026, https://publichealth.networkofcare.org/solano/CommunityResources/News/Article?articleId=124536.

Proactive Response to PFAS Impacts

PFAS Impacts and OCWD Response

OCWD coordinated a regional response to PFAS contamination in partnership with its member agencies. These efforts focus on restoring the groundwater basin, which supplies up to 85 percent of the water used by approximately 2.5 million residents in north and central Orange County. A timeline of OCWD response to PFAS in the Orange County Groundwater Basin is shown in Figure 14. As PFAS-impacted groundwater wells began to be shut down in early 2020, public education became a critical component of community water systems' response. OCWD dedicated resources to public outreach, including the development of informational web pages to inform the public about PFAS impacts and the measures being implemented to address them.[65]



Source: Compiled from multiple OCWD sources

Figure 14 - Timeline of OCWD Response to PFAS in the Santa Ana River Basin

PFAS contamination has impacted more than 100 groundwater wells across 15 water retailers. As of this report, 53 wells have returned to service following construction of treatment facilities. Figure 15 shows a map of current and future PFAS treatment locations in Orange County.

[65] "PFAS education center," Orange County Water District, accessed April 8, 2026, https://www.ocwd.com/what-we-do/water-quality/pfas/.

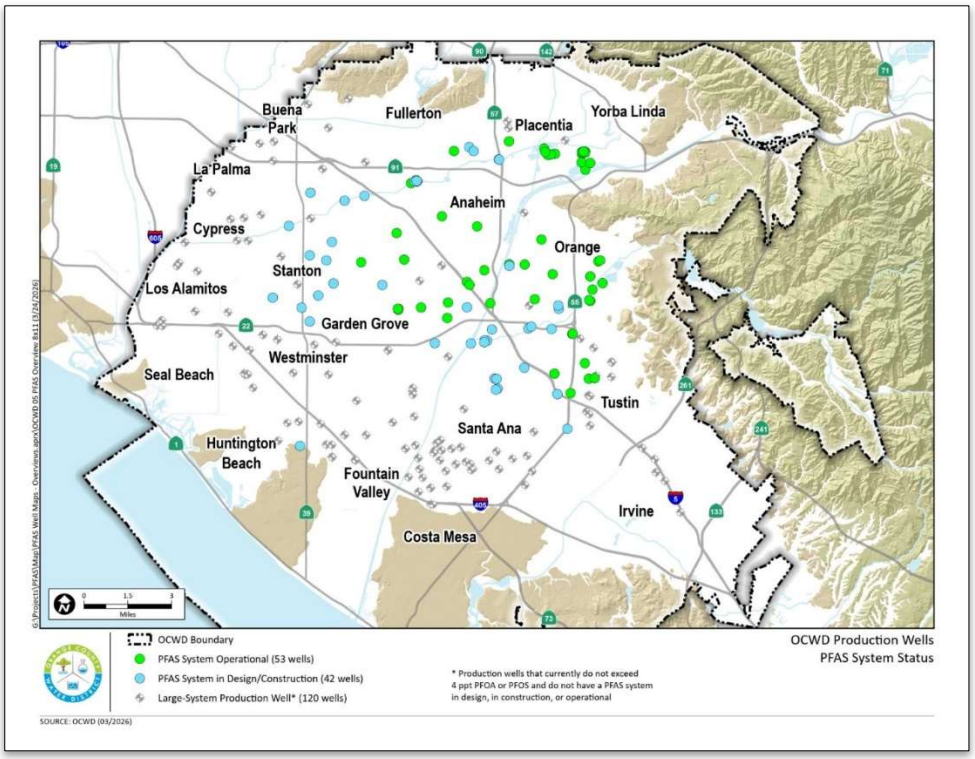
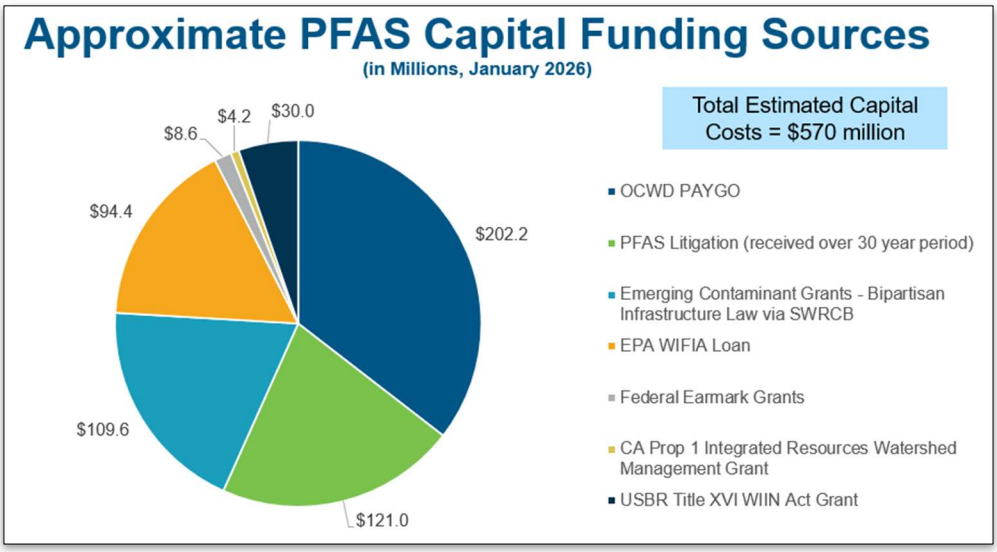


Figure 15 - Map of Current and Future PFAS Treatment Locations

PFAS Treatment Facilities and Capital Costs

Construction of PFAS treatment facilities began in 2020. OCWD executed the PFAS Treatment Facilities and Program Agreement, under which OCWD funds capital costs and shares operating and maintenance (O&M) costs with participating water retailers.

Figure 16 summarizes projected PFAS capital funding sources as of January 2026, including OCWD pay-as-you-go (PAYGO) revenue, state and federal grants, an EPA Water Infrastructure Finance and Innovation Act (WIFIA) loan, and litigation settlement proceeds. The Grand Jury commends OCWD for securing diversified funding sources to advance timely treatment facility construction.



Source: OCWD data

Figure 16 - Approximate PFAS Capital Funding Sources

Figure 17 summarizes PFAS treatment facilities by water retailer, opening date, treatment technology, capacity, location, connections, number of wells, and capital costs. Facilities began entering service in mid-2021, starting with a treatment plant in Fullerton, with additional facilities becoming operational over time. Most facilities use ion exchange technology. Capital costs vary based on the number of affected wells, conveyance pipeline requirements, and treatment facility configuration.

OCWD is funding the reasonable costs of designing and constructing PFAS treatment facilities for its member water retailers. Each retailer could either have OCWD design and build the treatment facility or receive reimbursement for designing and constructing the treatment system independently. As of this report, 38 wells with PFAS treatment were built by OCWD and fifteen wells with PFAS treatment were designed and built by the water retailers.

Eighteen wells with PFAS treatment construction projects by OCWD have been completed on schedule. Ten wells with PFAS treatment projects, which were built by OCWD, were completed on schedule; however, OCWD experienced cost overruns due to specialized design requirements or owner-requested improvements. An additional 10 wells with PFAS treatment projects that were done by OCWD were completed late and over budget, primarily due to pandemic-related material delays, design complexity, owner-requested improvements, and utility coordination challenges.

Community Water System	Opening Date	Type	Capacity	Location	Connections	Wells	Total Cost ($M)	Actual-to Date ($M)	Remaining Budget ($M)
City of Anaheim	Sep-2024	Ion Exchange	51,000 gal/min	Nine (9) PFAS treatment facilities at Linda Vista, Katella Ave., Santa Cruz, Energy Field, Brookhurst, Willow Park, Downtown, Boysen Park, and La Palma	64,000	14	$117.1	$117.1	$0.0
	Dec-2028	Ion Exchange	8,000 gal/min	Wells 48 & 53		2	$16.0	$0.8	$15.3
	Dec-2028	Ion Exchange	8,000 gal/min	Wells 39 & 47		2	$16.0	$0.9	$15.1
	Dec-2029	Ion Exchange	TBD	Well 51		1	$7.0	$0.0	$7.0
City of Buena Park	Jun-2026	Packer	2,200 gal/min	Linden Well - Install Packer to reduce flow from PFAS zone(s) in the well - not treatment.		1	$0.6	$0.1	$0.6
City of Fullerton	Jun-2021	Ion Exchange	2,400 gal/min	Kimberly Well 1A	32,000	1	$5.3	$4.1	$1.3
	Dec-2023	Granular Activated Carbon (GAC)	5,000 gal/min	Main Plant 3A		1	$13.7	$13.7	$0.0
	Dec-2026	Granular Activated Carbon (GAC)	4,000 gal/min	Main Plant Wells 5,6,7,8		4	$12.5	$2.6	$9.9
	Jun-2027	Ion Exchange	4,400 gal/min	Kimberly Well 2		1	$10.9	$4.3	$6.6
	Dec-2029	Ion Exchange	1,600 gal/min	Sunclipse Well 10 - Pipeline for Treatment at Kimberly 2 Plant Well 15 - New Well Site Needed		2	$15.3	$0.0	$15.3
City of Garden Grove	Jun-2023	Ion Exchange	17,600 gal/min	Wells 21, 23, 28, 29, 30, 31	34,300	6	$24.3	$24.3	$0.0
	Dec-2026	Ion Exchange	2,000 gal/min	Well 19		1	$6.5	$1.9	$4.7
	Dec-2028	Ion Exchange	13,590 gal/min	Wells 22, 26, and 27		3	$31.7	$1.6	$30.2
	Dec-2030	Ion Exchange	2,000 gal/min	Well 25		1	$7.0	$0.0	$7.0
City of Huntington Beach	Dec-2029	Ion Exchange	3,000 gal/min	Well 3A		1	$8.0	$0.0	$8.0
	Dec-2030	Ion Exchange	3,000 gal/min	Well 6		1	$8.0	$0.0	$8.0
City of Orange	Sep-2022	Ion Exchange	8,420 gal/min	Wells 9, 19, 23, 24	36,000	4	$10.0	$9.9	$0.1
	Apr-2026	Ion Exchange	7,940 gal/min	Wells 20, 21, 22		3	$14.7	$14.7	$0.0
	Apr-2026	Ion Exchange	3,200 gal/min	Well 28		1	$5.0	$4.0	$1.0
	Dec-2028	Ion Exchange	5,500 gal/min	Wells 25, 27		2	$13.0	$0.4	$12.7
	Dec-2029	Ion Exchange	3,200 gal/min	Well 26		1	$7.0	$0.1	$6.9
	Dec-2029	Ion Exchange	TBD	Well 29 - New Well Currently Being Drilled by City		1	$6.0	$1.0	$5.0
City of Santa Ana	May-2023	Ion Exchange	2,500 gal/min	Well 40	45,576	1	$5.8	$5.8	$0.0
	Sep-2026	Ion Exchange	2,500 gal/min	Well 38		1	$7.4	$7.4	$0.0
	Dec-2026	Ion Exchange	2,000 gal/min	Well 31		1	$8.5	$6.8	$1.7
	Apr-2027	Ion Exchange	3,600 gal/min	Well 27&28		2	$17.0	$8.7	$8.3
	May-2027	Ion Exchange	9,200 gal/min	Wells 27, 28, 31, 38, 40 at John Garthe Reservoir		5	$31.4	$0.0	$31.4
	Dec-2029	Ion Exchange	12,400 gal/min	Wells 16, 29, 33, 41, 43(fut) at Walnut Reservoir		5	$25.0	$0.1	$24.9
City of Tustin	May-2025	Ion Exchange	6,400 gal/min	Main Street and Prospect Avenue to remove PFAS from four (4) wells in Tustin	14,500	4	$32.7	$32.7	$0.0
	Dec-2029	Ion Exchange	2,000 gal/min	Edinger Well		1	$7.0	$0.0	$7.0
	Dec-2030	Ion Exchange	2,300 gal/min	17th St Wells (2 wells treated)		2	$7.0	$0.0	$7.0
City of Westminster	Dec-2030	Ion Exchange	2,500 gal/min	WM-3 (New Well)		1	$8.0	$0.0	$8.0
	Dec-2030	Ion Exchange	2,500 gal/min	WM-SC4 (New Well)		1	$8.0	$0.0	$8.0
East Orange County Water District	Jun-2024	Ion Exchange	3,200 gal/min	Treatment for East and VanderWerff Wells	19,000	2	$8.9	$8.9	$0.0
Golden State Water Company	Nov-2023	Ion Exchange	3,200 gal/min	Bradford and Fairhaven Plants	46,300	3	$4.4	$4.4	$0.0
	Jul-2027	Ion Exchange	940 gal/min	Sherrill Plant		1	$3.1	$0.8	$2.4
	Dec-2028	Ion Exchange	7,620 gal/min	La Jolla, Fern Plants		3	$8.3	$0.5	$7.8
	Dec-2028	Ion Exchange	7,620 gal/min	Clair, Beach, and Dale Plants		4	$12.8	$0.9	$11.9
	Dec-2030	Ion Exchange	2,500 gal/min	Lowden		1	$8.0	$0.0	$8.0
	Dec-2030	Ion Exchange	2,500 gal/min	Orangewood		1	$8.0	$0.0	$8.0
Irvine Ranch Water District	Oct-2024	Ion Exchange	3,200 gal/min	Orange Park Acres Well No. 1	125,000	1	$7.2	$7.2	$0.0
Serrano Water District	Feb-2022	Ion Exchange	3,200 gal/min	Wells 3 and 5	5,659	2	$6.0	$6.0	$0.0
Yorba Linda Water District	Dec-2021	Ion Exchange	13,200 gal/min	All ten (10) Yorba Linda wells	11,786	10	$27.7	$27.7	$0.0
Note: $M = Dollars in Millions						106	$607.8	$318.9	$288.9

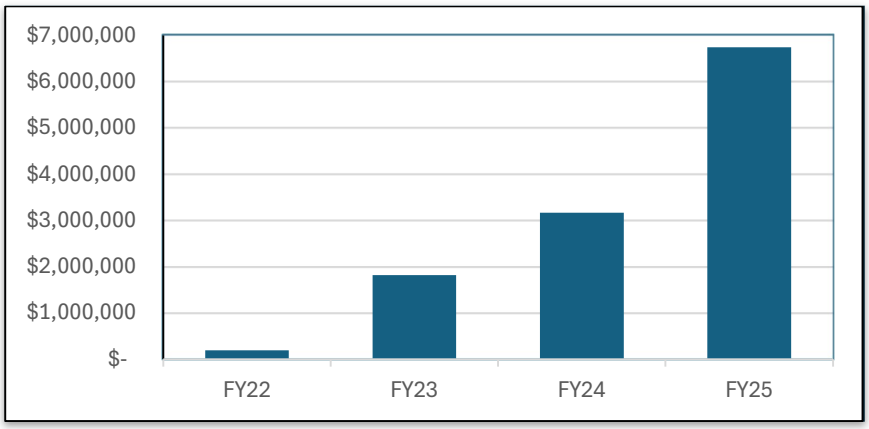
Source: Multiple OCWD and water retailer data

Figure 17 - Summary of PFAS Treatment Facilities

Operations and Maintenance Costs

Under the PFAS Treatment Facilities and Program Agreement, OCWD reimburses 50 percent of eligible operations and maintenance (O&M) costs incurred by participating water agencies. Eligible O&M costs include treatment media replacement, power and chemical costs, routine maintenance, repairs, staffing, compliance monitoring, regulatory compliance activities, additional pumping, waste disposal, sewer costs, and other necessary system maintenance expenses.

Actual PFAS treatment expenses (see Figure 18), which can be found in Annual Comprehensive Financial Reports (ACFRs),[66] varied primarily due to construction timing and the performance of ion exchange resin media. Specialized resins are a key element in PFAS treatment and help remove PFAS from water using electrostatics. Construction delays meant some treatment facilities were not operational as expected, resulting in lower O&M costs. In FY22 and FY23, initial resin media lasted longer than anticipated and reduced O&M costs. In contrast, FY25 experienced more resin changeouts than anticipated and higher O&M costs. Resin media life varies by treatment system and operating conditions, such as run time, cycling frequency, and production flow rates. OCWD is updating resin performance assumptions and changeout frequency estimates to improve future O&M forecasts.



Source: OCWD

Figure 18 – OCWD's Share of PFAS Treatment Facility Annual O&M Cost

Program Status and Future Plans

The overall OCWD PFAS Treatment Systems Project currently includes 11 water retailers, with construction planned or underway for four additional retailers, expanding the program to 15. Fifty-three treatment systems are operational. Construction

[66] "Sound financial management," Orange County Water District, accessed April 8, 2026, https://www.ocwd.com/what-we-do/sound-financial-management/.

continues on 20 additional systems, with design work underway for 24 more. Here is a list of PFAS projects in design or under construction as of May 2026:

- Golden State Water Company Wells SLON and SORG are still in planning. Well SSYC is in design and is anticipated to start construction in Fiscal Year 26/27.
- Tustin 17th Street Well is nearing the start of design.
- Huntington Beach Well 3A, Anaheim Wells 39 and 47, Tustin Edinger Well are all in the design phase and are anticipated to start construction in Fiscal Year 26/27.
- Buena Park Linden Well is currently in construction.

Figure 19 indicates the estimated average monthly cost of PFAS treatment to OCWD service area residents is $1.42 per person. OCWD anticipates continued design and construction activity over several years.

Average PFAS Impact to OCWD Service Area Residents
Over a 25 year period

Total Capital Costs	$570,000,000	
State & Fed Grants	$152,000,000	
Litigation Proceeds	$121,000,000	
Net Capital Costs	$297,000,000	
Amortized Debt Costs		
	4.50%	Interest Rate
	25	Years
	$297,000,000	Amount
Annual Debt Payment	$20,029,391	
Estimated Annual O&M Cost	$22,000,000	
Total Annual Cost	$42,029,391	
Total Monthly Cost	$3,502,449	
OCWD Population from 19 Member Agencies	2,469,000	persons
Monthly cost per person	$1.42	

Source: OCWD

Figure 19 - PFAS Monthly Cost to OCWD Service Area Residents

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury has arrived at the following six principal findings:

F1 Commercial and industrial chemical manufacturers are a major source of PFAS contamination. Settlement litigation funds are available for community water systems to make claims.

F2 PFAS is widespread, and contamination has been detected in Orange County groundwater sources. Community water systems are required to report PFAS monitoring results in their annual Consumer Confidence Reports.

F3 PFAS exposure is associated with potential adverse human health effects.

F4 OCWD has taken a proactive leadership role in addressing PFAS in the Orange County Groundwater Basin, though PFAS treatment implementation varies across local cities and water districts.

F5 Groundwater supplies must either be treated to remove PFAS or must be replaced with imported water supplies that are significantly more expensive than groundwater. Over $500 million is being spent on construction, operations, and maintenance of PFAS treatment facilities in Orange County.

F6 Orange County drinking water meets or exceeds state and federal standards and is safe for consumption without additional home filtration.

F7 Research on newer PFAS compounds and long-term exposure effects is ongoing.

F8 There are limited online PFAS education and outreach programs among Orange County water retailers. Most retailers rely on OCWD for PFAS education and outreach. PFAS advisories were included in approximately 55% of the Orange County water retailers' annual water quality reports in 2025.

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury makes the following recommendations:

R1 By September 30, 2026, Orange County Water District (OCWD), in coordination with state and federal agencies, should pursue cost recovery efforts against PFAS manufacturers to offset treatment, monitoring, and long-term remediation costs incurred by local water agencies and ratepayers. [F1, F5]

R2 By July 1, 2029, OCWD and its member agencies should monitor PFAS in groundwater and surface water sources and promptly implement PFAS treatment when response levels are exceeded. [F2, F4]

R3 By September 30, 2026, OCWD, in collaboration with the Orange County Health Care Agency, should update public education and guidance continually as scientific understanding and regulatory standards evolve. [F3]

R4 By July 1, 2029, all Orange County water retailers should consistently include a PFAS advisory, treatment facilities status, and compliance information in consumer confidence reports and on agency websites, using clear and understandable language for the public. [F2, F8]

R5 By September 30, 2026, OCWD and all Orange County water retailers should enhance coordinated public education efforts to reassure their customers about drinking water safety. [F6, F8]

R6 By September 30, 2026, OCWD should continuously monitor national and international PFAS research developments and incorporate new findings into future groundwater management, treatment planning, and regulatory compliance strategies. [F7]

COMMENDATIONS

Many Orange County water agencies have demonstrated exceptional leadership in addressing PFAS through large-scale treatment investments, rigorous monitoring, and public communication. Together, these agencies serve more than two million residents and have implemented some of the most advanced PFAS treatment systems in the nation. The following commendations recognize high-impact programs and measurable achievements across the region.

Orange County Water District (OCWD)

OCWD has implemented the largest PFAS treatment program in the United States, designing and constructing treatment systems for over 100 impacted wells across 15 cities and retail water districts, improving water quality for approximately 1.5 million people. OCWD secured a $94M EPA Water Infrastructure Finance and Innovation Act (WIFIA) loan, $152M in state and federal grant funding, and $131M in PFAS manufacturers litigation settlement funds to support this effort, which includes the build-out of more than 30 PFAS treatment facilities.

The Grand Jury offers additional commendations to OCWD and its member agencies for their collaborative cost-sharing agreement. Under this arrangement, OCWD fully funds all PFAS facility design and construction capital expenditures. Ongoing operations and maintenance costs are then shared equally, with OCWD covering 50% and each participating water retailer contributing the remaining 50% for the PFAS treatment facilities they operate. This approach reflects progressive public-sector planning, demonstrating how agencies can work together to address complex and costly challenges. It also serves as a strong model for future government/private-sector cost-sharing agreements, illustrating how thoughtful collaboration can enhance efficiency and long-term public benefit.

Anaheim Water Utility

Anaheim has launched one of the largest municipal PFAS treatment programs in the country, a multi-phase, $150M effort to construct treatment systems at nine groundwater sites. The utility serves 64,000 metered customers, historically relying on groundwater for 80% of its supply. PFAS treatment systems for Wells 39 and 47 are among the first in a series of facilities designed to restore local production while meeting stringent state and federal standards.

Yorba Linda Water District (YLWD)

YLWD operates the J. Wayne Miller, Ph.D. Water Treatment Plant, recognized as the nation's largest PFAS ion-exchange treatment facility. The plant serves approximately 80,000 customers and has delivered PFAS-free water for nearly three consecutive years. This facility allows YLWD to optimize its groundwater resources while proactively meeting evolving PFAS regulatory standards.

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

§933

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

§933.05.

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons, therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation, therefore.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

Orange County Board of Supervisors	90 Day Response Required
Findings:	F3
Recommendations:	R3
Orange County Water District Board of Directors	90 Day Response Required
Findings:	F1, F2, F3, F4, F5, F6, F7, F8
Recommendations:	R1, R2, R3, R5, R6
Orange County Health Care Agency	90 Day Response Requested
Findings:	F3
Recommendations:	R3
City of Anaheim	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Brea	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
City of Buena Park	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Fountain Valley	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5

City of Fullerton	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Garden Grove	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Huntington Beach	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of La Habra	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
City of La Palma	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Newport Beach	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Orange	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5

City of San Clemente	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
City of Santa Ana	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Seal Beach	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Tustin	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Westminster	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
East Orange County Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
El Toro Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5

Emerald Bay Service District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Golden State Water Company	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
Irvine Ranch Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
Laguna Beach County Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Mesa Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
Moulton Niguel Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Santa Margarita Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5

Serrano Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
South Coast Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Trabuco Canyon Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Yorba Linda Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5

Acronyms

ACFRS	Annual comprehensive financial reports
ADONA	Ammonium 4 8-dioxa-3h-perfluorononanoate
AFFF	Aqueous film forming foams used frequently at airports and military bases for firefighting and emergency response training activities
AL	Regulatory Action Level The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow
ATSDR	Agency for Toxic Substances and Disease Registry
CCR	Consumer Confidence Report
CCRDL	Consumer Confidence Report Detection Levels
CDC	United States Centers for Disease Control and Prevention
CWS	Community Water System
DDW	Division of Drinking Water
DWR	Department of Water Resources
Effluent	Liquid waste from industrial facilities
EPA	US Environmental Protection Agency
FDA	Food and Drug Administration
GenX	Is a Chemours trademark name for a synthetic, short chain organofluorine chemical compound, the ammonium salt of hexafluoropropylene oxide dimer acid (HFPO-DA). It can also be used more informally to refer to the group of related fluorochemicals that are used to produce GenX.
GWRS	Ground water replacement system
HALF LIFE	Time required for a quantity to reduce to half of its original value
HFPO-DA	Hexafluoropropylene oxide dimer acid
MSS	Multi site study
MCL	Glossary of Terms Maximum Contaminant Level. The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as

	close to the public health goals and maximum contaminant level goals as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.
MCLG	Maximum Contaminant Level Goal. The level of a contaminant in drinking water below which there is no known or expected risk to health. The United States Environmental Protection Agency (USEPA) sets maximum contaminant level goals.
MRDL	Maximum Residual Disinfectant Level. The highest level of a disinfectant allowed in drinking water. There is convincing evidence that the addition of a disinfectant is necessary for control of microbial contaminants.
MRDLG	Maximum Residual Disinfectant Level Goal The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
MWD	Metropolitan Water District
MWDOC	Municipal Water District of Orange County
N/A	Not applicable
ND	Not detected
NHANES	National Health and Nutrition Examination Survey
NL	California Notification Level Non-regulatory, health-based advisory levels established by the State Board for contaminants in drinking water for which an MCL has not been established
NR	Not required to be tested; < = average is less than the detection limit for reporting purposes
NTU	Nephelometric turbidity units
OCWD	Orange County Water District
O & M	Operations and Management
PAYGO	“Pay as you go”
PDWS	Primary Drinking Water Standard MCLs, MRDLs and treatment techniques (TTs) for contaminants that affect health, along with their monitoring and reporting requirements
pCi/L	picoCuries per liter

PFAS RULE	Establishes enforceable drinking water standards for six PFAS chemicals
PFAS	Per- and polyfluoroalkyl substances
PFBA	Perfluoro Butanoic Acid
PFBS	Perfluoro Butane Sulfonic Acid
PFHpA	Perfluoro Heptanoic Acid
PFHxA	Perfluoro Hexanoic Acid
PFHxS	Perfluoro Hexane Sulfonic Acid
PFNA	Perfluorononanoic acid
PFOA	Perfluoro Octanoic Acid
PFOS	Perfluoro Octane Sulfonic Acid
PFPeA	Perfluoro Pentanoic Acid
PHG	Public Health Goal The level of a contaminant in drinking water below which there is no known or expected risk to health. The California Environmental Protection Agency (CalEPA) sets public health goals.
PPB	Parts per billion
PPM	Parts per million
PPT	Parts per trillion
PQL	Practical Quantitation Level
PWS	Public water supply
RAA	Highest Running Annual Average
SAR	Santa Ana River
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SWRCB	State Water Resources Control Board
WIFIA	Water Infrastructure Finance and Innovation Act
TT	Treatment Technique. A required process intended to reduce the level of a contaminant in drinking water
UCI	University of California, Irvine

UCMR	Unregulated Contaminant Monitoring Rule
US	United States
µmho/cm	Micromho per centimeter (equivalent to 1 microsiemens/cm)

Glossary

Cross Sectional Study	Examines prevalence of a condition or characteristic at a single point in time across a population to identify patterns, associations, and risk factors
Ion Exchange Technology	Process that removes/replaces dissolved ions in a solution using solid materials.
Non-Community Water Systems	Public water systems at locations where people do not reside
Non-Transient Water Systems	Public water systems that service at least 25 of the same people over six months of the year, but do not live there

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Appendix A

Unregulated Contaminated Monitoring Rule (UCMR) Contaminants Lists, PFAS Contaminants

Contaminant/CASRN[1]	MRL (µg/L)[2]	Use or Environmental Source[3]
Perfluorinated Compounds: EPA Method 537		
perfluorooctanesulfonic acid (PFOS) 1763-23-1	0.04	Surfactant or emulsifier; used in fire-fighting foam, circuit board etching acids, alkaline cleaners, floor polish, and as a pesticide active ingredient for insect bait traps; U.S. manufacture of PFOS phased out in 2002; however, PFOS still generated incidentally
perfluorooctanoic acid (PFOA) 335-67-1	0.02	Perfluorinated aliphatic carboxylic acid; used for its emulsifier and surfactant properties in or as fluoropolymers (such as Teflon), fire-fighting foams, cleaners, cosmetics, greases and lubricants, paints, polishes, adhesives and photographic films
perfluorononanoic acid (PFNA) 375-95-1	0.02	Manmade chemical; used in products to make them stain, grease, heat and water resistant
perfluorohexanesulfonic acid (PFHxS) 355-46-4	0.03	Manmade chemical; used in products to make them stain, grease, heat and water resistant
perfluoroheptanoic acid (PFHpA) 375-85-9	0.01	Manmade chemical; used in products to make them stain, grease, heat and water resistant
perfluorobutanesulfonic acid (PFBS) 375-73-5	0.09	Manmade chemical; used in products to make them stain, grease, heat and water resistant

1. CASRN - Chemical Abstracts Service Registry Number
2. MRL - Minimum Reporting Level
3. "Use or Environmental Source" further documented in UCMR 3 Contaminants – Information Compendium. EPA 815-B-11-001. January 2012

Figure 20 - UCMR 3 Contaminants List, PFAS Contaminants

Contaminant	CASRN[1]	MRL[2] (µg/L)	Additional Information
25 PFAS: EPA Method 533			
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	763051-92-9	0.005	PFAS are a group of synthetic chemicals used in a wide range of consumer products and industrial applications including: non-stick cookware, water-repellent clothing, stain-resistant fabrics and carpets, cosmetics, firefighting foams, electroplating, and products that resist grease, water, and oil. PFAS are found in the blood of people and animals and in water, air, fish, and soil at locations across the United States and the world.
1*H*,1*H*, 2*H*, 2*H*-perfluorodecane sulfonic acid (8:2FTS)	39108-34-4	0.005	
1*H*,1*H*, 2*H*, 2*H*-perfluorohexane sulfonic acid (4:2FTS)	757124-72-4	0.003	
1*H*,1*H*, 2*H*, 2*H*-perfluorooctane sulfonic acid (6:2FTS)	27619-97-2	0.005	
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	919005-14-4	0.003	
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	756426-58-1	0.002	
hexafluoropropylene oxide dimer acid (HFPO-DA)(GenX)	13252-13-6	0.005	
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	151772-58-6	0.02	
perfluoro (2-ethoxyethane) sulfonic acid (PFEESA)	113507-82-7	0.003	
perfluoro-3-methoxypropanoic acid (PFMPA)	377-73-1	0.004	
perfluoro-4-methoxybutanoic acid (PFMBA)	863090-89-5	0.003	
perfluorobutanesulfonic acid (PFBS)	375-73-5	0.003	
perfluorobutanoic acid (PFBA)	375-22-4	0.005	
perfluorodecanoic acid (PFDA)	335-76-2	0.003	
perfluorododecanoic acid (PFDoA)	307-55-1	0.003	
perfluoroheptanesulfonic acid (PFHpS)	375-92-8	0.003	
perfluoroheptanoic acid (PFHpA)	375-85-9	0.003	
perfluorohexanesulfonic acid (PFHxS)	355-46-4	0.003	
perfluorohexanoic acid (PFHxA)	307-24-4	0.003	
perfluorononanoic acid (PFNA)	375-95-1	0.004	
perfluorooctanesulfonic acid (PFOS)	1763-23-1	0.004	
perfluorooctanoic acid (PFOA)	335-67-1	0.004	
perfluoropentanesulfonic acid (PFPeS)	2706-91-4	0.004	
perfluoropentanoic acid (PFPeA)	2706-90-3	0.003	
perfluoroundecanoic acid (PFUnA)	2058-94-8	0.002	
4 PFAS: EPA Method 537.1			
N-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSAA)	2991-50-6	0.005	See above for PFAS information.
N-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSAA)	2355-31-9	0.006	
perfluorotetradecanoic acid (PFTA)	376-06-7	0.008	
perfluorotridecanoic acid (PFTrDA)	72629-94-8	0.007	

1. CASRN - Chemical Abstracts Service Registry Number
2. MRL - Minimum Reporting Level

Figure 21 - UCMR 5 Contaminants List, PFAS Contaminants

State Water Resources Control Board PFAS General Monitoring Orders, 2020-2025

SWRCB Order Exhibit Title	Internet URL Web Address
2020 SWRCB General Order DW 2020-0003-DDW	https://www.waterboards.ca.gov/board_decisions/adopted_orders/drinking_water/2020/pfas_go_2020_0003_ddw/pfas_go_2020_0003_ddw.pdf
Exhibit A – List of Sources Subject to General Order No. DW 2020-0003-DDW (for DDW Section 5),	https://wqts.com/wp-content/uploads/2020/09/go_exhibit_a_section5.pdf
2021 SWRCB General Order DW-2021-0001-DDW	https://www.waterboards.ca.gov/board_decisions/adopted_orders/drinking_water/2021/pfas_go_2021_0001_ddw/a5.pdf
Exhibit A – List of Sources Subject to General Order No. DW 2021-0001-DDW (For DDW Section 5)	https://www.waterboards.ca.gov/board_decisions/adopted_orders/drinking_water/2021/pfas_go_2021_0001_ddw/a5.pdf
2022 Amended General Order DW 2022-0001-DDW	https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/amended-pfas-general-order-2022-final.pdf
Exhibit A – List of Sources Subject to General Order No. DW 2022-0001-DDW (Amended)	https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/pfas_go_2022-0001-DDW_ExhibitA.pdf
2025 SWRCB General Order DW 2025-0002-DDW	https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/order-dw-2025-0002-ddw-pfas-initial-monitoring.pdf
Exhibit A – List of Sources Subject to General Order DW 2025-0002-DDW	https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.waterboards.ca.gov%2Fdrinking_water%2Fcertlic%2Fdrinkingwater%2Fpfas_ddw_general_order%2Fdocs%2Forder-dw-2025-0002-ddw-exhibit-a.xlsx&wdOrigin=BROWSELINK

Figure 22 - SWRCB PFAS General Monitoring Orders Issued 2020 through 2025

State Water Resources Control Board General Monitoring Orders PFAS Constituents Lists

General Order No. DW 2020-0003-DDW

EXHIBIT B

CONSUMER CONFIDENCE REPORT DETECTION LEVELS (CCRDL)

	Constituent	CCRDL, ng/L
1	PERFLUOROBUTANESULFONIC ACID (PFBS)	4
2	PERFLUORONONANOIC ACID (PFNA)	4
3	PERFLUORODECANOIC ACID (PFDA)	4
4	PERFLUOROTETRADECANOIC ACID (PFTA)	4
5	HEXAFLUOROPROPYLENE OXIDE DIMER ACID (HFPO-DA)	4
6	4,8-DIOXA-3H-PERFLUORONONANOIC ACID (ADONA)	2
7	PERFLUOROHEPTANOIC ACID (PFHpA)	4
8	N-ETHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4
9	PERFLUORODODECANOIC ACID (PFDoA)	4
10	PERFLUOROTRIDECANOIC ACID (PFTrDA)	4
11	9-CHLOROHEXADECAFLUORO-3-OXANONE-1-SULFONIC ACID	2
12	PERFLUOROOCTANE SULFONIC ACID (PFOS)	4
13	PERFLUOROHEXANE SULFONIC ACID (PFHxS)	4
14	N-METHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4
15	PERFLUOROHEXANOIC ACID (PFHxA)	4
16	PERFLUOROUNDECANOIC ACID (PFUnA)	4
17	11-CHLOROEICOSAFLUORO-3-OXAUNDECANE-1-SULFONIC ACID	2
18	PERFLUOROOCTANOIC ACID (PFOA)	4

NOTES:

1. The CCRDL is based on a review of the reporting levels reported for monitoring conducted between August and December 2019. Specifically, the SWB calculated the CCRDL as the reporting level that was achievable in 90 percent of all negative result reported during that period. Results were rounded to the nearest whole number.
2. For HFPO-DA, the rounded CCRDL is lower than the 90th percentile of conveyed reporting levels based on consultation with the laboratory reporting the highest volume of results, and their statement that a reporting level of 4 ng/L (4 ppt) could readily be achieved.

Figure 23 - SWRCB General Monitoring Order 2020-0003-DDW, PFAS Constituents

General Order No. DW 2021-0001-DDW

EXHIBIT B

CONSUMER CONFIDENCE REPORT DETECTION LEVELS (CCRDL) and ADVISORY LEVELS

	Constituent	CCRDL[1], ng/L	Notification Level, ng/L	Response Level, ng/L	Exceedance Methodology[3]
1	PERFLUOROBUTANESULFONIC ACID (PFBS)[4]	4	-	-	-
2	PERFLUORONONANOIC ACID (PFNA)	4			
3	PERFLUORODECANOIC ACID (PFDA)	4			
4	PERFLUOROTETRADECANOIC ACID (PFTA)	4			
5	HEXAFLUOROPROPYLENE OXIDE DIMER ACID (HFPO-DA)[2]	4			
6	4,8-DIOXA-3H-PERFLUORONONANOIC ACID (ADONA)	2			
7	PERFLUOROHEPTANOIC ACID (PFHpA)	4			
8	N-ETHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4			
9	PERFLUORODODECANOIC ACID (PFDoA)	4			
10	PERFLUOROTRIDECANOIC ACID (PFTrDA)	4			
11	9-CHLOROHEXADECAFLUORO-3-OXANONE-1-SULFONIC ACID	2			
12	PERFLUOROOCTANE SULFONIC ACID (PFOS)	4	6.5	40	QRAA
13	PERFLUOROHEXANE SULFONIC ACID (PFHxS)	4			
14	N-METHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4			
15	PERFLUOROHEXANOIC ACID (PFHxA)	4			
16	PERFLUOROUNDECANOIC ACID (PFUnA)	4			
17	11-CHLOROEICOSAFLUORO-3-OXAUNDECANE-1-SULFONIC ACID	2			
18	PERFLUOROOCTANOIC ACID (PFOA)	4	5.1	10	QRAA

Figure 24 - SWRCB General Monitoring Order 2021-0001-DDW, PFAS Constituents

Order DW-2022-0001-DDW (Amended)

Exhibit B - CONSUMER CONFIDENCE REPORT INFORMATION AND NOTIFICATION AND RESPONSE LEVELS

Table 1 - Consumer Confidence Report Detection Levels (CCRDL) – EPA Method 533

Constituent	CCRDL (ng/L)	U.S. EPA MCL (ng/L)
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorodecane sulfonic acid (8:2FTS)	5.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorohexane sulfonic acid (4:2FTS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorooctane sulfonic acid (6:2FTS)	5.0	--
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	2.0	--
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	2.0	--
hexafluoropropylene oxide dimer acid (HFPO-DA) (GenX)	2.0	10
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	2.0	--
perfluoro (2-ethoxyethane) sulfonic acid (PFEESA)	2.0	--
perfluoro-3-methoxypropanoic acid (PFMPA)	2.0	--
perfluoro-4-methoxybutanoic acid (PFMBA)	2.0	--
perfluorobutanesulfonic acid (PFBS)	2.0	--
perfluorobutanoic acid (PFBA)	2.0	--
perfluorodecanoic acid (PFDA)	2.0	--
perfluorododecanoic acid (PFDoA)	2.0	--
perfluoroheptanesulfonic acid (PFHpS)	2.0	--
perfluoroheptanoic acid (PFHpA)	2.0	--
perfluorohexanesulfonic acid (PFHxS)	2.0	10
perfluorohexanoic acid (PFHxA)	2.0	--
perfluorononanoic acid (PFNA)	2.0	10
perfluorooctanesulfonic acid (PFOS)	2.0	4.0
perfluorooctanoic acid (PFOA)	2.0	4.0
perfluoropentanesulfonic acid (PFPeS)	2.0	--
perfluoropentanoic acid (PFPeA)	2.0	--
perfluoroundecanoic acid (PFUnA)	2.0	--

Figure 25 - SWRCB General Monitoring Order 2022-0001-DDW, PFAS Constituents

Order DW-2025-0002-DDW

Exhibit B - CONSUMER CONFIDENCE REPORT INFORMATION AND NOTIFICATION AND RESPONSE LEVELS

Table 1 - Consumer Confidence Report Detection Levels (CCRDL)

Constituent	CCRDL (ng/L)	U.S. EPA MCL (ng/L)
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorodecane sulfonic acid (8:2FTS)	5.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorohexane sulfonic acid (4:2FTS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorooctane sulfonic acid (6:2FTS)	5.0	--
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	2.0	--
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	2.0	--
hexafluoropropylene oxide dimer acid (HFPO-DA) (GenX)	2.0	10
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	2.0	--
perfluoro (2-ethoxyethane) sulfonic acid (PFEESA)	2.0	--
perfluoro-3-methoxypropanoic acid (PFMPA)	2.0	--
perfluoro-4-methoxybutanoic acid (PFMBA)	2.0	--
perfluorobutanesulfonic acid (PFBS)	2.0	--
perfluorobutanoic acid (PFBA)	2.0	--
perfluorodecanoic acid (PFDA)	2.0	--
perfluorododecanoic acid (PFDoA)	2.0	--
perfluoroheptanesulfonic acid (PFHpS)	2.0	--
perfluoroheptanoic acid (PFHpA)	2.0	--
perfluorohexanesulfonic acid (PFHxS)	2.0	10
perfluorohexanoic acid (PFHxA)	2.0	--
perfluorononanoic acid (PFNA)	2.0	10
perfluorooctanesulfonic acid (PFOS)	2.0	4.0
perfluorooctanoic acid (PFOA)	2.0	4.0
perfluoropentanesulfonic acid (PFPeS)	2.0	--
perfluoropentanoic acid (PFPeA)	2.0	--
perfluoroundecanoic acid (PFUnA)	2.0	--
n-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSSA)	5.0	--
n-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSSA)	5.0	--
perfluorotetradecanoic acid (PFTA)	2.0	--
perfluorotridecanoic acid (PFTrDA)	2.0	--

Figure 26 - SWRCB General Monitoring Order 2025-0002-DDW, PFAS Constituents

Appendix B

Eight Content Requirements of a CCR

- ***Item 1*: Water System Information** – Name/phone number of a contact person; information on public participation opportunities.
- ***Item 2*: Source(s) of Water**.
- ***Item 3*: Definitions** – Maximum Contaminant Level (MCL); MCL Goal (MCLG); Treatment Technique (TT); Action Level (AL); Maximum Residual Disinfectant Level (MRDL); MRDL Goal (MRDLG).
- ***Item 4*: Detected Contaminants** – A table summarizing reported concentrations and relevant MCLs and MCLGs or MRDLs and MRDLGs; known source of detected contaminants; health effects language.
- ***Item 5*: Information on Monitoring for *Cryptosporidium*, Radon, and Other Contaminants** (if detected).
- ***Item 6*: Compliance with Other Drinking Water Regulations** (any violations and Ground Water Rule [GWR] special notices).
- ***Item 7*: Variances and Exemptions** (if applicable).
- ***Item 8*: Required Educational Information** – Explanation of contaminants in drinking water and bottled water; information to vulnerable populations about *Cryptosporidium*; statements on nitrate, arsenic, and lead.

Optional Information

CWSs are not limited to providing only the required information in their CCR. CWSs may want to include:

- An explanation (or include a diagram of) the CWSs treatment processes.
- Source water protection efforts and/or water conservation tips.
- Costs of making the water safe to drink.
- A statement from the mayor or general manager.
- **Information to educate customers about**: Taste and odor issues, affiliations with programs such as the Partnership for Safe Water, opportunities for public participation, etc.

Communication Tips

- Provide a consistent message. Be as simple, truthful, and straightforward as possible. Avoid acronyms, initials, and jargon.
- Provide links to useful information resources.
- Limit wordiness – write short sentences and keep your paragraphs short.
- Assume that consumers will only read the top half of the notice or what can be read in 10 seconds.
- Display important elements in bold and/or large type in the top half of the notice.
- Do not make your text size too small.
- Give a draft of your CCR to relatives or friends who are not drinking water experts and ask them if it makes sense. Ask customers for their comments when you publish the CCR.
- Use graphics, photographs, maps, and drawings to illustrate your message. Do not distract from your main message with graphics and/or pictures that do not complement your message.
- Consider printing the CCR on recycled paper and taking other steps to make the CCR "environmentally friendly." If you hope to get your customers involved in protecting or conserving water, set a good example for them to follow.
- Use the CCR as an opportunity to tell your customers about all of the things that you are doing well.

Source: EPA

Figure 27 - EPA Eight Content Requirements of a Consumer Confidence Report

Agenda Item

Orange City Council

Item #: 3.14. 8/25/2026 **File #:** 26-0450

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Pamela Coleman, City Clerk/Director of City Clerk Services**

1. SUBJECT
Adoption of amendments to the City's Conflict of Interest Code following the 2026 biennial review

2. SUMMARY
Adoption of Resolution No. 11714 fulfills the State-mandated biennial review and update to the City's Conflict of Interest Code and amends the previous Code adopted by Resolution No. 11558.

3. RECOMMENDED ACTION
Adopt Resolution No. 11714. A Resolution of the City Council of the City of Orange adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

4. FISCAL IMPACT
None.

5. STRATEGIC PLAN GOALS
This action does not correlate to any of the adopted strategic plan goals. However, Section 87306 of the California Government Code requires biennial review of the City's Conflict of Interest Code.

6. DISCUSSION AND BACKGROUND
Pursuant to the Political Reform Act, the City conducted a thorough review of its Conflict of Interest Code and determined that amendments are necessary. At its April 28, 2026, meeting, the City Council directed staff to file the Local Agency Biennial Review Notice and, if necessary, prepare a resolution amending the Code for City Council approval. Since the last update, new positions have been created, and some existing positions have either been eliminated or have been renamed. The attached legislative (redlined) version highlights the proposed amendments to the Code.

7. ATTACHMENTS
- Resolution No. 11714 with Exhibit A
- Legislative version of Exhibit A
- Notice of Intention to amend the City's Conflict of Interest Code

Agenda Item

Orange City Council

Item #: 3.14. 8/25/2026 **File #:** 26-0450

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Pamela Coleman, City Clerk/Director of City Clerk Services**

1. SUBJECT
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2. SUMMARY
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3. RECOMMENDED ACTION
Adopt Resolution No. 11714. A Resolution of the City Council of the City of Orange adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

4. FISCAL IMPACT
None.

5. STRATEGIC PLAN GOALS
This action does not correlate to any of the adopted strategic plan goals. However, Section 87306 of the California Government Code requires biennial review of the City's Conflict of Interest Code.

6. DISCUSSION AND BACKGROUND
Pursuant to the Political Reform Act, the City conducted a thorough review of its Conflict of Interest Code and determined that amendments are necessary. At its April 28, 2026, meeting, the City Council directed staff to file the Local Agency Biennial Review Notice and, if necessary, prepare a resolution amending the Code for City Council approval. Since the last update, new positions have been created, and some existing positions have either been eliminated or have been renamed. The attached legislative (redlined) version highlights the proposed amendments to the Code.

7. ATTACHMENTS
- Resolution No. 11714 with Exhibit A
- Legislative version of Exhibit A
- Notice of Intention to amend the City's Conflict of Interest Code

RESOLUTION NO. 11714

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE ADOPTING AN AMENDED CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the Political Reform Act (Government Code Section 81000 et seq.) requires the City to adopt and promulgate a conflict of interest code; and

WHEREAS, the City Council adopted a Conflict of Interest Code, which was amended by Resolution No. 11558 on June 25, 2024; and

WHEREAS, the Political Reform Act, in Government Code Section 87306, requires the City to review its Conflict of Interest Code biennially to determine whether amendments are required; and

WHEREAS, on April 28, 2026, the City Council directed staff to review the City's Conflict of Interest Code; and

WHEREAS, the City has determined that due to changes in City employee positions and titles, the City's Conflict of Interest Code requires revision; and

WHEREAS, on April 28, 2026, the City Council received and filed the 2026 Local Agency Biennial Notice and directed staff to promulgate the necessary amendments to the City's Conflict of Interest Code.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Orange as follows:

SECTION 1. The City Council adopts by reference the model conflict of interest code promulgated by the Fair Political Practices Commission as set forth in Section 18730 of the Title 2 of the California Code of Regulations, which, together with the City's List of Designated Positions and Disclosure Categories, collectively constitute the City of Orange Conflict of Interest Code. A copy of said Code is attached hereto as Exhibit A and shall be on file with the City Clerk and available to the public for inspection and copying during regular business hours.

SECTION 2. The amended Conflict of Interest Code shall become effective at the time of the adoption and approval of this Resolution.

SECTION 3. Any prior Resolution adopting a Conflict of Interest Code for the City of Orange, including Resolution No. 11558, is hereby rescinded upon the effective date of this Resolution.

ADOPTED this _____ day of _____ 2026.

_____

Daniel R. Slater, Mayor, City of Orange

ATTEST:

_____

Pamela Coleman, City Clerk, City of Orange

APPROVED AS TO FORM:

_____

Nathalie Adourian, City Attorney

Attachment: Exhibit A

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

I, PAMELA COLEMAN, City Clerk of the City of Orange, California, do hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the ___ day of _____ 2026, by the following vote:

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

_____

Pamela Coleman, City Clerk, City of Orange

CONFLICT OF INTEREST CODE OF THE CITY OF ORANGE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **City of Orange ("City")**.

All officials and designated positions required to submit a statement of economic interests shall file their statements with the City Clerk as the City's Filing Officer. The City Clerk shall make and retain a copy of all statements filed by officials listed in Government Code Section 87200, and forward the originals of such statements to the Fair Political Practices Commission. The City Clerk shall retain the originals of the statements filed by all other officials and designated positions and will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code § 81008).

APPENDIX

DESIGNATION OF POSITIONS AND
ESTABLISHMENT OF DISCLOSURE CATEGORIES

PART A
DESIGNATED POSITIONS

The Mayor, Members of the City Council and Planning Commission, the City Manager, the City Attorney, the City Treasurer, and all other City Officials who manage public investments as defined by 2 California Code of Regulations § 18700.3(b), are NOT subject to the City's Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)]

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

It has been determined that the positions listed below are other City Officials who manage public investments.[1] These positions are listed here for informational purposes only.

Administrative Services Director

Assistant City Manager

Assistant Finance Director

Finance Director

[1] Individuals holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by §87200.

DESIGNATED POSITIONS	DISCLOSURE CATEGORIES
CITY ATTORNEY	
Assistant City Attorney I	1, 2, 3, 4
Assistant City Attorney II	1, 2, 3, 4
Risk Manager	1, 2, 3, 4
Senior Assistant City Attorney	1, 2, 3, 4
CITY CLERK	
Assistant City Clerk Services Director	1, 2, 3, 4
City Clerk Services Director	1, 2, 3, 4
Deputy City Clerk	1, 2, 3, 4
CITY MANAGER	
Assistant to City Manager	1, 2, 3, 4
Assistant to the City Manager	1, 2, 3, 4
Deputy City Manager	1, 2, 3, 4
Senior Assistant to the City Manager	1, 2, 3, 4
Public Affairs & Information Manager	1, 2, 3, 4
COMMUNITY DEVELOPMENT	
Administrative Analyst I & II	1, 2, 3, 4
Assistant Community Development Director	1, 2, 3, 4
Building Inspection Supervisor	1, 2, 3, 4
Building and Safety Manager	1, 2, 3, 4
Chief Building Official	1, 2, 3, 4
Code Compliance Manager	1, 2, 3, 4
Code Compliance Officer	1, 2, 3, 4
Combination Building Inspector	1, 2, 3, 4
Community Development Director	1, 2, 3, 4
Economic Development Manager	1, 2, 3, 4
Economic Development Project Manager	1, 2, 3, 4
Housing Manager	1, 2, 3, 4
IT Project Manager	1, 2, 3, 4
Planning Manager	1, 2, 3, 4
Principal Planner	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
Senior Code Compliance Officer	1, 2, 3, 4
Senior Combination Building Inspector	1, 2, 3, 4
Senior Plan Check Engineer	1, 2, 3, 4
Senior Planner	1, 2, 3, 4

DESIGNATED POSITIONS	DISCLOSURE CATEGORIES
COMMUNITY and LIBRARY SERVICES	
Administrative Analyst I & II	1, 2, 3, 4
Administrative Manager	1, 2, 3, 4
Assistant Community Services Director	1, 2, 3, 4
Assistant Library Services Director	1, 2, 3, 4
Community and Library Services Director	1, 2, 3, 4
Library Manager I & II	1, 2, 3, 4
Library Tech/Support Services Manager	1, 2, 3, 4
Parks and Facilities Manager	1, 2, 3, 4
Recreation Services Manager	1, 2, 3, 4
Senior Library Manager	1, 2, 3, 4
FINANCE	
Accounting Manager	1, 2, 3, 4
Assistant Finance Director	1, 2, 3, 4
Controller	1, 2, 3, 4
Finance Director	1, 2, 3, 4
Finance Manager	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
Senior Buyer	1, 2, 3, 4
FIRE	
Battalion Chief	1, 2, 3, 4
Deputy Chief	1, 2, 3, 4
Emergency Manager	1, 2, 3, 4
EMS Manager	1, 2, 3, 4
Fire Chief	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
Senior EMS Manager	1, 2, 3, 4
Staff Captain	1, 2, 3, 4
INFORMATION TECHNOLOGY	
IT Manager	1, 2, 3, 4
IT Project Manager	1, 2, 3, 4
HUMAN RESOURCES	
Assistant Human Resources Director	1, 2, 3, 4
Human Resources Director	1, 2, 3, 4
Human Resources Manager	1, 2, 3, 4
Senior Human Resources Analyst	1, 2, 3, 4

DESIGNATED POSITIONS	**DISCLOSURE CATEGORIES**
POLICE	
Administrative Analyst I & II	1, 2, 3, 4
Police Captain	1, 2, 3, 4
Police Chief	
Police Lieutenant	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
PUBLIC WORKS	
Administrative Manager	1, 2, 3, 4
Assistant Field Services Manager	1, 2, 3, 4
Assistant Public Works Director	1, 2, 3, 4
Assistant Water Manager	1, 2, 3, 4
City Traffic Engineer	1, 2, 3, 4
Construction Inspection Supervisor	1, 2, 3, 4
Construction Inspector I & II	1, 2, 3, 4
Contract Administrator	1, 2, 3, 4
Deputy Public Works Director	1, 2, 3, 4
Environmental Program Manager	1, 2, 3, 4
Environmental Scientist	1, 2, 3, 4
Equipment Maintenance Superintendent	
Field Services Manager	
Manager of Transportation/City Traffic Engineer	1, 2, 3, 4
Principal Civil Engineer	1, 2, 3, 4
Public Work Director	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
Senior Civil Engineer	1, 2, 3, 4
Water Manager	1, 2, 3, 4
ORANGE CITY PUBLIC FACILITIES FINANCING AUTHORITY	
Member	1, 2, 3, 4
	1, 2, 3, 4
MEMBERS of BOARDS, COMMISSIONS, and COMMITTEES	
Audit Advisory Committee	1, 2, 3, 4
Community Development Block Grant Program Committee	1, 2, 3, 4
Design Review Committee	1, 2, 3, 4
Investment Advisory Committee	1, 2, 3, 4
Orange Public Library Board of Trustees	1, 2, 3, 4
Park Planning & Community Events Commission	1, 2, 3, 4
Santiago Creek Commission	1, 2, 3, 4

Traffic Commission	1, 2, 3, 4
[1]All interests in real property as set forth in Category 1, but only investments, sources of income and business positions which may provide services or materials of the type utilized by the library.	
CONSULTANTS and NEW POSITIONS	
[2]Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation: The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. The disclosure requirements for new positions shall be categorized by the City Manager based on the duties of the position.	1, 2, 3, 4

PART B
DISCLOSURE CATEGORIES

Disclosure categories pertain to investments, real property, business positions and sources of income, including loans, gifts, and travel payments from sources located in or doing business within the jurisdiction of the City of Orange (City).

Category 1

Interests in real property within the boundaries of the City or within two miles of the boundaries of the City in which the designated employee, spouse and dependent children have an aggregate interest of $1,000 or more in value. It includes interests in real property held by a business entity or trust in which the employee, spouse and dependent children have an aggregate interest of 10% or more.

Category 2

Investments held by the designated employee, spouse and dependent children, with an aggregate value of more than $1,000, in business entities having real property in the City or doing business, planning to do business, or having done business in the City within the past two years. It includes investments held by a business entity or trust in which the filer, spouse and dependent children have an aggregate interest of 10% or greater.

Category 3

Income (including loans) aggregating $250 or more if the source is located within or doing business within the City. It includes gifts aggregating $50 or more whether or not the source (donor) is in the City. It includes sources of income to the designated employee, to the designated employee's community property interest in the income of a spouse, and to the employee's pro rata share of any income of a trust in which the employee, spouse or dependent children have individually or collectively an aggregate interest of 10% or greater.

Category 4

Employment and management positions in business entities.

CONFLICT OF INTEREST CODE OF THE CITY OF ORANGE

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Finance Director

[1] Individuals holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by §87200.

DESIGNATED POSITIONS	DISCLOSURE CATEGORIES
City Attorney	
Assistant City Attorney I	1, 2, 3, 4
Assistant City Attorney II	1, 2, 3, 4
Risk Manager	1, 2, 3, 4
Senior Assistant City Attorney	1, 2, 3, 4
City Clerk	
ADD: Assistant Director of City Clerk Services	1, 2, 3, 4
	1, 2, 3, 4
Director of City Clerk Services	1, 2, 3, 4
Deputy City Clerk	1, 2, 3, 4
City Manager	
Assistant City Manager	1, 2, 3, 4
Assistant to the City Manager	1, 2, 3, 4
Deputy City Manager	1, 2, 3, 4
~~Economic Development Manager~~	~~1, 2, 3, 4~~
~~Emergency Manager~~	~~1, 2, 3, 4~~
~~Senior Economic Development Project Manager~~	~~1, 2, 3, 4~~
~~Senior Administrative Analyst~~	~~1, 2, 3, 4~~
Senior Assistant to the City Manager	1, 2, 3, 4
Public Information Officer	1, 2, 3, 4
Community Development	
Administrative Analyst I & II	1, 2, 3, 4
Assistant Community Development Director	1, 2, 3, 4
Building Inspection Supervisor	1, 2, 3, 4
Building and Safety Manager	1, 2, 3, 4
ADD: Chief Building Official	1, 2, 3, 4
ADD: Code Compliance Manager	1, 2, 3, 4
Code Compliance Officer	1, 2, 3, 4
~~Code Compliance Supervisor~~	~~1, 2, 3, 4~~
Combination Building Inspector	1, 2, 3, 4
Community Development Director	1, 2, 3, 4
ADD: Economic Development Manager	1, 2, 3, 4
ADD: Economic Development Project Manager	1, 2, 3, 4
~~Environmental Compliance Specialist~~	~~2, 3, 4~~
ADD: Housing Manager	1, 2, 3, 4
IT Project Manager	2, 3, 4
Planning Manager	1, 2, 3, 4
Principal Planner	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
Senior Code Compliance Officer	1, 2, 3, 4
Senior Combination Building Inspector	1, 2, 3, 4
~~Senior Housing Manager~~	~~1, 2, 3, 4~~
Senior Plan Check Engineer	1, 2, 3, 4
Senior Planner	1, 2, 3, 4
Community and Library Services	
Administrative Analyst II	1, 2, 3, 4
Administrative Manager	1, 2, 3, 4
ADD: Assistant Community Services Director	1, 2, 3, 4
ADD: Assistant Library Services Director	1, 2, 3, 4
~~Assistant Director~~	~~1, 2, 3, 4~~
ADD: Community and Library Services Director	1, 2, 3, 4
~~Community Services Director~~	~~1, 2, 3, 4~~
ADD: Library Manager I & II	1, 2, 3, 4

ADD: Library Tech/Support Services Manager	1, 2, 3, 4
Parks and Facilities Manager	1, 2, 3, 4
Recreation Services Manager	1, 2, 3, 4
ADD: Senior Library Manager	1, 2, 3, 4
~~Senior Administrative Analyst~~	~~1, 2, 3, 4~~
DESIGNATED POSITIONS	**DISCLOSURE CATEGORIES**
Finance	
Accounting Manager	1, 2, 3, 4
Assistant Finance Director	1, 2, 3, 4
~~Budget Manager~~	~~1, 2, 3, 4~~
Add: Controller	1, 2, 3, 4
Finance Director	1, 2, 3, 4
Finance Manager	1, 2, 3, 4
~~Purchasing Officer~~	~~1, 2, 3, 4~~
ADD: Senior Administrative Analyst	1, 2, 3, 4
Senior Buyer	1, 2, 3, 4
Fire	
Battalion Chief	1, 2, 3, 4
Deputy Chief	1, 2, 3, 4
ADD: Emergency Manager	1, 2, 3, 4
EMS Manager	1, 2, 3, 4
Fire Chief	1, 2, 3, 4
ADD: Senior Administrative Analyst	1, 2, 3, 4
ADD: Senior EMS Manager	1, 2, 3, 4
Staff Captain	1, 2, 3, 4
Information Technology	
Manager	1, 2, 3, 4
IT Project Manager	1, 2, 3, 4
Library [Combine w/ Community Services]	
~~Assistant Library Services Director~~ [move]	1, 2, 3, 4
~~Library Manager I & II~~ [move]	1, 2, 3, 4
~~Library Services Director~~	~~1, 2, 3, 4~~
~~Library Tech/Support Services Manager~~ [move]	1, 2, 3, 4
~~Senior Library Manager~~ [move]	1, 2, 3, 4
Human Resources	
Assistant Human Resources Director	1, 2, 3, 4
Human Resources Director	1, 2, 3, 4
Human Resources Manager	1, 2, 3, 4
Senior Human Resources Analyst	1, 2, 3, 4
Police	
Administrative Analyst I & II	1, 2, 3, 4
Captain	1, 2, 3, 4
Lieutenant	1, 2, 3, 4
Police Chief	1, 2, 3, 4
Senior Administrative Analyst	1, 2, 3, 4
Public Works	
Administrative Manager	1, 2, 3, 4
Assistant Field Services Manager	1, 2, 3, 4
Assistant Public Works Director	1, 2, 3, 4
Assistant Water Manager	1, 2, 3, 4
City Traffic Engineer	1, 2, 3, 4
Construction Inspection Supervisor	3, 4
Construction Inspector I & II	3, 4
Contract Administrator	1, 2, 3, 4
Deputy Public Works Director	1, 2, 3, 4
Environmental Program Manager	1, 2, 3, 4

Environmental Scientist	2, 3, 4
Equipment Maintenance Superintendent	2, 3, 4

DESIGNATED POSITIONS	**DISCLOSURE CATEGORIES**
Field Services Manager	1, 2, 3, 4
ADD: Manager of Transportation/City Traffic Engineer	1, 2, 3, 4
Principal Civil Engineer	3, 4
Public Works Director	1, 2, 3, 4
~~Public Works Administrator~~	1, 2, 3, 4
ADD: Senior Administrative Analyst	1, 2, 3, 4
Senior Civil Engineer	3, 4
~~Traffic Operations Superintendent~~	~~1, 2, 3, 4~~
Water Manager	1, 2, 3, 4
Orange City Public Facilities Financing Authority	
Member	1, 2, 3, 4
Members of Boards, Commissions, and Committees	
Audit Advisory Committee	1, 2, 3, 4
Community Development Block Grant Program Committee	1, 2, 3, 4
Design Review Committee	1, 2, 3, 4
Investment Advisory Committee	1, 2, 3, 4
Orange Public Library Board of Trustees[1]	1, 2, 3, 4
Park Planning & Community Events Commission	1, 2, 3, 4
Santiago Creek Commission	1, 2, 3, 4
Traffic Commission	1, 2, 3, 4
[1]All interests in real property as set forth in Category 1, but only investments, sources of income and business positions which may provide services or materials of the type utilized by the library.	
Consultants and New Positions[2]	
[2]Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation: The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. The disclosure requirements for new positions shall be categorized by the City Manager based on the duties of the position.	1, 2, 3, 4

PART B
DISCLOSURE CATEGORIES

Disclosure categories pertain to investments, real property, business positions and sources of income, including loans, gifts, and travel payments from sources located in or doing business within the jurisdiction of the City of Orange (City).

Category 1
Interests in real property within the boundaries of the City or within two miles of the boundaries of the Cityin which the designated employee, spouse and dependent children have an aggregate interest of $1,000 or more in value. It includes interests in real property held by a business entity or trust in which the employee, spouse and dependent children have an aggregate interest of 10% or more.

Category 2
Investments held by the designated employee, spouse and dependent children, with an aggregate value of more than $1,000, in business entities having real property in the City or doing business, planning to do business, or having done business in the City within the past two years. It includes investments held by a business entity or trust in which the filer, spouse and dependent children have an aggregate interest of 10% or greater.

Category 3
Income (including loans) aggregating $250 or more if the source is located within or doing business within the City. It includes gifts aggregating $50 or more whether or not the source (donor) is in the City. It includes sources of income to the designated employee, to the designated employee's community property interest in the income of a spouse, and to the employee's pro rata share of any income of a trust in which the employee, spouse or dependent children have individually or collectively an aggregate interest of 10% or greater.

Category 4
Employment and management positions in business entities.

NOTICE OF INTENTION
TO AMEND THE
CONFLICT OF INTEREST CODE
OF THE CITY OF ORANGE

NOTICE IS HEREBY GIVEN that the City of Orange intends to amend its Conflict of Interest Code (the "Code") pursuant to Government Code Section 87306.

The Code designates those positions which are subject to the disclosure and disqualification requirements of the City's Code. The City's proposed amendment identifies City officials who manage public investments that must file disclosure statements under Government Code Section 87200, adds new positions which must be designated, changes titles of some existing positions, and eliminates positions that have been abolished.

The proposed amended Code will be considered by the City Council on August 25, 2026, at 6:00 p.m. in the Council Chamber, 300 E. Chapman Avenue, Orange.

Any interested person may be present and comment at the public meeting or may submit written comments concerning the proposed amendment. Any comments or inquiries should be directed to the attention of Pamela Coleman, City Clerk, City of Orange, 300 E. Chapman Avenue, Orange, California 92866, (714) 744-5500. Written comments must be submitted no later than August 25, 2026, at 3:00 p.m. Please see the August 25, 2026, City Council agenda for further details.

The proposed amended Code may be reviewed at, and copies obtained from, the office of the City Clerk.

Agenda Item

Orange City Council

Item #: 3.15. 8/25/2026 **File #:** 26-0475

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Monica Espinoza, Human Resources Director**

1. SUBJECT
Winter Holiday Closure for 2026, 2027, and 2028

2. SUMMARY
Adoption of Resolution No. 11717 would allow for certain City facilities to be closed during the week between the Christmas and New Year's holiday for only calendar years 2026, 2027, and 2028.

3. RECOMMENDED ACTION
Adopt Resolution No. 11717. A Resolution of the City Council of the City of Orange regarding the 2026, 2027, and 2028 Winter Holiday Closure.

4. FISCAL IMPACT
None.

5. STRATEGIC PLAN GOALS
Goal 4: Improve Employee Retention and Recruitment

6. DISCUSSION AND BACKGROUND
Traditionally, the annual winter holiday closure is approved by the City Council in the Fall prior to the December closure. For better operational planning purposes, the City Council is being asked to approve the winter holiday closure for calendar years 2026, 2027, and 2028.

In accordance with most labor contracts between the City and its employee organizations, City employees receive one nine-hour (9) day of paid holiday leave on Christmas Eve (December 24) if it falls on a Monday through Thursday, one nine-hour (9) day of paid holiday for Christmas Day (December 25), and one nine-hour (9) day of paid holiday for New Year's Day (January 1). If approved by the City Council, this action will allow the City to close most of its services for the following holiday periods:

City Hall:

Notwithstanding public safety and other emergency call-out services, City facilities will be closing at 5:00 p.m. on:

- *Wednesday, December 23, 2026, through Sunday, January 3, 2027. The City will return*

to full service on Monday, January 4, 2027; and

- *Thursday, December 23, 2027 through Sunday, January 2, 2028. The City will return to full service on Monday, January 3, 2028; and*

- *Friday, December 22, 2028 through Monday, January 1, 2029. The City will return to full service on Tuesday, January 2, 2029; and*

Libraries:

The Orange Public Library & History Center (Main Library) and the Taft and El Modena branch libraries will close on:

- *Thursday, December 24, 2026 and will re-open on Monday, January 4, 2027; and*

- *Friday, December 24, 2027 and will re-open on Monday, January 3, 2028; and*

- *Sunday, December 24, 2028 and will re-open on Tuesday, January 2, 2029.*

Notwithstanding the above, the City will continue to provide public safety and other emergency call-out services. Employees will be required to utilize their own accrued paid leave hours (i.e., vacation, compensatory time, holiday compensatory time, administrative leave, trip reduction program leave, and/or floating holiday) to cover the holiday closures. The number of hours deducted will depend on the employee's regular work schedule. Alternatively, employees may elect to take an unpaid leave of absence for hours associated with the holiday closures.

7. ATTACHMENTS

- Resolution No. 11717

Agenda Item

Orange City Council

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- *Friday, December 24, 2027 and will re-open on Monday, January 3, 2028; and*

- *Sunday, December 24, 2028 and will re-open on Tuesday, January 2, 2029.*

Notwithstanding the above, the City will continue to provide public safety and other emergency call-out services. Employees will be required to utilize their own accrued paid leave hours (i.e., vacation, compensatory time, holiday compensatory time, administrative leave, trip reduction program leave, and/or floating holiday) to cover the holiday closures. The number of hours deducted will depend on the employee's regular work schedule. Alternatively, employees may elect to take an unpaid leave of absence for hours associated with the holiday closures.

7. ATTACHMENTS

- Resolution No. 11717

RESOLUTION NO. 11717

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE REGARDING THE 2026, 2027, AND 2028 WINTER HOLIDAY CLOSURE

WHEREAS, most benefited, full-time City employees are provided with one nine-hour day of paid holiday leave on *Christmas Eve* if it falls on a Monday through Thursday (December 24, 2026), one nine-hour day of paid holiday leave on *Christmas Day* (December 25, 2026, 2027, and 2028), and one nine-hour day of paid holiday leave on *New Year's Day* (January 1, 2027, 2028, and 2029) per their respective Memoranda of Understanding; and

WHEREAS, the City Council wishes to express its sincere appreciation to City employees for their dedicated service to the City and its citizens throughout the year; and

WHEREAS, the City Council recognizes the value of time spent with families during the holiday season; and

WHEREAS, the City will experience a slight reduction in its unfunded paid leave accrued liability by having employees use their own accrued paid leave balances to cover the proposed days off; and

WHEREAS, the City has met and conferred with all affected bargaining groups and satisfied its obligations under the Meyers-Milias-Brown Act with respect to the impacts of the winter holiday closure schedule on affected represented employees; and

WHEREAS, the City Council wishes to effectively accommodate time-off requests by City employees during the holidays.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Orange does hereby establishes the following winter holiday closure schedule:

Notwithstanding public safety and other emergency call-out services, City facilities will be closing at 5:00 p.m. on:

- Wednesday, December 23, 2026 through Sunday, January 3, 2027. The City will return to full service on Monday, January 4, 2027; and
- Thursday, December 23, 2027 through Sunday, January 2, 2028. The City will return to full service on Monday, January 3, 2028; and
- Friday, December 22, 2028 through Monday, January 1, 2029. The City will return to full service on Tuesday, January 2, 2029; and

The Orange Public Library & History Center (Main Library) and the Taft and El Modena branch libraries will close on:

- Thursday, December 24, 2026 and will re-open on Monday, January 4, 2027; and
- Friday, December 24, 2027 and will re-open on Monday, January 3, 2028; and
- Sunday, December 24, 2028 and will re-open on Tuesday, January 2, 2029.

Subject to applicable Memoranda of Understanding, employees will utilize their own accrued paid leave hours (i.e., vacation, compensatory time, holiday compensatory time, administrative leave, trip reduction program leave, and/or floating holiday) to cover the holiday closures, except for hours otherwise covered by City-paid holiday leave. The number of hours deducted will depend on the employee's regular work schedule. Alternatively, employees may elect to take an unpaid leave of absence for hours associated with the holiday closures.

ADOPTED this ____ day of _____, 2026

_____
Daniel R. Slater, Mayor, City of Orange

ATTEST:

_____
Pamela Coleman, City Clerk, City of Orange

APPROVED AS TO FORM:

_____
Nathalie Adourian, City Attorney, City of Orange

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

I, PAMELA COLEMAN, City Clerk of the City of Orange, California, do hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the ____ day of _____, 2026 by the following vote:

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

_____
Pamela Coleman, City Clerk, City of Orange

Agenda Item

Orange City Council

Item #: 7.1. 8/25/2026 **File #:** 26-0491

1. SUBJECT

Appointment to the Community Development Block Grant Program Committee

2. SUMMARY

Due to the resignation of Connie Benson, an unscheduled vacancy exists on the Community Development Block Grant (CDBG) Program Committee. In accordance with Government Code Section 54974, a Notice of Vacancy was posted on July 16, 2026.

Mayor Slater has recommended the appointment of James Kushon, who currently serves on the Park Planning & Community Events Commission, to fill the vacancy on the CDBG Program Committee. Mr. Kushon's appointment to the CDBG Program Committee would result in a vacancy on the Park Planning & Community Events Commission.

3. RECOMMENDED ACTION

Confirm Mayor Slater's recommendation to appoint James Kushon to the CDBG Program Committee to fill an unexpired term ending on June 30, 2027.

Agenda Item

Orange City Council

Item #: 7.1. 8/25/2026 **File #:** 26-0491

1. SUBJECT

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3. RECOMMENDED ACTION

Confirm Mayor Slater's recommendation to appoint James Kushon to the CDBG Program Committee to fill an unexpired term ending on June 30, 2027.

Agenda Item

Orange City Council

Item #: 9.1. 8/25/2026 **File #:** 26-0482

TO: **Honorable Mayor and Members of the City Council**

FROM: **Jarad Hildenbrand, City Manager**

1. SUBJECT

Agreements related to the restoration and future conveyance to the City of the approximately 67.7-acre former Sully-Miller property at 6145 E. Santiago Canyon Road for permanent public open space, and finding of California Environmental Quality Act exemption

2. SUMMARY

The former Sully-Miller property has been the subject of development proposals, environmental and regulatory proceedings, and significant community interest for decades. At the same time, preservation of Santiago Creek, open space, trails, natural resources, and the rural character of Orange Park Acres has been a long-standing community planning objective.

The agreements before the City Council present an opportunity to bring these histories together by establishing a contractual pathway through which Landify ECT Construction Corporation (Landify) would seek to acquire the approximately 67.7-acre property from Milan REI X, LLC (Milan), undertake an Inert Debris Engineered Fill Operation (IDEFO) and associated grading and site preparation necessary to establish the final landform, and, following completion and satisfaction of specified environmental, regulatory, engineering, title, insurance, and other closing conditions, convey the property to the City for permanent public open-space purposes. Landify is not responsible for final habitat restoration, trails, equestrian facilities, or other finished public amenities; those improvements would be the City's responsibility following conveyance and would be considered through future planning, environmental review, budgeting, grant funding, and City Council action.

Approval does not constitute the City's present acceptance of the property or approval of a final grading plan. Landify would own the property during its operations. Environmental testing and regulatory review remains underway, including review by the Orange County Health Care Agency acting as the Local Enforcement Agency (LEA). The LEA's forthcoming determination regarding the existing Stipulated Notice and Order (SNO), together with other applicable regulatory requirements, will inform the ultimate grading and site preparation plans.

If Landify performs its obligations and the City's closing conditions are satisfied, the City will be contractually obligated to accept the property. The conveyance will also include an appropriate recorded restriction limiting the property to permanent public open space and compatible public uses.

The transaction builds upon recent open-space preservation efforts along Santiago Creek. In 2024, approximately 14 acres associated with the Chandler/Hurwitz property were preserved for public open-space purposes. In January 2026, the City accepted from Milan approximately 30.75 acres of the northern portion of the Sully-Miller site. If the Sully-Miller transaction is successfully completed, these three efforts would collectively represent approximately 112 acres of public open-space

preservation along Santiago Creek.

The agreements are an important step, but not the final step. Regulatory review, Landify's IDEFO and grading work, future community planning, funding, and long-term stewardship will continue to develop over the coming years.

3. RECOMMENDED ACTION

1. Approve the Real Property Transfer Agreement between the City of Orange and Landify ECT Construction Corporation for the future conveyance of the approximately 67.7-acre former Sully-Miller property to the City, subject to the terms and conditions contained therein.

2. Approve the Multiparty Indemnification and Release Agreement among the City of Orange, Landify ECT Construction Corporation, and Milan REI X, LLC concerning environmental liabilities associated with the property.

3. Authorize the Mayor to execute the agreements on behalf of the City.

4. Authorize the City Manager to execute related documents once finalized and made available, including agreement exhibits, and authorize the City Manager take actions necessary to incorporate those exhibits as a part of the agreements and implement said agreements, including executing non-substantive modifications, amendments, or extensions consistent with the purpose and intent of the agreements and approved as to form by the City Attorney, provided that such modifications, amendments, or extensions do not materially increase the City's financial obligations or environmental liability or materially alter the conditions to the City's acquisition of the property.

5. Find that approval of the agreements is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15060(c), and is further exempt from CEQA pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with certainty that the approvals will not have a significant effect on the environment; and direct staff to file a Notice of Exemption.

4. FISCAL IMPACT

The agreements do not require the City to fund Landify's acquisition of the property or the design or operation of Landify's IDEFO and grading activities, and the Real Property Transfer Agreement does not provide for payment of a purchase price by the City.

Prior to conveyance, the City will be responsible for its internal administrative costs and certain third-party out-of-pocket costs incurred in carrying out its obligations under the Agreement, including applicable City oversight, monitoring, inspection, due diligence, title, escrow, and legal costs. Regulatory monitoring or inspection required in connection with Landify's IDEFO operations prior to closing will be Landify's responsibility. At closing, the City will be responsible for the premium for the owner's title insurance policy, one-half of escrow fees and costs, and its own legal fees and costs. Landify will be responsible for applicable City and County transfer taxes and recording costs associated with the Grant Deed. Any additional costs associated with optional extended title coverage requested by the City will also be the City's responsibility. Milan is responsible, at its sole cost and expense, for obtaining the pollution legal liability insurance required by the Multiparty Indemnification and Release Agreement.

Following conveyance, the City will assume responsibility for ownership, operation, maintenance,

stewardship, and any future public improvements. The agreements do not establish the cost or scope of future master planning, habitat restoration, trails, recreational amenities, equestrian facilities, or ongoing maintenance. Any such expenditures will be subject to future City Council consideration and appropriation through the City's budget and capital improvement processes. Staff is evaluating grants, technical assistance, partnerships, philanthropic contributions, and other outside funding opportunities, including assistance through CCLR and the Orange County Brownfields Revitalization Program, subject to applicable eligibility requirements.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Stability
Objective 2.3: Work with appropriate stakeholders and identify a beneficial use and final resolution for the Sully Miller Site

Segment 1: East Orange to Villa Park Road
Project 1.8: Santiago Creek Trail Gap Closure

6. DISCUSSION AND BACKGROUND

The Sully-Miller Property: More Than a Century of History

The approximately 67.7-acre property commonly known as Sully-Miller is located at 6145 E. Santiago Canyon Road along Santiago Creek within Orange Park Acres. The property is part of a larger area with a history of resource extraction dating back more than a century. Sand and aggregate mining occurred on the larger Sully-Miller site from approximately 1919 to 1995, followed by other industrial and related uses.

The question of what should happen to the property after the conclusion of mining has been discussed for decades. Beginning in the 1970s, the Santiago Creek Greenbelt Plan, Orange Park Acres Specific Plan, and East Orange planning efforts established a long-term vision emphasizing open space, the Santiago Creek corridor, trails, natural resources, and the rural character of the surrounding area.

In 1993, the City Council approved a General Plan Amendment, zone change, and tentative tract map allowing 25 residential lots on approximately 12.6 acres north of Santiago Creek adjacent to Mabury Ranch. The tentative tract map expired in 2000. A new tract map for 22 homes on this property was ultimately approved by the City Council in 2020.

Beginning in 1999, Fieldstone Communities pursued a substantially larger proposal involving 189 homes on the larger Sully-Miller site, including 18 homes north of Santiago Creek. The City Council approved the project in 2003. Opponents subsequently gathered sufficient signatures to qualify a referendum challenging the approval, and the City Council ultimately rescinded the project approvals rather than proceed to an election.

In 2009, the property returned with an application for the Rio Santiago proposal. Initially contemplated at more than 450 residential units, the proposal was ultimately reduced to 395 units and also included private recreational facilities and publicly accessible trails and open space. Following several years of review and substantial community opposition, the City Council denied the project in 2014.

The next major proposal was Trails at Santiago Creek. Milan proposed a residential project in 2018 that ultimately resulted in City Council approval in October 2019 of land-use changes allowing 128

single-family homes on the larger site, with substantial open space and Santiago Creek Greenway improvements. The approval again resulted in a referendum effort. More than 13,000 signatures were submitted, the referendum qualified for the ballot, and Orange voters rejected the residential approvals at the November 2020 election, with approximately 63 percent voting against the measure. The project's Environmental Impact Report was also challenged, and in July 2021 the City Council rescinded the resolution certifying the EIR.

More recently, Milan submitted two Builder's Remedy applications affecting its properties in the area. The City and Milan subsequently negotiated a broader resolution reflected in a 2025 Memorandum of Understanding involving three principal matters: the previously entitled Mabury 22-home tract north of Santiago Creek, a proposed 30-unit residential project at the existing arena site, and a pathway for the approximately 67.7-acre Sully-Miller property to be prepared by Landify and ultimately conveyed to the City for public open space.

The negotiated framework has continued to evolve as the individual projects have advanced. In May 2026, the City Council approved a First Amendment extending applicable processing deadlines and Builder's Remedy Tolling Agreements. In July 2026, the City Council approved a Second Amendment addressing the possibility of litigation challenging the Arena Residential Project or the Sully-Miller Open Space Project. The Second Amendment permits Milan, at its option, to extend the applicable Builder's Remedy Tolling Agreement during the pendency of such litigation, including appeals. The amendment was intended to preserve the negotiated framework while litigation is resolved and did not itself approve either project or grant development entitlements. The agreements now before the Council are the next significant step in implementing the Sully-Miller component of that broader negotiated framework.

East Orange Santiago Creek Greenbelt Corridor - A Long-Standing Open-Space Vision

Preservation of Santiago Creek and the rural and open-space character of Orange Park Acres is not a new planning concept. The Orange Park Acres Specific Plan includes objectives to maintain the area's rural character, preserve drainage courses and natural resources, provide interconnected trails, and protect Santiago Creek as an ecological and riparian resource while allowing compatible recreational uses. The Specific Plan also promotes the phasing out of gravel pit operations along Santiago Creek and restoration of natural amenities within the area.

The historic Santiago Creek Greenbelt concept similarly envisioned an interconnected corridor of open space, trails, recreation, natural resources, agricultural areas, and parkland extending along Santiago Creek.

Recent actions have begun translating that long-standing vision into public ownership. In 2024, approximately 14 acres associated with the Chandler/Hurwitz property were preserved for public open-space purposes. In January 2026, the City accepted from Milan approximately 30.75 acres of the northern portion of the Sully-Miller site. The dedicated property surrounds the previously entitled Mabury 22-home tract north of Santiago Creek and includes conservation lands associated with that development and conservation easements involving Rivers & Lands Conservancy and the California Department of Fish and Wildlife.

If the approximately 67.7-acre Sully-Miller property is ultimately conveyed to the City, these three preservation efforts would collectively represent approximately 112 acres along Santiago Creek. The properties are not necessarily one contiguous site, but together they create opportunities for coordinated habitat protection, trails, passive recreation, watershed stewardship, and long-term open

-space planning.

The Landify Agreements and Regulatory Process

Under the proposed framework, Landify would acquire the property from Milan and undertake an IDEFO and associated grading and site preparation. An IDEFO involves the acceptance, processing, and placement of clean soil and inert debris in accordance with applicable regulatory requirements to establish an approved final landform.

Landify is responsible for the IDEFO, grading, and site preparation contemplated by the Agreement. Landify is not responsible for constructing the City's final restoration, future trails, equestrian facilities, recreational amenities, or other finished public improvements.

The Real Property Transfer Agreement establishes the conditions under which the property will ultimately be conveyed to the City. Landify will own and operate the property during the IDEFO and grading process. A separate Multiparty Indemnification and Release Agreement requires Milan, at its sole cost and expense, to procure pollution legal liability insurance as the primary source of recovery for covered environmental claims and allocates specified environmental responsibilities among Milan, Landify, and the City. The policy is required to provide limits of not less than $3 million per claim and $3 million in the aggregate, with a self-insured retention not exceeding $50,000 per claim, and, subject to its terms and limitations, to cover both pre-existing and new pollution conditions during Landify's ownership and for at least five years following the City's acquisition, but no longer than ten years from issuance.

Environmental testing and regulatory review remains underway. The LEA and other applicable agencies continue to review environmental testing results and technical information concerning the property. The LEA's determination regarding the work necessary to satisfy the SNO is forthcoming. Those determinations will help establish the requirements for Landify's IDEFO, grading, and site preparation.

The agreements therefore do not approve a predetermined final grading plan, IDEFO operating plan, reclamation plan, permit, or other regulatory approval, and do not conclude the regulatory or environmental review process for any future discretionary approval. Future IDEFO, grading, corrective work, and permits remain subject to applicable regulatory requirements, approvals, legal standards, procedures, and findings, and the City’s community planning and proposed improvements remain subject to applicable environmental review.

Conditions and Commitment to City Acquisition

The transaction is structured so that the City does not take ownership at the beginning of Landify's work. Before conveyance, specified closing conditions must be satisfied, including environmental and geotechnical testing and applicable regulatory requirements required before Landify's acquisition, approval of applicable IDEFO permits and the LEA operating plan, completion and certification of required grading, satisfaction of representations and warranties, acceptable title, required closing documents, execution of the environmental liability agreement, and required environmental insurance.

The City has conducted preliminary due diligence sufficient to enter into the Agreement and retains the right, as provided in the Agreement, to review information arising from Landify's use and operation of the property through closing, including grading activities, regulatory review, site monitoring, and new environmental information.

These conditions protect the City from prematurely accepting the property. They also define the commitment the Council is being asked to make now: if Landify performs its obligations and the City's closing conditions are satisfied, the City will be contractually obligated to complete the transaction and accept ownership. The Agreement does not contemplate a second City Council approval at the time of conveyance.

The conveyance will also include a recorded restriction limiting the property to permanent public open space and compatible public uses.

Project Feasibility and Risk

The proposed transaction offers a significant opportunity, but successful completion is not guaranteed.

Landify's multi-year IDEFO operation depends upon regulatory conditions, availability and volume of suitable soil, tipping fees, market conditions, and other economic factors. If the project becomes commercially infeasible, the Agreement establishes a process for the parties to evaluate potential modifications, mutual termination, or other alternatives. The City is not required to provide additional funding or accept an incomplete property.

Because Landify will own the property during its operations, a default, insolvency, or cessation of operations would not itself transfer ownership to the City. The Agreement includes protections intended to address incomplete performance, including security equal to 100 percent of the estimated cost to complete required reclamation work for each grading phase before that phase begins. If Landify exercises its contractual termination right because the IDEFO is approved but becomes commercially infeasible, Landify is required to perform specified reclamation work on any grading phase that has commenced but has not been completed. The City would not be required to acquire the property.

Environmental testing and regulatory review also remain underway, and the LEA has not yet made its final determination regarding the work necessary to satisfy the SNO. Those determinations could affect the scope, timing, and economic feasibility of Landify's work.

Landify has advised the City that its continued participation is time-sensitive and that it is prepared to continue pursuing the transaction through the end of 2026, but has not committed to remain beyond that timeframe. This does not alter the City's obligation to complete all required public review and regulatory processes, but significant delay could affect the continued availability of the proposed transaction.

Upon conveyance, the City will assume responsibility for long-term ownership, maintenance, stewardship, and future public improvements. Those costs are not presently known and will be addressed through future planning and budget processes.

If the agreements are not approved, the proposed Landify transaction and contractual pathway for the approximately 67.7-acre property to be prepared for open space and ultimately conveyed to the City will not proceed as currently structured, and there is no assurance the same opportunity would remain available later.

Planning for Future Public Use and Funding

The agreements do not determine the property's final public amenities. Those decisions will be developed through future community planning, environmental review, budgeting, and City Council

action, consistent with the final regulatory requirements and approved landform.

The anticipated multi-year IDEFO and grading process provides time for the City to engage residents and stakeholders and evaluate trails, equestrian facilities and uses, habitat restoration, environmental education, passive recreation, scenic and natural resources, access, and other compatible open-space improvements. This process can also establish priorities and preliminary cost estimates before the City assumes ownership.

Staff has also begun evaluating outside funding and technical-assistance opportunities that may support environmental assessment, reuse planning, restoration, future improvements, and stewardship. These efforts include coordination with the Center for Creative Land Recycling (CCLR) and evaluation of potential assistance through the Orange County Brownfields Revitalization Program, subject to applicable program and EPA eligibility requirements.

Looking Ahead

For decades, the future of Sully-Miller has been defined by competing development proposals, regulatory proceedings, community debate, referenda, litigation, and uncertainty. The agreements before the Council offer a fundamentally different path.

That path is neither immediate nor guaranteed. Regulatory review must be completed, the LEA must determine the requirements necessary to address the SNO, Landify must acquire the property, obtain the required approvals and successfully complete its IDEFO and grading obligations, and the City's closing conditions must be satisfied.

If those steps are successfully completed, approximately 67.7 acres along Santiago Creek will be conveyed to the City for permanent public open-space purposes. Combined with the approximately 30.75 acres of the Sully-Miller property previously dedicated by Milan and the approximately 14 acres associated with Chandler/Hurwitz, these three efforts would collectively preserve approximately 112 acres of public open space along the Santiago Creek corridor.

After decades in which much of the conversation surrounding Sully-Miller has focused on what might be developed there, the proposed framework creates an opportunity to change that conversation to restoration, preservation, public ownership, and a shared vision for the future.

Staff recommends approval of the proposed agreements.

Environmental Review

Approval of the Real Property Transfer Agreement and the Multiparty Indemnification and Release Agreement is not a “project” subject to the California Environmental Quality Act (CEQA) because approval of the agreements will not itself result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Pub. Res. Code, § 21065; CEQA Guidelines, § 15060(c).

The agreements establish contractual terms governing the future conveyance of the property to the City and allocate environmental liability among the parties. The agreements do not themselves approve or authorize the IDEFO, a final grading plan, reclamation plan, operating plan, grading permit, or other regulatory authorization necessary to conduct physical activities on the property. Landify must separately obtain the permits, regulatory approvals, and environmental review, if required under applicable law before conducting such activities.

Nothing in the agreements limits, waives, or predetermines the City's exercise of its governmental,

regulatory, permitting, environmental review, police power, or land-use authority. Any future discretionary governmental approval required for physical activities on the property remains subject to the applicable legal standards, procedures, findings, and environmental review required at the time that approval is considered. Accordingly, approval of the agreements does not constitute approval of those future physical activities or predetermine the City's consideration of any subsequent discretionary approval.

Approval of the agreements is also exempt from CEQA pursuant to the “common sense exemption” because it can be seen with certainty that approval of the agreements will not itself result in a significant effect on the environment. CEQA Guidelines, § 15061(b)(3).

7. ATTACHMENTS

- Attachment 1 - Real Property Transfer Agreement between the City of Orange and Landify ECT Construction Corporation
- Attachment 2 - Multiparty Indemnification and Release Agreement among Milan REI X, LLC, Landify ECT Construction Corporation, and the City of Orange
- Attachment 3 - Property Location Map
- Attachment 4 - Orange Park Acres Specific Plan - Relevant Goals, Objectives, and Policies.
- Attachment 5 - Historic Santiago Creek Greenbelt Map

Agenda Item

Orange City Council

Item #: 9.1. 8/25/2026 **File #:** 26-0482

TO: **Honorable Mayor and Members of the City Council**

FROM: **Jarad Hildenbrand, City Manager**

1. SUBJECT

Agreements related to the restoration and future conveyance to the City of the approximately 67.7-acre former Sully-Miller property at 6145 E. Santiago Canyon Road for permanent public open space, and finding of California Environmental Quality Act exemption

2. SUMMARY

The former Sully-Miller property has been the subject of development proposals, environmental and regulatory proceedings, and significant community interest for decades. At the same time, preservation of Santiago Creek, open space, trails, natural resources, and the rural character of Orange Park Acres has been a long-standing community planning objective.

The agreements before the City Council present an opportunity to bring these histories together by establishing a contractual pathway through which Landify ECT Construction Corporation (Landify) would seek to acquire the approximately 67.7-acre property from Milan REI X, LLC (Milan), undertake an Inert Debris Engineered Fill Operation (IDEFO) and associated grading and site preparation necessary to establish the final landform, and, following completion and satisfaction of specified environmental, regulatory, engineering, title, insurance, and other closing conditions, convey the property to the City for permanent public open-space purposes. Landify is not responsible for final habitat restoration, trails, equestrian facilities, or other finished public amenities; those improvements would be the City's responsibility following conveyance and would be considered through future planning, environmental review, budgeting, grant funding, and City Council action.

Approval does not constitute the City's present acceptance of the property or approval of a final grading plan. Landify would own the property during its operations. Environmental testing and regulatory review remains underway, including review by the Orange County Health Care Agency acting as the Local Enforcement Agency (LEA). The LEA's forthcoming determination regarding the existing Stipulated Notice and Order (SNO), together with other applicable regulatory requirements, will inform the ultimate grading and site preparation plans.

If Landify performs its obligations and the City's closing conditions are satisfied, the City will be contractually obligated to accept the property. The conveyance will also include an appropriate recorded restriction limiting the property to permanent public open space and compatible public uses.

The transaction builds upon recent open-space preservation efforts along Santiago Creek. In 2024, approximately 14 acres associated with the Chandler/Hurwitz property were preserved for public open-space purposes. In January 2026, the City accepted from Milan approximately 30.75 acres of the northern portion of the Sully-Miller site. If the Sully-Miller transaction is successfully completed, these three efforts would collectively represent approximately 112 acres of public open-space

preservation along Santiago Creek.

The agreements are an important step, but not the final step. Regulatory review, Landify's IDEFO and grading work, future community planning, funding, and long-term stewardship will continue to develop over the coming years.

3. RECOMMENDED ACTION

1. Approve the Real Property Transfer Agreement between the City of Orange and Landify ECT Construction Corporation for the future conveyance of the approximately 67.7-acre former Sully-Miller property to the City, subject to the terms and conditions contained therein.

2. Approve the Multiparty Indemnification and Release Agreement among the City of Orange, Landify ECT Construction Corporation, and Milan REI X, LLC concerning environmental liabilities associated with the property.

3. Authorize the Mayor to execute the agreements on behalf of the City.

4. Authorize the City Manager to execute related documents once finalized and made available, including agreement exhibits, and authorize the City Manager take actions necessary to incorporate those exhibits as a part of the agreements and implement said agreements, including executing non-substantive modifications, amendments, or extensions consistent with the purpose and intent of the agreements and approved as to form by the City Attorney, provided that such modifications, amendments, or extensions do not materially increase the City's financial obligations or environmental liability or materially alter the conditions to the City's acquisition of the property.

5. Find that approval of the agreements is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15060(c), and is further exempt from CEQA pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with certainty that the approvals will not have a significant effect on the environment; and direct staff to file a Notice of Exemption.

4. FISCAL IMPACT

The agreements do not require the City to fund Landify's acquisition of the property or the design or operation of Landify's IDEFO and grading activities, and the Real Property Transfer Agreement does not provide for payment of a purchase price by the City.

Prior to conveyance, the City will be responsible for its internal administrative costs and certain third-party out-of-pocket costs incurred in carrying out its obligations under the Agreement, including applicable City oversight, monitoring, inspection, due diligence, title, escrow, and legal costs. Regulatory monitoring or inspection required in connection with Landify's IDEFO operations prior to closing will be Landify's responsibility. At closing, the City will be responsible for the premium for the owner's title insurance policy, one-half of escrow fees and costs, and its own legal fees and costs. Landify will be responsible for applicable City and County transfer taxes and recording costs associated with the Grant Deed. Any additional costs associated with optional extended title coverage requested by the City will also be the City's responsibility. Milan is responsible, at its sole cost and expense, for obtaining the pollution legal liability insurance required by the Multiparty Indemnification and Release Agreement.

Following conveyance, the City will assume responsibility for ownership, operation, maintenance,

stewardship, and any future public improvements. The agreements do not establish the cost or scope of future master planning, habitat restoration, trails, recreational amenities, equestrian facilities, or ongoing maintenance. Any such expenditures will be subject to future City Council consideration and appropriation through the City's budget and capital improvement processes. Staff is evaluating grants, technical assistance, partnerships, philanthropic contributions, and other outside funding opportunities, including assistance through CCLR and the Orange County Brownfields Revitalization Program, subject to applicable eligibility requirements.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Stability
Objective 2.3: Work with appropriate stakeholders and identify a beneficial use and final resolution for the Sully Miller Site

Segment 1: East Orange to Villa Park Road
Project 1.8: Santiago Creek Trail Gap Closure

6. DISCUSSION AND BACKGROUND

The Sully-Miller Property: More Than a Century of History

The approximately 67.7-acre property commonly known as Sully-Miller is located at 6145 E. Santiago Canyon Road along Santiago Creek within Orange Park Acres. The property is part of a larger area with a history of resource extraction dating back more than a century. Sand and aggregate mining occurred on the larger Sully-Miller site from approximately 1919 to 1995, followed by other industrial and related uses.

The question of what should happen to the property after the conclusion of mining has been discussed for decades. Beginning in the 1970s, the Santiago Creek Greenbelt Plan, Orange Park Acres Specific Plan, and East Orange planning efforts established a long-term vision emphasizing open space, the Santiago Creek corridor, trails, natural resources, and the rural character of the surrounding area.

In 1993, the City Council approved a General Plan Amendment, zone change, and tentative tract map allowing 25 residential lots on approximately 12.6 acres north of Santiago Creek adjacent to Mabury Ranch. The tentative tract map expired in 2000. A new tract map for 22 homes on this property was ultimately approved by the City Council in 2020.

Beginning in 1999, Fieldstone Communities pursued a substantially larger proposal involving 189 homes on the larger Sully-Miller site, including 18 homes north of Santiago Creek. The City Council approved the project in 2003. Opponents subsequently gathered sufficient signatures to qualify a referendum challenging the approval, and the City Council ultimately rescinded the project approvals rather than proceed to an election.

In 2009, the property returned with an application for the Rio Santiago proposal. Initially contemplated at more than 450 residential units, the proposal was ultimately reduced to 395 units and also included private recreational facilities and publicly accessible trails and open space. Following several years of review and substantial community opposition, the City Council denied the project in 2014.

The next major proposal was Trails at Santiago Creek. Milan proposed a residential project in 2018 that ultimately resulted in City Council approval in October 2019 of land-use changes allowing 128

single-family homes on the larger site, with substantial open space and Santiago Creek Greenway improvements. The approval again resulted in a referendum effort. More than 13,000 signatures were submitted, the referendum qualified for the ballot, and Orange voters rejected the residential approvals at the November 2020 election, with approximately 63 percent voting against the measure. The project's Environmental Impact Report was also challenged, and in July 2021 the City Council rescinded the resolution certifying the EIR.

More recently, Milan submitted two Builder's Remedy applications affecting its properties in the area. The City and Milan subsequently negotiated a broader resolution reflected in a 2025 Memorandum of Understanding involving three principal matters: the previously entitled Mabury 22-home tract north of Santiago Creek, a proposed 30-unit residential project at the existing arena site, and a pathway for the approximately 67.7-acre Sully-Miller property to be prepared by Landify and ultimately conveyed to the City for public open space.

The negotiated framework has continued to evolve as the individual projects have advanced. In May 2026, the City Council approved a First Amendment extending applicable processing deadlines and Builder's Remedy Tolling Agreements. In July 2026, the City Council approved a Second Amendment addressing the possibility of litigation challenging the Arena Residential Project or the Sully-Miller Open Space Project. The Second Amendment permits Milan, at its option, to extend the applicable Builder's Remedy Tolling Agreement during the pendency of such litigation, including appeals. The amendment was intended to preserve the negotiated framework while litigation is resolved and did not itself approve either project or grant development entitlements. The agreements now before the Council are the next significant step in implementing the Sully-Miller component of that broader negotiated framework.

East Orange Santiago Creek Greenbelt Corridor - A Long-Standing Open-Space Vision

Preservation of Santiago Creek and the rural and open-space character of Orange Park Acres is not a new planning concept. The Orange Park Acres Specific Plan includes objectives to maintain the area's rural character, preserve drainage courses and natural resources, provide interconnected trails, and protect Santiago Creek as an ecological and riparian resource while allowing compatible recreational uses. The Specific Plan also promotes the phasing out of gravel pit operations along Santiago Creek and restoration of natural amenities within the area.

The historic Santiago Creek Greenbelt concept similarly envisioned an interconnected corridor of open space, trails, recreation, natural resources, agricultural areas, and parkland extending along Santiago Creek.

Recent actions have begun translating that long-standing vision into public ownership. In 2024, approximately 14 acres associated with the Chandler/Hurwitz property were preserved for public open-space purposes. In January 2026, the City accepted from Milan approximately 30.75 acres of the northern portion of the Sully-Miller site. The dedicated property surrounds the previously entitled Mabury 22-home tract north of Santiago Creek and includes conservation lands associated with that development and conservation easements involving Rivers & Lands Conservancy and the California Department of Fish and Wildlife.

If the approximately 67.7-acre Sully-Miller property is ultimately conveyed to the City, these three preservation efforts would collectively represent approximately 112 acres along Santiago Creek. The properties are not necessarily one contiguous site, but together they create opportunities for coordinated habitat protection, trails, passive recreation, watershed stewardship, and long-term open

-space planning.

The Landify Agreements and Regulatory Process

Under the proposed framework, Landify would acquire the property from Milan and undertake an IDEFO and associated grading and site preparation. An IDEFO involves the acceptance, processing, and placement of clean soil and inert debris in accordance with applicable regulatory requirements to establish an approved final landform.

Landify is responsible for the IDEFO, grading, and site preparation contemplated by the Agreement. Landify is not responsible for constructing the City's final restoration, future trails, equestrian facilities, recreational amenities, or other finished public improvements.

The Real Property Transfer Agreement establishes the conditions under which the property will ultimately be conveyed to the City. Landify will own and operate the property during the IDEFO and grading process. A separate Multiparty Indemnification and Release Agreement requires Milan, at its sole cost and expense, to procure pollution legal liability insurance as the primary source of recovery for covered environmental claims and allocates specified environmental responsibilities among Milan, Landify, and the City. The policy is required to provide limits of not less than $3 million per claim and $3 million in the aggregate, with a self-insured retention not exceeding $50,000 per claim, and, subject to its terms and limitations, to cover both pre-existing and new pollution conditions during Landify's ownership and for at least five years following the City's acquisition, but no longer than ten years from issuance.

Environmental testing and regulatory review remains underway. The LEA and other applicable agencies continue to review environmental testing results and technical information concerning the property. The LEA's determination regarding the work necessary to satisfy the SNO is forthcoming. Those determinations will help establish the requirements for Landify's IDEFO, grading, and site preparation.

The agreements therefore do not approve a predetermined final grading plan, IDEFO operating plan, reclamation plan, permit, or other regulatory approval, and do not conclude the regulatory or environmental review process for any future discretionary approval. Future IDEFO, grading, corrective work, and permits remain subject to applicable regulatory requirements, approvals, legal standards, procedures, and findings, and the City’s community planning and proposed improvements remain subject to applicable environmental review.

Conditions and Commitment to City Acquisition

The transaction is structured so that the City does not take ownership at the beginning of Landify's work. Before conveyance, specified closing conditions must be satisfied, including environmental and geotechnical testing and applicable regulatory requirements required before Landify's acquisition, approval of applicable IDEFO permits and the LEA operating plan, completion and certification of required grading, satisfaction of representations and warranties, acceptable title, required closing documents, execution of the environmental liability agreement, and required environmental insurance.

The City has conducted preliminary due diligence sufficient to enter into the Agreement and retains the right, as provided in the Agreement, to review information arising from Landify's use and operation of the property through closing, including grading activities, regulatory review, site monitoring, and new environmental information.

These conditions protect the City from prematurely accepting the property. They also define the commitment the Council is being asked to make now: if Landify performs its obligations and the City's closing conditions are satisfied, the City will be contractually obligated to complete the transaction and accept ownership. The Agreement does not contemplate a second City Council approval at the time of conveyance.

The conveyance will also include a recorded restriction limiting the property to permanent public open space and compatible public uses.

Project Feasibility and Risk

The proposed transaction offers a significant opportunity, but successful completion is not guaranteed.

Landify's multi-year IDEFO operation depends upon regulatory conditions, availability and volume of suitable soil, tipping fees, market conditions, and other economic factors. If the project becomes commercially infeasible, the Agreement establishes a process for the parties to evaluate potential modifications, mutual termination, or other alternatives. The City is not required to provide additional funding or accept an incomplete property.

Because Landify will own the property during its operations, a default, insolvency, or cessation of operations would not itself transfer ownership to the City. The Agreement includes protections intended to address incomplete performance, including security equal to 100 percent of the estimated cost to complete required reclamation work for each grading phase before that phase begins. If Landify exercises its contractual termination right because the IDEFO is approved but becomes commercially infeasible, Landify is required to perform specified reclamation work on any grading phase that has commenced but has not been completed. The City would not be required to acquire the property.

Environmental testing and regulatory review also remain underway, and the LEA has not yet made its final determination regarding the work necessary to satisfy the SNO. Those determinations could affect the scope, timing, and economic feasibility of Landify's work.

Landify has advised the City that its continued participation is time-sensitive and that it is prepared to continue pursuing the transaction through the end of 2026, but has not committed to remain beyond that timeframe. This does not alter the City's obligation to complete all required public review and regulatory processes, but significant delay could affect the continued availability of the proposed transaction.

Upon conveyance, the City will assume responsibility for long-term ownership, maintenance, stewardship, and future public improvements. Those costs are not presently known and will be addressed through future planning and budget processes.

If the agreements are not approved, the proposed Landify transaction and contractual pathway for the approximately 67.7-acre property to be prepared for open space and ultimately conveyed to the City will not proceed as currently structured, and there is no assurance the same opportunity would remain available later.

Planning for Future Public Use and Funding

The agreements do not determine the property's final public amenities. Those decisions will be developed through future community planning, environmental review, budgeting, and City Council

action, consistent with the final regulatory requirements and approved landform.

The anticipated multi-year IDEFO and grading process provides time for the City to engage residents and stakeholders and evaluate trails, equestrian facilities and uses, habitat restoration, environmental education, passive recreation, scenic and natural resources, access, and other compatible open-space improvements. This process can also establish priorities and preliminary cost estimates before the City assumes ownership.

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Looking Ahead

For decades, the future of Sully-Miller has been defined by competing development proposals, regulatory proceedings, community debate, referenda, litigation, and uncertainty. The agreements before the Council offer a fundamentally different path.

That path is neither immediate nor guaranteed. Regulatory review must be completed, the LEA must determine the requirements necessary to address the SNO, Landify must acquire the property, obtain the required approvals and successfully complete its IDEFO and grading obligations, and the City's closing conditions must be satisfied.

If those steps are successfully completed, approximately 67.7 acres along Santiago Creek will be conveyed to the City for permanent public open-space purposes. Combined with the approximately 30.75 acres of the Sully-Miller property previously dedicated by Milan and the approximately 14 acres associated with Chandler/Hurwitz, these three efforts would collectively preserve approximately 112 acres of public open space along the Santiago Creek corridor.

After decades in which much of the conversation surrounding Sully-Miller has focused on what might be developed there, the proposed framework creates an opportunity to change that conversation to restoration, preservation, public ownership, and a shared vision for the future.

Staff recommends approval of the proposed agreements.

Environmental Review

Approval of the Real Property Transfer Agreement and the Multiparty Indemnification and Release Agreement is not a “project” subject to the California Environmental Quality Act (CEQA) because approval of the agreements will not itself result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Pub. Res. Code, § 21065; CEQA Guidelines, § 15060(c).

The agreements establish contractual terms governing the future conveyance of the property to the City and allocate environmental liability among the parties. The agreements do not themselves approve or authorize the IDEFO, a final grading plan, reclamation plan, operating plan, grading permit, or other regulatory authorization necessary to conduct physical activities on the property. Landify must separately obtain the permits, regulatory approvals, and environmental review, if required under applicable law before conducting such activities.

Nothing in the agreements limits, waives, or predetermines the City's exercise of its governmental,

regulatory, permitting, environmental review, police power, or land-use authority. Any future discretionary governmental approval required for physical activities on the property remains subject to the applicable legal standards, procedures, findings, and environmental review required at the time that approval is considered. Accordingly, approval of the agreements does not constitute approval of those future physical activities or predetermine the City's consideration of any subsequent discretionary approval.

Approval of the agreements is also exempt from CEQA pursuant to the “common sense exemption” because it can be seen with certainty that approval of the agreements will not itself result in a significant effect on the environment. CEQA Guidelines, § 15061(b)(3).

7. ATTACHMENTS

- Attachment 1 - Real Property Transfer Agreement between the City of Orange and Landify ECT Construction Corporation
- Attachment 2 - Multiparty Indemnification and Release Agreement among Milan REI X, LLC, Landify ECT Construction Corporation, and the City of Orange
- Attachment 3 - Property Location Map
- Attachment 4 - Orange Park Acres Specific Plan - Relevant Goals, Objectives, and Policies.
- Attachment 5 - Historic Santiago Creek Greenbelt Map

REAL PROPERTY TRANSFER AGREEMENT

THIS REAL PROPERTY TRANSFER AGREEMENT (the "**Agreement**") is entered into as of _____, 2026 ("**Agreement Date**"), by and between **LANDIFY ECT CONSTRUCTION CORPORATION**, a Delaware corporation ("**Landify**"), and **CITY OF ORANGE**, a California municipal corporation ("**City**"), with reference to the following facts.

RECITALS

A. Milan REI X, LLC, a California limited liability company ("**Milan**"), owns the real property commonly known as the Sully-Miller Pit, located at 6145 E. Santiago Canyon Road in City of Orange ("**City**"), County of Orange ("**County**"), California, comprising approximately 67.743 acres, as more particularly described on **Exhibit A** attached hereto (the "**Sully Miller Property**"). The Sully Miller Property has long been a part of City of Orange community, with many residents expressing interest in preserving it as an open space reserve project.

B. On or about June 16, 2022, Milan and the Orange County Health Care Agency, Environmental Health, acting as the Solid Waste Local Enforcement Agency for the County of Orange (the "**LEA**"), entered into that certain Stipulated Notice and Order dated June 16, 2022, which concerns certain portions of the Property defined as the "Site," and was recorded with the Orange County Clerk-Recorder's Office on July 12, 2022, as Instrument No. 2022000244314 (as amended, the "**SNO**").

C. Pursuant to that certain Letter of Intent dated April 22, 2025, between City and Milan, Milan has indicated a willingness to work with City to make the Sully Miller Property available for an open space reserve project.

D. Landify is a developer of Inert Debris Engineered Fill Operation ("**IDEFO**") projects, which involve the acceptance, processing, and placement of clean soil and inert debris in accordance with applicable regulatory requirements for the purposes of creating a final landform suitable for future development of open space reserve projects.

E. Concurrently with the execution of this Agreement, Landify and Milan have entered into a separate agreement (the "**Milan Transfer Agreement**"), pursuant to which Landify will undertake the required due diligence to evaluate the feasibility of acquiring and developing the Sully Miller Property as an IDEFO project.

F. Provided that Landify completes the acquisition of the Sully Miller Property pursuant to the Milan Transfer Agreement, Landify and City have agreed that Landify will develop the Sully Miller Property as an open space reserve for passive recreation, habitat restoration, and other non-intensive open-space purposes (the "**Open Space Project**") as generally depicted on the site plan attached hereto as **Exhibit G**, and upon completion, transfer the Open Space Project to City in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Transfer of the Property. Provided that Landify completes the acquisition of the Property pursuant to the Milan Transfer Agreement, Landify shall transfer to City and City shall acquire from Landify the Sully Miller Property, together with all improvements, rights and privileges appertaining to the Sully Miller Property (collectively, the "**Property**"), on the terms and conditions contained herein. The City shall, subject to the satisfaction of all of the City's Closing Conditions (as defined below), acquire the Property from Landify, in accordance with the express terms and conditions set forth in this Agreement. The City represents that, prior to execution of this Agreement, the City Council has approved the execution of this Agreement and has authorized the City Manager to take all actions necessary on behalf of the City to complete this transaction, including executing any modifications, amendments, or extensions to this Agreement, without the need for any further City Council action.

2. Escrow. Upon execution of this Agreement, the parties hereto shall deposit a copy of an executed counterpart of this Agreement in an escrow (the "**Escrow**") with _____ ("**Escrow Holder**" or "**Title Company**") and this Agreement shall serve as the instructions to Escrow Holder for the transfer contemplated hereby. Landify and City agree to execute such additional and supplementary escrow instructions as appropriate to enable the Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between this Agreement and any supplementary escrow instructions, this Agreement shall control.

3. Due Diligence. As of the Agreement Date, City confirms it has conducted preliminary due diligence sufficient to enter into this Agreement, including review and approval of the Title Report, the Property Documents and the physical condition of the Property as of Agreement Date. However, City expressly reserves the right to conduct additional investigations, testing, and evaluation relating to the use and operation of the Property by Landify through the Closing Date, including review of information arising from grading activities, regulatory review, and site monitoring as necessary to confirm satisfaction of the City's Closing Conditions.

3.1 Title.

3.1.1 Permitted Title Exceptions. Title to the Property shall be conveyed to City by the Grant Deed (as defined below) subject only to the following conditions of title ("**Permitted Title Exceptions**"): (a) a lien to secure payment of general and special real property taxes and assessments, not delinquent; (b) the lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code; (c) any covenants, conditions or encumbrances required by the Agencies to achieve SNO Compliance as such terms are defined and further described in Section 4.1.2 below; (d) matters affecting the condition of title created by or with the written consent of City; (e) all exceptions which are disclosed in the title commitment attached hereto as **Exhibit B** (the "**Title Report**"); (f) all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or

enjoyment of the Property; and (g) any matter which would be disclosed by an accurate survey or physical inspection of the Property.

3.1.2 Supplemental Title Report. In the event that after the Agreement Date a supplemental title report is issued setting forth new title conditions not set forth in the Title Report ("**New Title Exceptions**"), such New Title Exceptions shall be subject to the approval of City, which approval shall not be unreasonably withheld, conditioned or delayed. City shall have twenty (20) days following the date of delivery to City of written notice from Landify, together with a copy of such supplemental Title Report and copies of any such New Title Exception, to approve or disapprove such New Title Exception by providing written notice to Landify. Notwithstanding the foregoing to the contrary, (a) City shall not have the right to disapprove any New Title Exception unless such exception would materially and adversely affect the development, use, operation or ownership of the Property, (b) if such New Title Exception constitutes a Permitted Title Exception as provided in Section 3.1.1 above, and (c) in no event shall City have the right to disapprove a New Title Exception created or caused to be created by or on behalf of City. In the event that City fails to timely approve or disapprove a New Title Exception, then such failure shall be deemed City's disapproval thereof, and no New Title Exception shall be a permitted Title Exception without City's express written approval. If any New Title Exception is disapproved by City, then, unless Landify advises City within five (5) business days after Landify's receipt of City's notice that Landify will cause such New Title Exception to be removed from title prior to the Closing Date, or City waives its disapproval within such period of time, this Agreement shall terminate and neither party shall have any further rights, duties or obligations under this Agreement or with respect to the Property, except as otherwise specifically set forth herein. City hereby acknowledges and agrees that in the event this Agreement is terminated pursuant to this Section 3.1.2, City hereby releases any and all interest in the Property and shall have no further rights thereto, and Landify or any successor shall have the right to develop the Property in accordance with applicable law, provided, however, that nothing herein shall limit, impair, waive, or otherwise affect City's governmental, regulatory, environmental review, permitting, police power, or land use authority with respect to the Property.

3.1.3 Title Policy. Title shall be evidenced by the willingness of Title Company to issue its Standard Coverage ALTA Owner's Form Policy of Title Insurance ("Title Policy") in the amount of $_____ (the "**Premium Amount**") showing title to the Property vested in City, subject only to only to the Permitted Title Exceptions. City may, at its option, request an Extended Coverage ALTA Owner's Form Policy of Title Insurance ("**ALTA Policy**") provided that the issuance of said Extended Coverage ALTA Policy does not delay the Closing, and any additional costs, including, but not limited to, title and endorsement fees and survey fees incurred in connection with the issuance of such ALTA Policy shall be City's sole responsibility.

3.2 Property Documents. City acknowledges that it has had the opportunity to receive, review, and approve the due diligence documents set forth on **Exhibit C** (the "**Property Documents**"). Without limiting the provisions of this Section 3.2 or Section 8 below, City acknowledges and agrees that Landify makes no representation or warranty, express or implied, regarding the accuracy or completeness of any Property Documents, including, without limitation, any environmental audit or report (if any). City further acknowledges that Landify,

its affiliates, and agents have no responsibility for the content or accuracy of such Property Documents or related disclosures, and that Landify's obligations in connection with the transfer of the Property shall be governed solely by this Agreement, irrespective of the content, timing, or delivery of any such Property Documents or related disclosures. At City's request, Landify shall provide such additional information as City may reasonably request, provided that such information is neither confidential nor proprietary nor subject to attorney-client privilege or the attorney work product doctrine.

3.3 Physical Investigations. City acknowledges that it has had the opportunity to review and inspect the Property prior to the Agreement Date. Should City wish to conduct any further evaluations, tests, inspections, or investigations of the physical condition of the Property prior to Landify taking title, City will coordinate such access directly with Milan and will provide Landify with a reasonable opportunity to participate in any further inspections. Following Landify's acquisition of the Property, City shall have the right to monitor grading operations and any new environmental issues as set forth in Section 6.1 below.

3.4 Natural Hazard Disclosure. City and Landify acknowledge that Landify is required to disclose if any of the Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency; (ii) an area of potential flooding; (iii) a very high fire hazard severity zone; (iv) a wild land area that may contain substantial forest fire risks and hazards; (v) an earthquake fault or special studies zone; or (vi) a seismic hazard zone. City and Landify acknowledge that they have employed the services of the Title Company or its affiliate ("**Natural Hazard Expert**") to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Landify to fulfill its disclosure obligations with respect to the natural hazards referred to in California Civil Code Section 1103 et seq and to report the results of its examination to City and Landify in writing. City hereby acknowledges and agrees that the written report prepared by the Natural Hazard Expert regarding the results of its examination fully and completely discharges Landify from its disclosure obligations referred to herein, and, for the purposes of this Agreement, the provisions of Civil Code Section 1102.4 regarding the non-liability of Landify for errors and/or omissions not within its personal knowledge shall be deemed to apply and the Natural Hazard Expert shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Landify have any responsibility for matters not actually known to City.

4. Closing Conditions.

4.1 City's Closing Conditions. City's obligation to consummate the transfer of the Property shall be subject to the satisfaction of the following conditions (collectively, the "**City's Closing Conditions**") at or prior to Closing, which are for City's benefit only, and may be waived in part or in whole by City (and then only in writing):

4.1.1 Representations And Warranties. All of Landify's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and, as of the Closing Date, such representations and warranties shall be true and

correct and no fact or condition shall exist which is materially and adversely inconsistent with such representations and warranties.

4.1.2 SNO Compliance. Milan shall have completed the analytical and geotechnical testing required under Sections 3, 4 and 5 of that certain Stipulated Notice and Order, dated June 16, 2022, which concerns certain portions of the Property defined as the "Site," and recorded with the Orange County Clerk-Recorder's Office on July 12, 2022, as Instrument No. 2022000244314 (as amended, the "**SNO**") (the "**SNO Compliance**"). SNO Compliance includes completion of all testing of stockpiles, subsurface testing and vapor intrusion testing (as required), necessary to allow Landify to commence operation of an IDEFO and for the Open Space Project on the Property. SNO Compliance shall be evidenced by the written certification of all agencies with jurisdiction (e.g., Santa Ana Regional Water Quality Control Board, Department of Toxic Substances Control, CalRecycle, Local Enforcement Agency) (the "**Agencies**") that no further remediation, corrective action, response action, closure activity, monitoring, post-closure obligations, engineering controls, institutional controls, land use restrictions, deed restrictions, environmental covenants, operation and maintenance obligations, or other environmental mitigation measures are required for the intended open space use of the Property, unless expressly approved in writing by City and Landify for operation of an IDEFO and an Open Space Reserve project on the Property, in a form acceptable to City and Landify in their reasonable discretion. Any covenants, conditions and encumbrances required by the Agencies to achieve SNO Compliance shall have been approved by Landify and the City in their sole but reasonable discretion and shall not materially interfere with Landify's IDEFO operations or City's intended long-term ownership, operation, maintenance, or use of the Property as open space. Furthermore, Landify shall have obtained the LEA's written approval of the operating plan required under Section 6.4 of the SNO.

4.1.3 Grading. All Phases of the Grading Work shall have been Completed as evidenced by issuance of the Grading Certificate by the City Engineer (as such terms are defined below).

4.1.4 Delivery of Closing Documents. Landify has delivered to Escrow Holder or City, as applicable, all documents required for the Closing hereunder, including without limitation, the documents and instruments specified in below.

4.1.5 Delivery of Title Policy. At the Closing the Title Company shall be irrevocably committed to issue to City the Title Policy.

4.1.6 No Material Default. Landify shall not be in Material Default (as defined below) of its obligations hereunder.

4.1.7 Environmental Liability Agreement. Milan, Landify, and City shall have executed and delivered the Environmental Liability Agreement (as defined below) and Milan shall have obtained the environmental insurance required thereunder.

4.2 Landify's Closing Conditions. Landify's obligation to consummate the transfer of the Property shall be subject to the satisfaction of the following conditions

(collectively, "**Landify's Closing Conditions**") at or prior to Closing, which are for Landify's benefit only, and may be waived in part or in whole by Landify (and then only in writing)

4.2.1 Representations and Warranties. All of City's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and, as of the Closing Date, such representations and warranties shall be true and correct and no fact or condition shall exist which is materially and adversely inconsistent with such representations and warranties.

4.2.2 SNO Compliance. Milan shall have completed the analytical and geotechnical testing required under Sections 3, 4 and 5 of that certain Stipulated Notice and Order, dated June 16, 2022, which concerns certain portions of the Property defined as the "Site," and recorded with the Orange County Clerk-Recorder's Office on July 12, 2022, as Instrument No. 2022000244314 (as amended, the "**SNO**") (the "**SNO Compliance**"). SNO Compliance includes completion of all testing of stockpiles, subsurface testing and vapor intrusion testing (as required), necessary to allow Landify to commence operation of an IDEFO and for the Open Space Project on the Property. SNO Compliance shall be evidenced by the written certification of all agencies with jurisdiction (e.g., Santa Ana Regional Water Quality Control Board, Department of Toxic Substances Control, CalRecycle, Local Enforcement Agency) (the "**Agencies**") that that no further remediation, corrective action, response action, closure activity, monitoring, post-closure obligations, engineering controls, institutional controls, land use restrictions, deed restrictions, environmental covenants, operation and maintenance obligations, or other environmental mitigation measures are required for the intended open space use of the Property, unless expressly approved in writing by City and Landify for operation of an IDEFO and an Open Space Reserve project on the Property, in a form acceptable to City and Landify in their reasonable discretion. Any covenants, conditions and encumbrances required by the Agencies to achieve SNO Compliance shall have been approved by Landify and the City in their sole but reasonable discretion and shall not materially interfere with Landify's IDEFO operations or City's intended long-term ownership, operation, maintenance, or use of the Property as open space. Furthermore, Landify shall have obtained the LEA's written approval of the operating plan required under Section 6.4 of the SNO.

4.2.3 IDEFO. Landify shall have obtained final approval from all applicable Agencies of all permits and approvals required for the operation of an IDEFO and the Open Space Project on the Property.

4.2.4 Milan Transfer Agreement. Landify shall have acquired the Property pursuant to the Milan Transfer Agreement.

4.2.5 Grading. All Phases of the Grading Work shall have been Completed as evidenced by issuance of the Grading Certificate by the City Engineer (as such terms are defined below).

4.2.6 Delivery of Closing Documents. City delivered to Escrow Holder or Landify, as applicable, all documents required for the Closing hereunder, including without limitation, the documents and instruments specified in below, to the extent said documents or instruments are required to be signed and delivered by City hereunder.

4.2.7 No Material Default. City shall not be in Material Default of its obligations hereunder.

4.2.8 Environmental Liability Agreement. Milan, Landify, and City shall have executed and delivered the Environmental Liability Agreement (as defined below) and Milan shall have obtained the environmental insurance required thereunder.

4.3 Failure of Conditions.

4.3.1 City's Closing Conditions Failure Notice. If any of City's Closing Conditions are not approved or waived, in writing, by City by the Closing Date, City shall notify Landify in writing of those Closing Conditions which have not been satisfied or otherwise waived by City (the "**City's Closing Conditions Failure Notice**"). Landify shall have ten (10) business days after City has delivered to Landify City's Closing Conditions Failure Notice (and the Closing Date shall be extended if necessary to give Landify such ten (10) business day period) to notify City in writing of Landify's election either to (a) take such actions as may be necessary to cure such matters to City's satisfaction prior to the Closing (as same may be extended), or (b) advise City that Landify will not cure such matters ("**Landify's Conditions Notice**"). If Landify elects to cure such matters as set forth in City's Closing Conditions Failure Notice, Landify shall promptly take any and all actions as may be necessary to cure same and the Closing Date shall be extended for a period of time acceptable to both Landify and City to enable Landify to accomplish same. If Landify elects not to cure such matters, then within five (5) business days after City's receipt of the Landify's Conditions Notice (and the Closing Date shall be extended if necessary to give City such five (5) business day period), City, at its sole and exclusive remedy, may either terminate this Agreement by delivering written notice thereof to Landify; provided, however, that if the failure of a City's Closing Condition to be satisfied is solely due to a Material Default by Landify, then the terms and provisions of Section 9 below shall apply. In the event that City fails to timely exercise its right to terminate the Agreement pursuant to this Section 4.3.1, then City shall not be deemed to have waived the conditions set forth in the City's Closing Conditions Failure Notice unless expressly waived in writing by the City Manager.

4.3.2 Landify's Closing Conditions Failure Notice. If any of Landify's Closing Conditions are not approved or waived, in writing, by Landify by the Closing Date, Landify shall notify City in writing of those Closing Conditions which have not been satisfied or otherwise waived by Landify (the "**Landify's Closing Conditions Failure Notice**"). City shall have ten (10) business days after Landify has delivered to City Landify's Closing Conditions Failure Notice (and the Closing Date shall be extended if necessary to give City such ten (10) business day period) to notify Landify in writing of City's election either to (i) take such actions as may be necessary to cure such matters to Landify's satisfaction prior to the Closing (as same may be extended), or (ii) advise Landify that City will not cure such matters ("**City's Conditions Notice**"). If City elects to cure such matters as set forth in the Landify's Closing Conditions Failure Notice, City shall promptly take any and all actions as may be necessary to cure same and the Closing Date shall be extended for a period of time acceptable to both Landify and City to enable City to accomplish same. If City elects not to cure such matters, then within five (5) business days after Landify's receipt of City's Conditions Notice (and the Closing Date shall be extended if necessary to give Landify such five (5) business day period), Landify, at its sole and

exclusive remedy, may either terminate this Agreement by delivering written notice thereof to City; provided, however, that if the failure of a Landify's Closing Condition to be satisfied is solely due to a Material Default by City, then the terms and provisions of Section 9 below shall apply. In the event that Landify fails to timely exercise its right to terminate the Agreement pursuant to this Section 4.3.2, then Landify shall be deemed to have waived the conditions set forth in Landify's Closing Conditions Failure Notice.

4.3.3 No Further Obligations. If this Agreement is terminated pursuant to Section 4.3.1 or Section 4.3.2 above, neither party shall have any further liability or obligations hereunder except for those that expressly survive termination of this Agreement. Furthermore, City hereby acknowledges and agrees that in the event this Agreement is terminated pursuant to Section 4.3.1 or Section 4.3.2 above, City hereby releases any and all interest in the Property arising solely under this Agreement and shall have no further rights thereto, and Landify or any successor shall have the right to develop the Property in accordance with applicable law provided, however, that nothing herein shall limit, impair, waive, or otherwise affect City's governmental, regulatory, environmental review, permitting, police power, or land use authority with respect to the Property.

4.3.4 "Closing Conditions" Defined. For purposes of this Agreement, City's Closing Conditions and Landify's Closing Conditions shall be collectively referred to herein as the "**Closing Conditions**".

4.3.5 City's Approval of City's Closing Conditions. The satisfaction of the City's Closing Conditions must be independently verified and approved by the City Manager prior to Closing. Notwithstanding the foregoing to the contrary, the City acknowledges that it will be a condition to Landify's obligation to acquire the Property pursuant to the Milan Transfer Agreement, that the City confirm in writing that the conditions set forth in Section 4.1.2 and Section 4.1.7 have been satisfied and independently verified and approved by the City ("**City Confirmation**"). In the event that the City does not provide City Confirmation prior to the closing under the Milan Transfer Agreement, Landify shall have no obligation to acquire the Property.

5. Closing.

5.1 Date of Closing. Provided all Closing Conditions have been satisfied or waived, and unless otherwise agreed to in writing by the parties, the Escrow shall close within ten (10) business days of the date that all Phases of the Grading Work are Complete or deemed Complete pursuant to Section 6.1.5 below but in no event later than six (6) months after the issuance of the Grading Certificate for the final Phase (the "**Closing Date**"). The Closing Date may not be extended without the prior written approval of both Landify and City, except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, either party may postpone the Closing Date for not more than three (3) business days if either party needs additional time to deliver into escrow or to the other party any required closing documents. In the event the Closing does not occur by the Closing Date (as same may be extended), the Escrow Holder shall, unless it is notified by both parties to the contrary, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not relieve either party of any liability for its wrongful failure to close.

5.2 Conveyance. At Closing, Landify shall convey title to the Property, by means of a duly executed and acknowledged grant deed in the form of **Exhibit D** attached hereto (the "**Grant Deed**"). For purposes of this Agreement, the "Closing" shall mean the date that the Grant Deed is recorded in the Official Records of Orange County California (the "**Official Records**") and possession of the Property is delivered to City.

5.3 Closing Documents. On or before the Closing Date, Landify and City shall deliver to Escrow Holder all of the following documents:

5.3.1 The Grant Deed together with a separate tax affidavit, duly executed and acknowledged by Landify;

5.3.2 A duly executed affidavit in form reasonably acceptable to City certifying that Landify is not a "foreign person" within the meaning of Section 1445(e)(3) of the Internal Revenue Code of 1986, as amended, and a duly executed California 593-W form;

5.3.3 Landify and City shall each deposit such other funds and instruments as are reasonably required by the Escrow Holder, the Title Company or otherwise required to close the escrow and consummate the transfer of the Property in accordance with the terms hereof.

6. Development of Open Space Project.

6.1 Grading.

6.1.1 Scope of Landify's Work. In creating the Open Space Project, Landify's sole responsibility will be to perform the grading necessary to prepare the Property with pads and landforms suitable for the Open Space Project. Landify's work will not include making any final improvements, such as installation of landscaping, trails, equestrian facilities, or other finished amenities—those final improvements will be the sole responsibility of City. Landify's grading will focus on "upcycling," reusing clean soil and inert debris from urban construction sites through an IDEFO on the Property. The process for soil testing and acceptance of such soil is described in **Exhibit E** attached hereto (the **"Soils Management Plan**").

6.1.2 Grading Permit and Plans. Landify will grade the Property in substantial accordance with the conceptual grading plan attached hereto as **Exhibit F** (the "**Conceptual Plan**"). As a condition to the close of escrow under the Milan Transfer Agreement (the "**Milan Closing**"), Landify must obtain both (a) a Grading Permit from City, and (b) City approval of a detailed grading plan (the "**Grading Plan**"). The Grading Plan must be designed and signed by a licensed civil engineer designated by Landify ("**Landify's Engineer**"), and shall be consistent in all material respects with the Conceptual Plan. Landify may propose changes to the Grading Plan as it determines necessary, provided all such changes remain consistent in all material respects with the Conceptual Plan and are approved in writing by City. Any modification of the approved Grading Plan or any material deviation from the Conceptual Plan shall require prior written approval of City. Any material deviation from the Conceptual Plan will require the prior written consent of City, which shall not be unreasonably withheld, conditioned, or delayed. City shall reasonably cooperate with Landify in processing and issuing

the Grading Permit and approving the Grading Plan; provided, however, that nothing in this Section shall require City to grant any permits or approvals except in accordance with applicable governmental procedures and any rights expressly reserved in this Agreement.

6.1.3 Best Management Practice/WQMP. The Grading Plan must include a Water Quality Management Plan ("**WQMP**") that identifies and provides for Best Management Practice implementation ("**BMP**"). For purposes of this Agreement:

a. The WQMP shall be prepared in accordance with applicable local agency requirements and shall describe the BMPs to be implemented during grading operations to minimize the discharge of pollutants in stormwater runoff.

b. "BMPs" shall mean those erosion control, sediment control, runoff control, and good housekeeping measures that are consistent with generally accepted industry standards, including without limitation those described in the most current version of the California Stormwater Quality Association (CASQA) Construction BMP Handbook, and as required under the State Water Resources Control Board Construction General Permit (Order 2009-0009-DWQ, as amended) and any applicable municipal stormwater permit requirements.

c. Landify's obligation shall be to implement and maintain BMPs in material compliance with applicable laws and permits, and consistent with standard construction practices, taking into account site conditions and operational feasibility.

d. BMPs shall be subject to periodic inspection as required by applicable permits; however, temporary exceedances or adjustments in BMP performance due to weather, site conditions, or construction activities shall not constitute a default, provided Landify acts in a commercially reasonable manner to address such conditions.

e. BMPs must be maintained throughout the grading period, with periodic inspection by City staff and other regulatory agencies, as required by the WQMP. WQMP implementation must be verified at the end of the final grading prior to acceptance.

6.1.4 Grading Work and Monitoring Rights. Following the Milan Closing, Landify shall complete the grading of the Property in one or more phases (each a "**Phase**," collectively, the "**Phases**"), in substantial conformance with the approved Grading Plan for each applicable Phase, as outlined in **Exhibit H** (the "**Grading Work**"). City shall have the right to monitor the Grading Work. The parties shall mutually agree on a schedule for City inspections, which may be updated as reasonably necessary to accommodate the progress of the Grading Work. Landify shall promptly notify City of any material changes to the work in the field that could affect compliance with the approved Grading Plan or the Soils Management Plan. If any practical issues arise that impact City's monitoring or access, the parties will cooperate in good faith to address and resolve such issues in a reasonable and timely manner. If City identifies any issue that is outside the scope of the approved Grading Plan or is not in compliance with the Soils Management Plan, City shall provide written notice to Landify describing the issue in reasonable detail. Within five (5) business days of such notice, representatives of Landify and City shall meet (in person or virtually) to discuss and attempt to

reach a mutually acceptable plan to address and resolve the issue. Such plan shall include clear timelines and steps for remediation or correction and shall remain in effect until the issue is fully resolved to the reasonable satisfaction of both parties. If Landify and City are unable to resolve the issue within ten (10) business days following their initial meeting, the matter shall be submitted to the Neutral Professional for final resolution in accordance with Section 6.1.5 below.

6.1.5 Completion. At such time as Landify believes that the Grading Work for a Phase has been completed in conformance with the Grading Plans, Landify shall provide written notice thereof (the "**Completion Notice**") to City accompanied by a written certification from Landify's Engineer made to City confirming that the Grading Work for such Phase is in conformance with the Grading Plans (the "**Completion Certification**"). By no later than ten (10) business days after Landify provides the Completion Notice and Completion Certification to City for a Phase, City shall review and approve the Completion Certification for the applicable Phase, or identify any incomplete items pertaining to such Grading Work. In the event City fails to timely approve the Completion Certification or to identify any incomplete items, the parties shall promptly meet and confer to determine whether additional inspection or review is required prior to acceptance of the Grading Work for the applicable Phase. If Landify and City fail to agree on any matters to be agreed to pursuant to this Section (a "**Completion Dispute**"), then such dispute may be referred to a "**Completion Arbitration**" upon which a mutually agreed-upon qualified professional selected by the parties at the time of the Completion Dispute ("**Neutral Professional**") shall resolve such Completion Dispute in a commercially reasonable manner and in accordance with this Agreement, including providing a written finding as to what corrections must be completed in order to resolve such Completion Dispute. Landify shall address such matters promptly to the extent directed by the Neutral Professional. The Grading Work for each Phase shall be deemed "**Complete**" upon (a) the City's approval of the Completion Certification for such Phase, or (b) if a Completion Arbitration is initiated with respect to such Phase, upon the Neutral Professional's finding that the Grading Work that is the subject of the Completion Dispute has been completed in conformance with the Grading Plans. Once the Grading Work for all Phases is Complete or deemed Complete, Landify shall obtain and deliver to City a final topographical survey of the Property in conformance with the Grading Plan. Pending the determination that the Grading Work for any Phase is Complete, Landify shall have the right to proceed with the Grading Work on future Phases.

6.1.6 Grading Certificate. Upon completion of the grading work, Landify's Engineer shall submit a written certification that the Property has been graded in substantial conformance with the approved Grading Plan. Following review and approval by the City Engineer, the City Engineer shall issue the final grading certificate confirming the same (the "**Grading Certificate**").

6.2 Regulatory Compliance. If the project is operated as an Inert Debris Engineered Fill Operation (IDEFO) under Title 27 of the California Code of Regulations, Landify will ensure that all necessary permits and approvals from the Local Enforcement Agency (LEA), CalRecycle, and any other applicable regulatory agencies are obtained and maintained. Landify shall be solely responsible for compliance with all regulatory requirements associated with IDEFO operations conducted by Landify during Landify's ownership of the Property ("**Landify's IDEFO Operations**"), including closure requirements, monitoring obligations, reporting obligations, and any required remediation or corrective action. Landify

shall remain the responsible operator for all Landify's IDEFO Operations, and City shall not be deemed the operator, owner-operator, or responsible party for IDEFO regulatory purposes with respect to Landify's IDEFO Operations. Prior to Closing, Landify shall provide documentation reasonably acceptable to City demonstrating that all Landify's IDEFO Operations requirements and related closure requirements applicable to the Property have been satisfied or transferred in a manner approved by the applicable regulatory agencies (collectively, "**Landify Pre-Closing IDEFO Requirements**"). Landify shall remain responsible for all Landify Pre-Closing IDEFO Requirements, including any Landify Pre-Closing IDEFO Requirements identified as not fully satisfied after Closing. While City does not have oversight over IDEFO activities, regulation and enforcement fall under the LEA and other state agencies, Landify is committed to maintaining an open and cooperative relationship with City. To support transparency, Landify will voluntarily share relevant permitting and compliance documentation with City and keep City informed of any significant regulatory developments related to Landify's IDEFO Operations. In the event of an enforcement action or notice of noncompliance from the LEA, CalRecycle, or other regulatory agency, related to Landify's IDEFO Operations, Landify will promptly notify City and work constructively to address any concerns and maintain regulatory compliance, recognizing City's interest in the responsible operation of the site.

6.3 Bonding. Prior to Landify commencing each Phase of the Grading Work, Landify shall furnish to City with either a cash deposit, a corporate surety bond issued by a company duly and legally licensed to conduct a general surety business in the State of California, or an instrument of credit equivalent to one hundred percent (100%) of the estimated cost ("**Estimated Cost to Complete**") to complete the Reclamation Work for the entirety of such Phase (as defined below). Upon Completion of the Grading Work for a particular Phase and the issuance of the Grading Certificate for such Phase, the faithful performance bond for such Phase shall be released to Landify.

6.4 Insurance. Prior to commencement of the initial Phase of the Grading Work, Landify shall obtain or cause to be obtained and filed with City, all insurance required under this Section. Landify shall not allow any contractor or subcontractor to commence the Grading Work until all insurance described herein shall have been so obtained. Said insurance shall be maintained in full force and effect until the completion of the Grading Work. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

6.4.1 Minimum Limits.

(a) Commercial General Liability: $2,000,000 per occurrence, $4,000,000 general aggregate for personal injury, bodily injury and property damage arising out of the Grading Work;

(b) Pollution Legal Liability: $2,000,000 per occurrence for bodily injury, property damage and remediation expense, and shall include coverage for emergency response, transportation coverage and non-owned disposal sites;

(c) Automobile Liability: $1,000,000 combined single limit providing coverage for all owned, non-owned and hired vehicles;

(d) Workers' Compensation: Worker's compensation limits as required by the Labor Code of the State of California;

(e) Umbrella/Excess Liability: $2,000,000 per occurrence and in the general aggregate, which limit may be satisfied by any combination of primary or excess/umbrella per occurrence policies providing coverage at least as broad as the underlying commercial general liability, employer's liability and automobile liability insurance policies; and

(f) Professional Liability: $2,000,000 per claim insuring against professional negligent errors and omissions arising from services rendered.

6.4.2 Other Insurance Provisions. Each insurance policy required by this Section shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City.

(a) Acceptability of Insurers. Insurance is to be placed with insurers with an A.M. Bests' rating of no less than A:VII.

(b) Verification of Coverage. Landify shall furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by City before work commences. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(c) Subcontractors. Landify and/or Landify's general contractor shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

6.5 Cost of Work. The construction of the Open Space Project shall be performed at Landify's sole cost and expense, and no payment of any kind shall be made therefore by City except as otherwise provided in this Agreement. Except as expressly provided in this Agreement. Landify shall be responsible for all costs associated with grading operations, environmental compliance, and Landify's IDEFO Operations. Any monitoring, testing, or inspection required by Agencies in connection with Landify's IDEFO Operations prior to Closing shall be performed at Landify's sole cost and expense. For the avoidance of doubt, City shall not be required to provide any monetary assistance to the design or construction of the Open Space Project or Landify's IDEFO Operations; provided, however, that City shall be solely responsible for any and all internal administrative costs and any third party out-of-pocket costs incurred by City in connection with overseeing, monitoring and inspecting the grading, design and construction of the Open Space Project and Landify's IDEFO Operations for the purpose of carrying out its obligations under this Agreement and the Grading Plan, but not in connection with any breach of this Agreement or violation of applicable law by Landify.

6.6 Right of Termination. If, in Landify's reasonable discretion, changes in regulatory conditions, soil availability, or the economics of soil volumes and tipping fees render the Open Space Project no longer commercially viable or feasible to complete under the approved plans and specifications, Landify may notify the City, and the parties will work together in good faith to either: (a) modify the approved plans and specifications to make the Open Space Project economically feasible for Landify in a manner mutually acceptable to City and Landify in their reasonable discretion, (b) the Parties mutually agree to terminate this Agreement in writing, (c) City, at its sole discretion, may proceed to acquire the Property notwithstanding the fact that the Open Space Project has not been completed, or (d) City, at its sole discretion, may proceed with the original, approved plans and specifications provided City shall compensate Landify to extent necessary to make the Open Space Project economically feasible for Landify. In the event that City and Landify are not able to come to an agreement within ten (10) days after City's receipt of a written request from Landify, then Landify shall have the right to terminate this Agreement by delivering written notice to City upon which this Agreement shall terminate and be of no further force or effect and neither party shall have any further obligation or liability hereunder except for those obligations and liabilities that expressly survive the termination of this Agreement. In the event the parties elect to proceed pursuant to Section 6.6(b) or Section 6.6(c) above, or this Agreement is otherwise terminated by Landify pursuant to this Section 6.6, Landify shall have no further obligation to complete the Grading Work; provided, however, that as to any Phase of the Grading Work that has commenced but has not been Completed, Landify shall perform the following work (the "**Reclamation Work**"): (i) rough grade the applicable Phase in accordance with customary development practices as determined by Landify's Engineer, (ii) add topsoil using only material already present on site (i.e. Landify will not be required to import any additional inert debris or other material for this purpose), and (iii) reseed the affected Phase. City hereby acknowledges and agrees that in the event this Agreement is terminated pursuant to this Section 6.6, City hereby releases any and all interest in the Property arising solely under this Agreement and shall have no further rights thereto, and Landify or any successor shall have the right to develop the Property in accordance with applicable law, provided, however, that nothing herein shall limit, impair, waive, or otherwise affect City's governmental, regulatory, environmental review, permitting, police power, or land use authority with respect to the Property.

6.7 Environmental Matters. Concurrently with the closing of the transfer of the Property to Landify under the Milan Transfer Agreement, Milan, City, and Landify will enter into an Environmental Liability Agreement, in the form attached as **Exhibit I** (the "**Environmental Liability Agreement**"). Under this Agreement, the parties will obtain environmental insurance for any hazardous materials or pollution-related liabilities associated with the Property. The environmental insurance will remain in effect during Landify's ownership and for a period after City acquires the Property, with the duration to be finalized, but currently anticipated to extend for 10 years from the date Milan transfers the Property to Landify. If a third-party claim arises that is not covered by the insurance, the Environmental Liability Agreement provides that liability for such a claim will be allocated based on when the event or condition giving rise to the claim first occurred. All parties will enter into a customary mutual release as part of the Environmental Liability Agreement. The full terms and provisions of the Environmental Liability Agreement are set forth in the attached exhibit.

7. As-Is; Release and Indemnifications.

7.1 As-Is. CITY EXPRESSLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXCEPTED MATTERS (AS DEFINED BELOW), CITY IS ACQUIRING THE PROPERTY "AS IS", AND "WITH ALL FAULTS", AFTER SUCH INSPECTION, ANALYSIS, EXAMINATION AND INVESTIGATION AS CITY DEEMS DESIRABLE OR NECESSARY, AND WITHOUT WARRANTY OR REPRESENTATION AS TO PHYSICAL CONDITION, ENTITLEMENTS, UTILITIES, TITLE, LEASES, RENTS, REVENUES, INCOME, EXPENSES, OPERATION, ZONING OR OTHER REGULATION, COMPLIANCE WITH LAW, SUITABILITY OR FITNESS FOR PARTICULAR PURPOSES OR ANY OTHER MATTER WHATSOEVER. CITY EXPRESSLY ACKNOWLEDGES THAT IT HAS BEEN AFFORDED AMPLE OPPORTUNITY TO INSPECT, ANALYZE AND INVESTIGATE ALL ASPECTS OF THE PROPERTY AND CONDITIONS RELEVANT THERETO, AND CITY SHALL RELY ON CITY'S OWN INVESTIGATION AND INSPECTION, AND ALL MATTERS RELATING THERETO.

7.2 Release. From and after the Closing, except for the Excepted Matters, Landify shall not be liable to City for any loss or damage to persons or property, injury to City's business or any loss of income therefrom, to the extent arising from City's use or operation of the Property after Closing. Effective upon the Closing, except for the Excepted Matters, City unconditionally and absolutely hereby waives, releases, acquits, and forever discharges Landify, its affiliates, subsidiaries, directors, officers and employees (collectively, the "**Released Parties**"), of and from any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees, reasonable costs of defense, and reasonable costs and expenses of all experts and consultants), or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, accrued or not accrued, liquidated or unliquidated, fixed or contingent, which City ever had, now has or may have, or which may arise in the future, in each such case in this paragraph above, to the extent arising from (i) any hazardous materials on, in, under, from or affecting the Property and not caused by Landify or its employees, agents or representatives, (ii) to the extent arising or resulting from this Agreement or the use, ownership, operation, entitlement or development of the Property by City, (iii) any defects in title (for which the City is relying on the Title Policy), and/or (iv) otherwise arising out of or connected to the physical condition of the Property. To the extent there is any conflict between the terms and provisions of Section 7 of this Agreement and the Environmental Liability Agreement, the terms of the Environmental Liability Agreement shall control.

> THE ABOVE RELEASE IS INTENDED TO BE A FULL RELEASE OF ALL CLAIMS KNOWN AND UNKNOWN. CITY HEREBY ACKNOWLEDGES THAT CITY HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("**SECTION 1542**"), WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

CITY HEREBY WAIVES THE PROVISIONS OF SECTION 1542 IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES; PROVIDED, HOWEVER, THAT THIS RELEASE AND WAIVER SHALL NOT APPLY TO CLAIMS ARISING FROM THE FOLLOWING (COLLECTIVELY, THE "**EXCEPTED MATTERS**"): (i) LANDIFY'S GRADING ACTIVITIES, (ii) SOIL IMPORTATION OR MATERIAL PLACEMENT ASSOCIATED WITH LANDIFY'S IDEFO OPERATIONS, (iii) LANDIFY'S FAILURE TO PERFORM THE GRADING WORK IN ACCORDANCE WITH THE CITY-APPROVED GRADING PLAN OR THIS AGREEMENT, (iv) LANDIFY'S FRAUD OR WILLFUL MISCONDUCT, (v) A BREACH OF LANDIFY'S REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THIS AGREEMENT OR ANY OBLIGATIONS OF LANDIFY THAT EXPRESSLY SURVIVE THE CLOSING, OR (vi) ANY CLAIMS PERMITTED TO BE BROUGHT UNDER THE ENVIRONMENTAL LIABILITY AGREEMENT.

_____
City's Initials

7.3 Indemnification. Landify shall defend, indemnify, and hold harmless City, its officers, officials, employees, and agents from and against all claims, liabilities, damages, demands, losses, penalties, fines, remediation costs, monitoring costs, closure costs, regulatory actions, judgments, attorneys' fees, consultant fees, expert fees, and expenses or costs (collectively, "**Liabilities**") to the extent caused by Landify's IDEFO Operations, including grading activities, soil importation occurring prior to the transfer of the Property to the City, regulatory violations, or failure to perform the Grading Work in accordance with the approved Grading Plan. City shall defend, indemnify, and hold harmless Landify from and against all Liabilities first arising from and after the Closing related to the use, ownership and operation of the Property, except to the extent caused by Landify's IDEFO Operations.

7.4 Conflict. To the extent there is any conflict between the terms and conditions of this Article 7 and the Environmental Liability Agreement, the terms and conditions

of the Environmental Liability Agreement shall control. In no event shall any provision of this Article 7 (including the as-is, the general release or indemnification provisions of this Article 7) be interpreted to expand, override, or negate or otherwise affect the limited release, indemnification or other provisions set forth in the Environmental Liability Agreement. The Environmental Liability Agreement is binding, and all matters it addresses are exclusively governed by its terms.

8. Default. In the event that the Closing does not occur in a timely manner prior to the Closing Date due to the Material Default of a Party hereunder (the "**Defaulting Party**"), and such Material Default is not remedied within thirty (30) days after the Defaulting Party receives written notice from the other Party (the "**Non-Defaulting Party**"), the Non-Defaulting Party may pursue only one of the following remedies: (a) terminate this Agreement, in which case the Non-Defaulting Party shall have no further obligations hereunder except for any obligations that expressly survive the Closing; or (b) compel the Defaulting Party's performance of its obligations hereunder through an action for specific performance; provided, however, that the Non-Defaulting Party shall not bring any action for consequential or punitive damages, including lost profits; however nothing in this Section shall limit the effectiveness of either party's indemnification obligations pursuant to this Agreement. Furthermore, City hereby acknowledges and agrees that in the event this Agreement is terminated for any reason, City hereby releases any and all interest in the Property and shall have no further rights thereto, and Landify or any successor shall have the right to develop the Property in accordance with applicable law, provided, however, that nothing herein shall limit, impair, waive, or otherwise affect City's governmental, regulatory, environmental review, permitting, police power, or land use authority with respect to the Property. For purposes of this Agreement, a "**Material Default**" by either Party means the failure to perform any duty, obligation, or covenant set forth in this Agreement that is substantial and essential to the transaction contemplated by this Agreement. A Material Default does not include minor, technical, or trivial failures that do not significantly impact the other party's rights or the overall value or purpose of this Agreement.

9. Prorations. Current real property taxes and assessments, water, sewer and utility charges (calculated on the basis of the period covered), and other recurring expenses normal to the operation and maintenance of the Property shall be prorated as of midnight on the day before the Closing Date on the basis of a three hundred sixty (360) day year (i.e., thirty (30) day months). If the amount of any installment of real property taxes is not known as of the Closing Date, then a proration shall be made by the Parties based on a reasonable estimate of the real property taxes applicable to the Property and the Parties shall adjust the proration when the actual amount becomes known upon the written request of either Party made to the other. All bonds or special assessments against the Property due and payable before the Closing Date shall be paid by Landify and all bonds or special assessments due and payable after the Closing Date shall be the responsibility of City. If, within twelve (12) months following the Closing Date, either Party discovers that the estimated prorations at the Closing Date were not accurate for any reason, it shall notify the other Party of such inaccuracy and the Parties shall promptly make any adjustment required. Neither Party shall be obligated to adjust any prorations after such twelve (12) month period. Landify shall be solely responsible for the payment of all supplemental taxes levied, assessed or otherwise accrued by the Closing Date. Notwithstanding any other provision of this Agreement to the contrary, if City shall become liable after the Closing for payment of any property taxes or assessments, supplemental or otherwise, assessed against the Property for

any period of time prior to the Closing Date, Landify shall immediately pay to City on demand an amount equal to such taxes or assessments. The provisions of this Section 10 (shall survive the Closing.

10. Closing Costs. All costs associated with the Closing shall be paid as between Landify and City in accordance with the custom in the County, except as otherwise expressly set forth herein. Landify shall pay any city transfer taxes, documentary county transfer taxes, recording costs with respect to the Grant Deed. City shall pay the premium charged for the Title Policy. Landify and City shall split all escrow fees and costs. Each party shall pay its own legal fees and costs.

11. Brokers and Brokerage Commission. Landify and City respectively represent that there are no brokers or other intermediaries entitled to receive brokerage commissions or fees or other compensation out of or with respect to the sale of the Property ("**Landify's Broker**"). Landify and City each agree to indemnify, defend and hold the other harmless from and against all claims, suits, losses, liabilities, damages and costs incurred or resulting from the claim of any person, that a commission, fee or remuneration is due in connection with this transaction pursuant to a written agreement made with said claimant. The provisions of this Section shall survive the Closing or any termination of this Agreement.

12. Landify's Representations and Warranties; Limited Liability.

12.1 Landify's Representations and Warranties. Landify, on behalf of itself and its partners, members, directors, officers, employees, representatives and authorized agents, hereby represents and warrants to City that, as of the Agreement Date, the following are true and correct and shall be deemed remade as of the Closing Date:

12.1.1 This Agreement and all documents executed by Landify that are to be delivered to Landify at Closing (i) are, or at the time of Closing will be, duly authorized, executed and delivered by Landify, (ii) do not, and at the time of Closing will not, violate any provision of any judicial order to which Landify is a party or to which Landify is subject, and (iii) constitute (or in the case of closing documents will constitute) a valid and legally binding obligation of Landify.

12.1.2 Landify has full and complete power and authority to enter into this Agreement and, subject to obtaining any consents or waivers required to be obtained prior to Closing, to perform its obligations hereunder.

12.1.3 Landify is not presently the subject of a bankruptcy, insolvency or probate proceeding and Landify does not anticipate nor intend to file or cause to be filed any bankruptcy or insolvency proceeding involving Landify or Landify's assets during the pendency of this Agreement.

13. City's Representations and Warranties. City hereby represents and warrants to Landify that, as of the Agreement Date, the following are true and correct and shall be deemed remade as of the Closing Date:

13.1 This Agreement and all documents executed by City that are to be delivered to Landify at Closing (i) are, or at the time of Closing will be, duly authorized, executed and delivered by City, (ii) do not, and at the time of Closing will not, violate any provision of any judicial order to which City is a party or to which City is subject, and (iii) constitute (or in the case of closing documents will constitute) a valid and legally binding obligation of City.

13.2 City has full and complete power and authority to enter into this Agreement and, subject to obtaining any consents or waivers required to be obtained prior to Closing, to perform its obligations hereunder.

13.3 City is not presently the subject of a bankruptcy, insolvency or probate proceeding and City does not anticipate nor intend to file or cause to be filed any bankruptcy or insolvency proceeding involving City or City's assets during the pendency of this Agreement.

14. Miscellaneous.

14.1 Notices. Any notice required or permitted to be given under this Agreement shall be in writing. Furthermore, any notice of default shall also clearly describe the nature of the default, the applicable cure period applicable to such default, the date on which such cure period expires and the requested action to cure such default. Any notice sent by personal service shall be deemed received on the actual delivery thereof. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, then notice shall not be deemed given. Notices delivered by the United States Express Mail or overnight courier that provides next business day delivery shall be deemed given on the next business day after delivery of the same to the United States Postal Service or such courier with a signed acknowledgement of receipt. If any notice is transmitted by electronic transmission (email), the same shall be deemed served or delivered upon transmission thereof (as evidenced by the recipient's reply to such notice or other competent evidence of actual receipt).

If to City: City of Orange
300 E. Chapman Ave
Orange, CA 92866
Attention: Public Works Director, Christopher Cash
Telephone: 714-744-5546
Email: ccash@cityoforange.org

If to Landify: Landify ECT Construction Corporation
580 California Street, 12th and 16th Floors
San Francisco, California 94104
Attention: Jonathan Bryden
Telephone: (415) 635-3555
Email: jbryden@groupe-ect.com

with a copy to: Jackson Tidus
2030 Main Street, Suite 1500
Irvine, California 92614
Attention: Sonia Lister, Esq. and Sarah Kleinberg, Esq.
Telephone: (949) 851-7408; (949) 851-7623
Email: slister@jacksontidus.law;
sklienberg@jacksontidus.law

14.2 Successors and Assigns. Neither party may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement without the other party's consent, in its sole and absolute discretion. Notwithstanding the foregoing to the contrary, Landify may assign its rights under this Agreement without the prior written consent of City to an entity which controls, is controlled by, or is under common control with Landify so long as such assignee (i) assumes in writing the obligations of Landify under this Agreement, and (ii) acknowledges and agrees to be bound by all of the terms and provisions of this Agreement as if such assignee had originally signed this Agreement.

14.3 Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by Landify and City.

14.4 Continuation and Survival of Representations and Warranties. All representations and warranties by Landify or City contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the Closing Date, shall be deemed material, and shall survive the execution and delivery of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Landify or City in connection with the transaction contemplated hereby shall constitute representations and warranties hereunder.

14.5 Entire Agreement; Construction. This Agreement (including any exhibits attached hereto, which are hereby incorporated herein) constitutes the entire understanding of the parties and all prior agreements, representations, and understandings between the parties, whether oral or written, are deemed null and void, all of the foregoing having been merged into this Agreement. The parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either party in connection with this Agreement.

14.6 Enforceability. If for any reason, any provision of this Agreement shall be held to be unenforceable, it shall not affect the validity or enforceability of any other provision of this Agreement and to the extent any provision of this Agreement is not determined to be unenforceable, such provision, or portion thereof, shall be, and remain, in full force and effect.

14.7 Counterparts. This Agreement may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that facsimile signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have

the same full force and effect as if an original of this Agreement had been delivered. City and Landify intend (i) to be bound by the signatures on any document sent by facsimile or electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.

14.8 Dispute Costs. In the event any dispute between the parties with respect to this Agreement results in litigation or other proceedings, the prevailing party shall be reimbursed for all its reasonable costs and expenses by the party not prevailing, including, without limitation, reasonable attorneys' and experts' fees and costs incurred in connection with such litigation or other proceeding and/or any appeal thereof. Such costs, expenses and fees shall be included in and made a part of the judgment recovered by the prevailing party. The provisions of this Section shall survive any termination of this Agreement and the Closing.

14.9 Governing Law. This Agreement shall be enforced, governed by, and construed in accordance with California law.

14.10 Time of the Essence and Business Days. Time is of the essence of this Agreement. Unless the context otherwise requires, all periods terminating on a given day or date shall terminate at 5:00 p.m. (Pacific Time) on such day or date, and references to "**days**" shall refer to calendar days unless such references are to "**business days**" which shall refer to days other than Saturday, Sunday or legal holiday. Notwithstanding the foregoing, if any period terminates on a Saturday, Sunday or legal holiday, the termination of such period shall be on the next succeeding business day. The time in which any act provided under this Agreement is to be done shall be computed by excluding the first day and including the last day, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

14.11 Limitation of Remedies. Except for fraud or the willful misconduct of a defaulting party, in no event shall any party be liable for any speculative, consequential or punitive damages, or lost profits.

14.12 Headings. Any headings or captions used herein are inserted only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any of the provisions hereof.

14.13 No Third Party Beneficiaries. Except as otherwise expressly set forth herein, Landify and City do not intend, and this Agreement shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a party to this Agreement.

14.14 Further Assurances. After the Closing, Landify and City shall cooperate with one another at reasonable times and on reasonable conditions and shall execute and deliver such instruments and documents as may be necessary in order fully to carry out the intent and purposes of the transactions contemplated hereby. Except for such instruments and documents as the parties are obligated to deliver by the terms of this Agreement, such cooperation shall be without additional cost or liability. The provisions of this Section shall survive the Closing.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the Agreement Date.

CITY:

CITY OF ORANGE,
a California municipal corporation

By: _____
Name: Daniel R. Slater
Title: Mayor

LANDIFY:

LANDIFY ECT CONSTRUCTION CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

ATTEST:

_____
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____
Nathalie Adourian, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

All that certain real property situated in the City of Orange, County of Orange, State of California, as described as follows:

(Legal Description of The Real Property to be provided at a later date)

EXHIBIT B

TITLE REPORT

Preliminary Title Report dated March 25, 2026 issued by Fidelity National Title Insurance Company Order No. FBDO-2603557, as amended.

(Preliminary Title Report to be provided at a later date)

EXHIBIT C

LIST OF PROPERTY DOCUMENTS

(List of Property Documents to be provided at a later date)

EXHIBIT D

GRANT DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

CITY OF ORANGE
C/O CITY CLERK
300 EAST CHAPMAN AVENUE
ORANGE, CALIFORNIA 92866

(Space above this line for Recorder's use)

MAIL TAX STATEMENTS TO: SAME AS ABOVE

DOCUMENTARY TRANSFER TAX EXEMPTREVENUE AND TAXATION CODE SECTION 11922

LOCATION:
6145 E. Santiago Canyon Road
Orange, California

APN: _____

Exempt – Recording Requested Under Government Code Sections 6103 & 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, LANDIFY ECT CONSTRUCTION CORPORATION, a Delaware corporation ("Grantor"), hereby grants to the City of Orange, a California municipal corporation ("Grantee"), all that certain real property situated in the City of Orange, County of Orange, State of California, more particularly described in exhibit "A" attached hereto and incorporated herein (the "property").

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO THE FOLLOWING RESTRICTION: the Property shall be held, maintained, and retained by Grantee as permanent public open space and used only for passive recreation, habitat restoration, trails, and other non-intensive open-space purposes consistent therewith.

This restriction is permanent, shall run with the land, and shall be binding upon Grantee and its successors and assigns. Nothing herein creates or grants to Grantor any right of reentry, reversion, repurchase, or other right to reacquire the Property.

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of the day and year indicated.

[***Signature appears on the following page***]

Dated: _____.

GRANTOR:

LANDIFY ECT CONSTRUCTION CORPORATION,
a Delaware corporation

By:_____
Name:_____
Title:_____

ACKNOWLEDGMENTS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20___, before me, _____
(here insert name and title of the officer)

personally appeared _____
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature

(Seal)

EXHIBIT A TO GRANT DEED LEGAL

DESCRIPTION

(Grant deed legal description to be provided at a later date)

EXHIBIT E

SOILS MANAGEMENT PLAN

(Approved IDEFO Operations Plan to be provided at a later date)

EXHIBIT F

CONCEPTUAL PLAN

(Conceptual plan from Grading Plan to be provided at a later date)

EXHIBIT G

SITE PLAN

(Site Plan from Grading Plan to be provided at a later date)

EXHIBIT H

PHASING PLAN

(Phasing plan from Grading Plan to be provided at a later date)

EXHIBIT I

ENVIRONMENTAL LIABILITY AGREEMENT

MULTIPARTY INDEMNIFICATION AND RELEASE AGREEMENT
(Environmental Liabilities – Sully-Miller Property, Orange, California)

This MULTIPARTY INDEMNIFICATION AND RELEASE AGREEMENT (this "**Agreement**") is made and effective as of [_____, 2026], by and among: MILAN REI X, LLC, a California limited liability company ("**Milan**"), LANDIFY ECT CONSTRUCTION CORPORATION, a Delaware corporation ("**Landify**"), and the CITY OF ORANGE, a California municipal corporation ("**City**") (each, a "**Party**," and collectively, the "**Parties**").

RECITALS:

A. Milan owns the real property commonly known as the Sully-Miller Pit, located at 6145 E. Santiago Canyon Road, Orange, California, comprising approximately 67.743 acres, as more particularly described on **Exhibit A** attached hereto (the "**Sully Miller Property**" or the "**Property**"). The Sully Miller Property has long been a part of the City of Orange community, with significant public interest in its preservation as an open space reserve project.

B. On or about June 16, 2022, Milan and the Orange County Health Care Agency, Environmental Health, acting as the Solid Waste Local Enforcement Agency for the County of Orange ("**LEA**"), entered into a Stipulated Notice and Order relating to the Property, recorded July 12, 2022 as Instrument No. 2022000244314 (as amended, the "**SNO**").

C. Milan and Landify have entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated [_____ ___, 2026] (as such may be amended in writing by the parties thereto, the "**Milan Transfer Agreement**") pursuant to which Landify will acquire the Property from Milan and develop it as an Inert Debris Engineered Fill Operation ("**IDEFO**") project, suitable for future open space reserve use.

D. Landify and the City have also entered into that certain Real Property Transfer Agreement dated [_____ ___, 2026] (as such may be amended in writing by the parties thereto, the "**City Transfer Agreement**") that governs the future transfer of the Property from Landify to the City after completion of Landify's IDEFO for the future development of the Property as an open space reserve for passive recreation, habitat restoration, and other non-intensive open-space purposes (the "**Open Space Project**").

E. This Agreement is being executed concurrently with the closing of the transfer of the Property from Milan to Landify under the Milan Transfer Agreement, and is intended to allocate and limit certain environmental liabilities among Milan, Landify, and the City in relation to the Property, and to confirm Milan's agreement to purchase environmental insurance as the primary source of funding and remedy for covered claims.

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Definitions.

(a) "**Environmental Claim**" means any and all claims, demands, actions, suits, proceedings, judgments, orders, obligations, liabilities, losses (including diminution in value), damages, fees (including attorneys' and consultants' fees), costs, fines, penalties, or expenses, whether known or unknown, arising out of or relating to:

(i) the presence, release, migration, or remediation of Hazardous Materials in, on, under, or from the Property at any time;

(ii) investigation, remediation, or other response actions required by governmental authority;

(iii) alleged violations of Environmental Laws;

(iv) personal injury, property damage, or natural resource damage arising from or related to any of the foregoing;

(v) any other matter relating to pollution, contamination, or environmental site conditions at or relating to the Property; or

(vi) with respect to Milan only, any failure to comply with or otherwise satisfy any terms, conditions or obligations under the SNO.

(b) "**Environmental Laws**" means any federal, state, or local statute, regulation, ordinance, or requirement relating to the environment, human health, or Hazardous Materials, including without limitation CERCLA, RCRA, the Clean Water Act, the Clean Air Act, the Solid Waste Disposal Act, any of their California counterparts, and the California Surface Mining and Reclamation Act.

(c) "**Hazardous Materials**" means any pollutant, contaminant, toxic or hazardous substance, waste, or material regulated under any Environmental Law, including petroleum products, asbestos, PCBs, lead, radioactive materials, mold, PFAS, and any substance, waste or material that requires investigation, remediation or other response action under Environmental Laws.

(d) "**Losses**" means any and all damages, settlement amounts, judgments, fees, costs, expenses and losses, including without limitation (i) governmental fines and penalties imposed on any Indemnified Party (as defined below); (ii) all settlement amounts, judgment, fees and costs incurred by any Indemnified Party or required to be paid to a third party with regard to any claim, demand or lawsuit (including in a cost recovery or contribution action, tort action, or governmental claim or enforcement action); (iii) damages awarded for injury to persons, property or natural resources; and (iv) all reasonable consulting and expert fees and costs, court

costs, and attorneys' fees and expenses incurred by any Indemnified Party in connection with any matters covered by this indemnity.

(e) "**Third Party Claim**" means any claim, demand, suit, action, cause of action, proceeding, or order (whether civil, criminal, administrative, or regulatory) made or brought by any person or entity who is not a party (or affiliated with any party) to this Agreement, including but not limited to governmental authorities, alleging liability, responsibility, or obligation for injury, loss, damage, costs, or expenses arising from or relating to any Environmental Claims.

2. Pollution Legal Liability Insurance. Concurrently with the execution of this Agreement, and as a condition to closings pursuant to the Milan Transfer Agreement and the City Transfer Agreement, Milan shall, at its sole cost and expense, procure and maintain a Pollution Legal Liability Insurance policy ("**Policy**") issued by a carrier acceptable to the Parties. The Policy must, at a minimum: (i) name Milan as first named insured, and Landify, the City, and their respective affiliates as additional named insureds; (ii) provide primary and non-contributory coverage, without any material exclusions for pre-existing conditions; (iii) afford coverage for bodily injury, death, property damage (including loss of use or diminution in value), clean-up costs (including costs of site investigation, remediation and other response actions), business interruption, and expenses incurred in the investigation, defense, and settlement of claims or suits, in connection with any loss or occurrence arising out of or relating to the Property or the Open Space Project; (iv) cover both pre-existing and new pollution conditions (subject only to standard policy limitations for clean-up expenses incurred for known and identified soil contaminants located on-site); (v) provide a per-claim and aggregate limit of not less than $3,000,000, with a self-insured retention not exceeding $50,000 per claim; (vi) shall contain a waiver of subrogation against the Parties; and (vii) remain in effect during Landify's ownership of the Property and for a period of not less than five (5) years after the City's acquisition of the Property, but in no event longer than ten (10) years from issuance. The Policy shall be a primary source of recovery for any Environmental Claim relating to the Property arising during any Party's period of ownership, except as expressly provided in Section 4 (Indemnification for Third Party Claims), the City Transfer Agreement, or applicable law.

3. Mutual Limited Release. Each Party, on behalf of itself and its successors and assigns, hereby releases and discharges the other Parties and their respective officers, directors, employees, agents, and affiliates, from any and all Environmental Claims and Losses (as these terms are defined above) concerning the Property.

THE ABOVE RELEASE IS INTENDED TO BE A FULL RELEASE OF ALL CLAIMS KNOWN AND UNKNOWN. EACH PARTY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Notwithstanding anything herein to the contrary, nothing in this Agreement shall release, waive, or limit liability arising from (i) any obligations of the parties pursuant to this Agreement (including Section 4 below), the Milan Transfer Agreement or the City Transfer Agreement, or (ii) fraud, intentional misrepresentation, concealment of material facts, or willful misconduct.

4. Indemnification for Third Party Claims. To the extent any Third Party Claims (and related Losses) are not covered under the Policy, each Party agrees to indemnify, defend, and hold harmless the other Parties and their respective officers, directors, employees, agents, and affiliates (collectively, the "**Indemnified Parties**") from and against any and all Third Party Claims as follows: (i) Milan shall indemnify, defend, and hold harmless the other Indemnified Parties from and against any and all Third Party Claims (and related Losses) to the extent caused by or arising out of Milan's acts or omissions occurring during Milan's period of ownership of the Property; (ii) Landify shall indemnify, defend, and hold harmless the other Indemnified Parties from and against any and all Third Party Claims (and related Losses) to the extent caused by or arising out of Landify's acts or omissions occurring during Landify's period of ownership of the Property; and (iii) the City shall indemnify, defend, and hold harmless the other Indemnified Parties from and against any and all Third Party Claims (and related Losses) to the extent caused by or arising out of the City's acts or omissions occurring after the City's acquisition of the Property. No Party shall be entitled to indemnification to the extent the Third Party Claim arose from its own acts or omissions. In no event shall the indemnification obligations under this Agreement include consequential, incidental, special, or punitive damages, including but not limited to any damages associated with delay, and each Party expressly waives the right to recover same. An Indemnified Party may bring an action to enforce indemnification under this Agreement against the Indemnifying Party without first proceeding against any other person or pursuing any other remedy. The indemnification obligations set forth in this Agreement shall survive Closing, transfer of title, expiration or termination of the Policy, and termination of the Real Property Transfer Agreement.

5. Procedures for Indemnity Claims. If any Party (the "**Indemnitee**") intends to seek indemnification in connection with a Third Party Claim, the Indemnitee shall promptly notify the Party or Parties responsible for indemnification under this Agreement (the "**Indemnitor**") in writing (the "**Claims Notice**"). The Claims Notice shall describe the claim in reasonable detail and state the amount, or estimated amount, of any Losses to the extent known. Failure to provide prompt notice will not relieve the Indemnitor of its obligations except to the extent the Indemnitor is actually prejudiced by such failure. If the Indemnitor assumes the defense of the Third Party Claim: (i) the Indemnitee may retain separate counsel at its own expense, except that, if a conflict of interest arises or defenses are available to the Indemnitee that are unavailable to the Indemnitor, the Indemnitor shall pay the reasonable fees and expenses of one such counsel for the Indemnitee in each relevant jurisdiction; (ii) the Indemnitor shall control the defense, investigation, and settlement of the claim, but must act in good faith and keep the Indemnitee reasonably informed; (iii) the Indemnitor shall not settle or consent to judgment on any claim without the Indemnitee's prior written consent, unless the settlement provides solely for monetary relief, includes a full release of the Indemnitee, and involves no admission of liability or fault by the Indemnitee; and (iv) the Indemnitee shall not settle or

consent to judgment on any claim without the Indemnitor's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. If the Indemnitor does not elect to assume the defense within thirty (30) days, notifies the Indemnitee in writing that it will not defend the claim, or fails to diligently prosecute the defense, then the Indemnitee may assume the defense and the Indemnitor shall remain responsible for all reasonable and documented costs and expenses incurred in connection with such defense. The Indemnitor may, at its own expense, participate in the defense. The Parties shall act in good faith, cooperate fully, and provide each other reasonable access to all relevant information and personnel in connection with any Third Party Claim.

6. Procedures for Insurance Claims. If any Party becomes aware of circumstances that may give rise to a claim under the Pollution Legal Liability Insurance Policy, that Party (the "**Notifying Party**") shall promptly notify the insurer, in accordance with the terms of the Policy, and provide written notice to the other Parties within five (5) business days of making such notification. No Party shall voluntarily incur expenses, pay, or settle any insurance claim without providing prior written notice to the other Parties and allowing them a reasonable opportunity to review and comment. All Parties shall reasonably cooperate in the preparation and prosecution of any claim under the Policy. The deductible or self-insured retention applicable to a covered claim shall be borne by the Party responsible for the underlying event, condition, or action, as determined by the allocation of liability in Section 4. No settlement of any claim under the Policy shall be made without the prior written consent of all Parties whose interests may be affected, such consent not to be unreasonably withheld or delayed.

7. Miscellaneous.

(a) Notices. Any notice required or permitted to be given under this Agreement shall be in writing. Furthermore, any notice of default shall also clearly describe the nature of the default, the applicable cure period applicable to such default, the date on which such cure period expires and the requested action to cure such default. Any notice sent by personal service shall be deemed received on the actual delivery thereof. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, then notice shall not be deemed given. Notices delivered by the United States Express Mail or overnight courier that provides next business day delivery shall be deemed given on the next business day after delivery of the same to the United States Postal Service or such courier with a signed acknowledgement of receipt. If any notice is transmitted by electronic transmission (email), the same shall be deemed served or delivered upon transmission thereof (as evidenced by the recipient's reply to such notice or other competent evidence of actual receipt). Notices given by counsel to the Buyer shall be deemed given by Buyer and notices given by counsel to the Seller shall be deemed given by Seller.

If to City: City of Orange
300 E. Chapman Ave
Orange, CA 92866
Attention: City Manager, Jarad Hildenbrand
Email: jhildenbrand@cityoforange.org

with a copy to: City of Orange
300 E. Chapman Ave
Orange, CA 92866
Attention: City Attorney, Nathalie Adourian
Email: nadourian@cityoforange.org

If to Milan: c/o Tivoli Capital, Inc.
701 S. Parker Street, Suite 5300
Orange, CA 92868
Attention: Claus Dieckell
Telephone No.: 714-687-0000
E-Mail: dieckell@milanprop.com

with copies sent concurrently to

c/o Tivoli Capital, Inc.
701 S. Parker Street, Suite 5300
Orange, CA 92868
Attention: M. Saeed Dheda
Telephone No.: 714-687-0000 ext. 105
E-Mail: saeed@milanprop.com

and:

c/o Milan Capital Management, Inc.
701 S. Parker Street, Suite 5200
Orange, CA 92868
Attention: Christopher Nichelson
Telephone No.: 714-687-0000 ext. 101
E-Mail: chris@milancap.com

and:

Kennerly, Lamishaw & Rossi LLP
707 Wilshire Boulevard, Suite 1400
Los Angeles, CA 90017
Attention: William J. Birney, Esq.
Telephone No.: (213) 312-1250
E-Mail: wbirney@klrfirm.com

If to Landify: Landify ECT Construction Corporation
580 California Street, 12th and 16th Floors
San Francisco, California 94104
Attention: Jonathan Bryden
Telephone: (415) 635-3555
Email: jbryden@groupe-ect.com

with a copy to: Jackson Tidus
2030 Main Street, Suite 1500
Irvine, California 92614
Attention: Sonia Lister, Esq. and Sarah Kleinberg, Esq.
Telephone: (949) 851-7408; (949) 851-7623
Email: slister@jacksontidus.law;
sklienberg@jacksontidus.law

(b) Successors and Assigns. Neither party may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement without the other party's consent, in its sole and absolute discretion. Notwithstanding the foregoing to the contrary, Landify may assign its rights under this Agreement without the prior written consent of Milan or City to an entity which controls, is controlled by, or is under common control with Landify so long as such assignee (i) assumes in writing the obligations of Landify under this Agreement, and (ii) acknowledges and agrees to be bound by all of the terms and provisions of this Agreement as if such assignee had originally signed this Agreement.

(c) Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by all the Parties hereto.

(d) Continuation and Survival of Representations and Warranties. All representations and warranties by the Parties contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the Closing Date, shall be deemed material, and shall survive the execution and delivery of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of a Party in connection with the transaction contemplated hereby shall constitute representations and warranties hereunder.

(e) Entire Agreement; Construction. This Agreement (including any exhibits attached hereto, which are hereby incorporated herein) constitutes the entire understanding of the parties and all prior agreements, representations, and understandings between the parties, whether oral or written, are deemed null and void, all of the foregoing having been merged into this Agreement. The parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either party in connection with this Agreement.

(f) Enforceability. If for any reason, any provision of this Agreement shall be held to be unenforceable, it shall not affect the validity or enforceability of any other provision of

this Agreement and to the extent any provision of this Agreement is not determined to be unenforceable, such provision, or portion thereof, shall be, and remain, in full force and effect.

(g) Counterparts. This Agreement may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been delivered. The Parties intend (i) to be bound by the signatures on any document sent by electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.

(h) Dispute Costs. In the event any dispute between the parties with respect to this Agreement results in litigation or other proceedings, the prevailing party shall be reimbursed for all its reasonable costs and expenses by the party not prevailing, including, without limitation, reasonable attorneys' and experts' fees and costs incurred in connection with such litigation or other proceeding and/or any appeal thereof. Such costs, expenses and fees shall be included in and made a part of the judgment recovered by the prevailing party. The provisions of this Section shall survive any termination of this Agreement and the Closing.

(i) Governing Law. This Agreement shall be enforced, governed by, and construed in accordance with California law.

(j) Time of the Essence and Business Days. Time is of the essence of this Agreement. Unless the context otherwise requires, all periods terminating on a given day or date shall terminate at 5:00 p.m. (Pacific Time) on such day or date, and references to "**days**" shall refer to calendar days unless such references are to "**business days**" which shall refer to days other than Saturday, Sunday or legal holiday. Notwithstanding the foregoing, if any period terminates on a Saturday, Sunday or legal holiday, the termination of such period shall be on the next succeeding business day. The time in which any act provided under this Agreement is to be done shall be computed by excluding the first day and including the last day, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

(k) Limitation of Remedies. Except for fraud or the willful misconduct of a defaulting party, in no event shall any party be liable for any speculative, consequential or punitive damages, or lost profits.

(l) Headings. Any headings or captions used herein are inserted only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any of the provisions hereof.

(m) No Third Party Beneficiaries. Except as otherwise expressly set forth herein, no Party intends, and this Agreement shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a party to this Agreement.

(n) Further Assurances. After the Closing, each Party shall cooperate with one another at reasonable times and on reasonable conditions and shall execute and deliver such

instruments and documents as may be necessary in order fully to carry out the intent and purposes of the transactions contemplated hereby. Except for such instruments and documents as the parties are obligated to deliver by the terms of this Agreement, such cooperation shall be without additional cost or liability. The provisions of this Section shall survive the Closing.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the Agreement Date.

CITY:

CITY OF ORANGE,
a California municipal corporation

By: _____
Name: Daniel R. Slater
Title: Mayor

LANDIFY:

LANDIFY ECT CONSTRUCTION CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

MILAN:

MILAN REI X, LLC,
a California limited liability company

By: Tivoli Capital, Inc.
a California corporation
Its Managing Member

By: _____
Name: _____
Title: _____

ATTEST:

_____
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____
Nathalie Adourian, City Attorney √

MULTIPARTY INDEMNIFICATION AND RELEASE AGREEMENT

(Environmental Liabilities – Sully-Miller Property, Orange, California)

This MULTIPARTY INDEMNIFICATION AND RELEASE AGREEMENT (this "**Agreement**") is made and effective as of [_____, 2026], by and among: MILAN REI X, LLC, a California limited liability company ("**Milan**"), LANDIFY ECT CONSTRUCTION CORPORATION, a Delaware corporation ("**Landify**"), and the CITY OF ORANGE, a California municipal corporation ("**City**") (each, a "**Party**," and collectively, the "**Parties**").

RECITALS:

A. Milan owns the real property commonly known as the Sully-Miller Pit, located at 6145 E. Santiago Canyon Road, Orange, California, comprising approximately 67.743 acres, as more particularly described on **Exhibit A** attached hereto (the "**Sully Miller Property**" or the "**Property**"). The Sully Miller Property has long been a part of the City of Orange community, with significant public interest in its preservation as an open space reserve project.

B. On or about June 16, 2022, Milan and the Orange County Health Care Agency, Environmental Health, acting as the Solid Waste Local Enforcement Agency for the County of Orange ("**LEA**"), entered into a Stipulated Notice and Order relating to the Property, recorded July 12, 2022 as Instrument No. 2022000244314 (as amended, the "**SNO**").

C. Milan and Landify have entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated [_____ ___, 2026] (as such may be amended in writing by the parties thereto, the "**Milan Transfer Agreement**") pursuant to which Landify will acquire the Property from Milan and develop it as an Inert Debris Engineered Fill Operation ("**IDEFO**") project, suitable for future open space reserve use.

D. Landify and the City have also entered into that certain Real Property Transfer Agreement dated [_____ ___, 2026] (as such may be amended in writing by the parties thereto, the "**City Transfer Agreement**") that governs the future transfer of the Property from Landify to the City after completion of Landify's IDEFO for the future development of the Property as an open space reserve for passive recreation, habitat restoration, and other non-intensive open-space purposes (the "**Open Space Project**").

E. This Agreement is being executed concurrently with the closing of the transfer of the Property from Milan to Landify under the Milan Transfer Agreement, and is intended to allocate and limit certain environmental liabilities among Milan, Landify, and the City in relation to the Property, and to confirm Milan's agreement to purchase environmental insurance as the primary source of funding and remedy for covered claims.

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Definitions.

(a) "**Environmental Claim**" means any and all claims, demands, actions, suits, proceedings, judgments, orders, obligations, liabilities, losses (including diminution in value), damages, fees (including attorneys' and consultants' fees), costs, fines, penalties, or expenses, whether known or unknown, arising out of or relating to:

(i) the presence, release, migration, or remediation of Hazardous Materials in, on, under, or from the Property at any time;

(ii) investigation, remediation, or other response actions required by governmental authority;

(iii) alleged violations of Environmental Laws;

(iv) personal injury, property damage, or natural resource damage arising from or related to any of the foregoing;

(v) any other matter relating to pollution, contamination, or environmental site conditions at or relating to the Property; or

(vi) with respect to Milan only, any failure to comply with or otherwise satisfy any terms, conditions or obligations under the SNO.

(b) "**Environmental Laws**" means any federal, state, or local statute, regulation, ordinance, or requirement relating to the environment, human health, or Hazardous Materials, including without limitation CERCLA, RCRA, the Clean Water Act, the Clean Air Act, the Solid Waste Disposal Act, any of their California counterparts, and the California Surface Mining and Reclamation Act.

(c) "**Hazardous Materials**" means any pollutant, contaminant, toxic or hazardous substance, waste, or material regulated under any Environmental Law, including petroleum products, asbestos, PCBs, lead, radioactive materials, mold, PFAS, and any substance, waste or material that requires investigation, remediation or other response action under Environmental Laws.

(d) "**Losses**" means any and all damages, settlement amounts, judgments, fees, costs, expenses and losses, including without limitation (i) governmental fines and penalties imposed on any Indemnified Party (as defined below); (ii) all settlement amounts, judgment, fees and costs incurred by any Indemnified Party or required to be paid to a third party with regard to any claim, demand or lawsuit (including in a cost recovery or contribution action, tort action, or governmental claim or enforcement action); (iii) damages awarded for injury to persons, property or natural resources; and (iv) all reasonable consulting and expert fees and costs, court

costs, and attorneys' fees and expenses incurred by any Indemnified Party in connection with any matters covered by this indemnity.

(e) "**Third Party Claim**" means any claim, demand, suit, action, cause of action, proceeding, or order (whether civil, criminal, administrative, or regulatory) made or brought by any person or entity who is not a party (or affiliated with any party) to this Agreement, including but not limited to governmental authorities, alleging liability, responsibility, or obligation for injury, loss, damage, costs, or expenses arising from or relating to any Environmental Claims.

2. Pollution Legal Liability Insurance. Concurrently with the execution of this Agreement, and as a condition to closings pursuant to the Milan Transfer Agreement and the City Transfer Agreement, Milan shall, at its sole cost and expense, procure and maintain a Pollution Legal Liability Insurance policy ("**Policy**") issued by a carrier acceptable to the Parties. The Policy must, at a minimum: (i) name Milan as first named insured, and Landify, the City, and their respective affiliates as additional named insureds; (ii) provide primary and non-contributory coverage, without any material exclusions for pre-existing conditions; (iii) afford coverage for bodily injury, death, property damage (including loss of use or diminution in value), clean-up costs (including costs of site investigation, remediation and other response actions), business interruption, and expenses incurred in the investigation, defense, and settlement of claims or suits, in connection with any loss or occurrence arising out of or relating to the Property or the Open Space Project; (iv) cover both pre-existing and new pollution conditions (subject only to standard policy limitations for clean-up expenses incurred for known and identified soil contaminants located on-site); (v) provide a per-claim and aggregate limit of not less than $3,000,000, with a self-insured retention not exceeding $50,000 per claim; (vi) shall contain a waiver of subrogation against the Parties; and (vii) remain in effect during Landify's ownership of the Property and for a period of not less than five (5) years after the City's acquisition of the Property, but in no event longer than ten (10) years from issuance. The Policy shall be a primary source of recovery for any Environmental Claim relating to the Property arising during any Party's period of ownership, except as expressly provided in Section 4 (Indemnification for Third Party Claims), the City Transfer Agreement, or applicable law.

3. Mutual Limited Release. Each Party, on behalf of itself and its successors and assigns, hereby releases and discharges the other Parties and their respective officers, directors, employees, agents, and affiliates, from any and all Environmental Claims and Losses (as these terms are defined above) concerning the Property.

THE ABOVE RELEASE IS INTENDED TO BE A FULL RELEASE OF ALL CLAIMS KNOWN AND UNKNOWN. EACH PARTY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

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MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Notwithstanding anything herein to the contrary, nothing in this Agreement shall release, waive, or limit liability arising from (i) any obligations of the parties pursuant to this Agreement (including Section 4 below), the Milan Transfer Agreement or the City Transfer Agreement, or (ii) fraud, intentional misrepresentation, concealment of material facts, or willful misconduct.

4. Indemnification for Third Party Claims. To the extent any Third Party Claims (and related Losses) are not covered under the Policy, each Party agrees to indemnify, defend, and hold harmless the other Parties and their respective officers, directors, employees, agents, and affiliates (collectively, the "**Indemnified Parties**") from and against any and all Third Party Claims as follows: (i) Milan shall indemnify, defend, and hold harmless the other Indemnified Parties from and against any and all Third Party Claims (and related Losses) to the extent caused by or arising out of Milan's acts or omissions occurring during Milan's period of ownership of the Property; (ii) Landify shall indemnify, defend, and hold harmless the other Indemnified Parties from and against any and all Third Party Claims (and related Losses) to the extent caused by or arising out of Landify's acts or omissions occurring during Landify's period of ownership of the Property; and (iii) the City shall indemnify, defend, and hold harmless the other Indemnified Parties from and against any and all Third Party Claims (and related Losses) to the extent caused by or arising out of the City's acts or omissions occurring after the City's acquisition of the Property. No Party shall be entitled to indemnification to the extent the Third Party Claim arose from its own acts or omissions. In no event shall the indemnification obligations under this Agreement include consequential, incidental, special, or punitive damages, including but not limited to any damages associated with delay, and each Party expressly waives the right to recover same. An Indemnified Party may bring an action to enforce indemnification under this Agreement against the Indemnifying Party without first proceeding against any other person or pursuing any other remedy. The indemnification obligations set forth in this Agreement shall survive Closing, transfer of title, expiration or termination of the Policy, and termination of the Real Property Transfer Agreement.

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consent to judgment on any claim without the Indemnitor's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. If the Indemnitor does not elect to assume the defense within thirty (30) days, notifies the Indemnitee in writing that it will not defend the claim, or fails to diligently prosecute the defense, then the Indemnitee may assume the defense and the Indemnitor shall remain responsible for all reasonable and documented costs and expenses incurred in connection with such defense. The Indemnitor may, at its own expense, participate in the defense. The Parties shall act in good faith, cooperate fully, and provide each other reasonable access to all relevant information and personnel in connection with any Third Party Claim.

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7. Miscellaneous.

(a) Notices. Any notice required or permitted to be given under this Agreement shall be in writing. Furthermore, any notice of default shall also clearly describe the nature of the default, the applicable cure period applicable to such default, the date on which such cure period expires and the requested action to cure such default. Any notice sent by personal service shall be deemed received on the actual delivery thereof. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, then notice shall not be deemed given. Notices delivered by the United States Express Mail or overnight courier that provides next business day delivery shall be deemed given on the next business day after delivery of the same to the United States Postal Service or such courier with a signed acknowledgement of receipt. If any notice is transmitted by electronic transmission (email), the same shall be deemed served or delivered upon transmission thereof (as evidenced by the recipient's reply to such notice or other competent evidence of actual receipt). Notices given by counsel to the Buyer shall be deemed given by Buyer and notices given by counsel to the Seller shall be deemed given by Seller.

If to City: City of Orange
300 E. Chapman Ave
Orange, CA 92866
Attention: City Manager, Jarad Hildenbrand
Email: jhildenbrand@cityoforange.org

with a copy to: City of Orange
300 E. Chapman Ave
Orange, CA 92866
Attention: City Attorney, Nathalie Adourian
Email: nadourian@cityoforange.org

If to Milan: c/o Tivoli Capital, Inc.
701 S. Parker Street, Suite 5300
Orange, CA 92868
Attention: Claus Dieckell
Telephone No.: 714-687-0000
E-Mail: dieckell@milanprop.com

with copies sent concurrently to

c/o Tivoli Capital, Inc.
701 S. Parker Street, Suite 5300
Orange, CA 92868
Attention: M. Saeed Dheda
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and:

c/o Milan Capital Management, Inc.
701 S. Parker Street, Suite 5200
Orange, CA 92868
Attention: Christopher Nichelson
Telephone No.: 714-687-0000 ext. 101
E-Mail: chris@milancap.com

and:

Kennerly, Lamishaw & Rossi LLP
707 Wilshire Boulevard, Suite 1400
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Attention: William J. Birney, Esq.
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E-Mail: wbirney@klrfirm.com

If to Landify: Landify ECT Construction Corporation
580 California Street, 12th and 16th Floors
San Francisco, California 94104
Attention: Jonathan Bryden
Telephone: (415) 635-3555
Email: jbryden@groupe-ect.com

with a copy to: Jackson Tidus
2030 Main Street, Suite 1500
Irvine, California 92614
Attention: Sonia Lister, Esq. and Sarah Kleinberg, Esq.
Telephone: (949) 851-7408; (949) 851-7623
Email: slister@jacksontidus.law;
sklienberg@jacksontidus.law

(b) Successors and Assigns. Neither party may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement without the other party's consent, in its sole and absolute discretion. Notwithstanding the foregoing to the contrary, Landify may assign its rights under this Agreement without the prior written consent of Milan or City to an entity which controls, is controlled by, or is under common control with Landify so long as such assignee (i) assumes in writing the obligations of Landify under this Agreement, and (ii) acknowledges and agrees to be bound by all of the terms and provisions of this Agreement as if such assignee had originally signed this Agreement.

(c) Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by all the Parties hereto.

(d) Continuation and Survival of Representations and Warranties. All representations and warranties by the Parties contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the Closing Date, shall be deemed material, and shall survive the execution and delivery of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of a Party in connection with the transaction contemplated hereby shall constitute representations and warranties hereunder.

(e) Entire Agreement; Construction. This Agreement (including any exhibits attached hereto, which are hereby incorporated herein) constitutes the entire understanding of the parties and all prior agreements, representations, and understandings between the parties, whether oral or written, are deemed null and void, all of the foregoing having been merged into this Agreement. The parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either party in connection with this Agreement.

(f) Enforceability. If for any reason, any provision of this Agreement shall be held to be unenforceable, it shall not affect the validity or enforceability of any other provision of

this Agreement and to the extent any provision of this Agreement is not determined to be unenforceable, such provision, or portion thereof, shall be, and remain, in full force and effect.

(g) Counterparts. This Agreement may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been delivered. The Parties intend (i) to be bound by the signatures on any document sent by electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.

(h) Dispute Costs. In the event any dispute between the parties with respect to this Agreement results in litigation or other proceedings, the prevailing party shall be reimbursed for all its reasonable costs and expenses by the party not prevailing, including, without limitation, reasonable attorneys' and experts' fees and costs incurred in connection with such litigation or other proceeding and/or any appeal thereof. Such costs, expenses and fees shall be included in and made a part of the judgment recovered by the prevailing party. The provisions of this Section shall survive any termination of this Agreement and the Closing.

(i) Governing Law. This Agreement shall be enforced, governed by, and construed in accordance with California law.

(j) Time of the Essence and Business Days. Time is of the essence of this Agreement. Unless the context otherwise requires, all periods terminating on a given day or date shall terminate at 5:00 p.m. (Pacific Time) on such day or date, and references to "**days**" shall refer to calendar days unless such references are to "**business days**" which shall refer to days other than Saturday, Sunday or legal holiday. Notwithstanding the foregoing, if any period terminates on a Saturday, Sunday or legal holiday, the termination of such period shall be on the next succeeding business day. The time in which any act provided under this Agreement is to be done shall be computed by excluding the first day and including the last day, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

(k) Limitation of Remedies. Except for fraud or the willful misconduct of a defaulting party, in no event shall any party be liable for any speculative, consequential or punitive damages, or lost profits.

(l) Headings. Any headings or captions used herein are inserted only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any of the provisions hereof.

(m) No Third Party Beneficiaries. Except as otherwise expressly set forth herein, no Party intends, and this Agreement shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a party to this Agreement.

(n) Further Assurances. After the Closing, each Party shall cooperate with one another at reasonable times and on reasonable conditions and shall execute and deliver such

instruments and documents as may be necessary in order fully to carry out the intent and purposes of the transactions contemplated hereby. Except for such instruments and documents as the parties are obligated to deliver by the terms of this Agreement, such cooperation shall be without additional cost or liability. The provisions of this Section shall survive the Closing.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the Agreement Date.

CITY:

CITY OF ORANGE,
a California municipal corporation

By: _____
Name: Daniel R. Slater
Title: Mayor

LANDIFY:

LANDIFY ECT CONSTRUCTION CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

MILAN:

MILAN REI X, LLC,
a California limited liability company

By: Tivoli Capital, Inc.
a California corporation
Its Managing Member

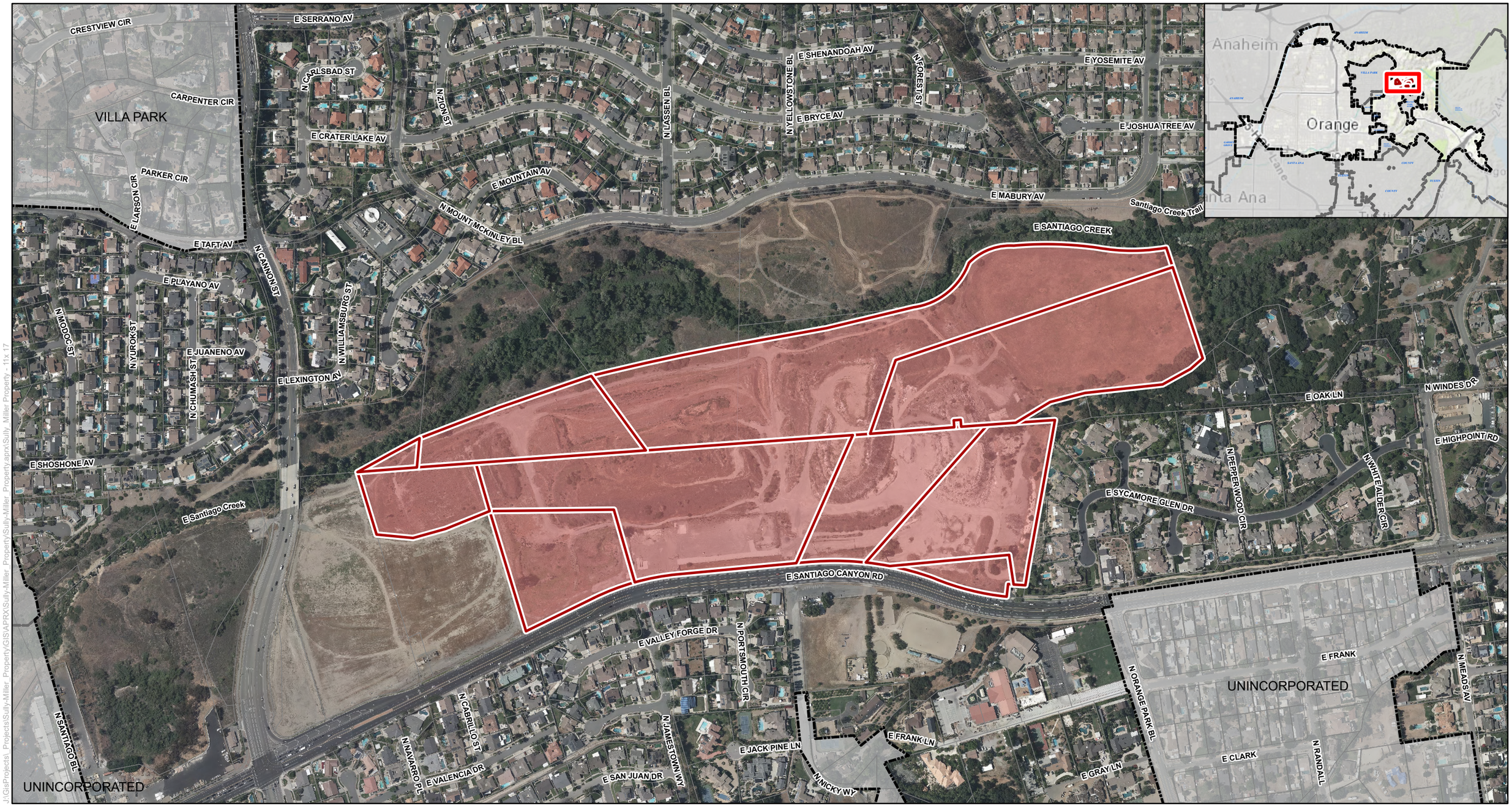
By: _____
Name: _____
Title: _____

ATTEST:

_____
Pamela Coleman, City Clerk

APPROVED AS TO FORM:

_____
Nathalie Adourian, City Attorney √



J:\GisProjects_Projects\Sully-Miller_Property\GIS\APRX\Sully-Miller_Property\Sully-Miller_Property.aprx\Sully_Miller Property - 11x 17

City of Orange
Geographic Information System

Legend

- City Boundary
- Sully-Miller Property
- Parcels

N W E S

0 200 400 Feet

8/19/2026

Source: City of Orange (2026); Eagle Aerial 2025)

NOTE: Recent data updates may not be reflected on this map at the time of printing, use at your discretion. No part of this map shall be reproduced for commercial purposes.

CITY OF ORANGE

Real Property Transfer Agreement - 67.7 Acre former Sully-Miller Property

Note: This map generally depicts the approximate 67.7 acre location, and is subject to minor corrections.

Orange Park Acres

RESOLUTION NO. 3915

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE UPHOLDING THE RECOMMENDATION OF THE PLANNING COMMISSION OF THE CITY OF ORANGE AND APPROVING AND ADOPTING A LAND USE ELEMENT OF THE GENERAL PLAN FOR A PORTION OF THE CITY AND ADJACENT UNINCORPORATED PLANNING AREA IN THAT TERRITORY KNOWN AS ORANGE PARK ACRES AS SET FORTH IN THAT CERTAIN PLAN PREPARED BY J. L. WEBB PLANNING CONSULTANTS, DATED SEPTEMBER 1973.

CITY OF ORANGE

RECITALS:

After the Planning Commission of the City of Orange conducted a public hearing as required by law to adopt a land use element of the General Plan for a portion of the City and adjacent unincorporated planning area in territory known as Orange Park Acres, as set forth in that certain plan prepared by J. L. Webb Planning Consultants, dated September 1973 and after the Planning Commission made certain revisions in the plan as proposed, the City Council considered the recommendation of the Planning Commission and determined that this part of the land use element, to wit, the Orange Park Acres Plan, as more particularly described in a map and description now on file in the office of the Director of Development Services and the City Clerk of the City of Orange should be adopted as part of the required land use element of the General Plan for the City of Orange.

During the public hearing before the City Council, the following facts were established:

1. That the Orange Park Acres Plan approved and adopted herein is part of the required land use element to be included in a General Plan for the City of Orange.

2. That the Orange Park Acres Plan is an important link in the overall comprehensive general planning effort of the City of Orange and will serve as a valuable tool in guiding and directing the future development of the Orange Park Acres community.

3. That the Orange Park Acres Plan meets General Plan criteria set forth in Section 65302(a) of the California Government Code. Sections 65352 and 65357 further authorize local governments to adopt General Plan elements and amendments for all or a portion of a city and a surrounding planning area by resolution.

4. That Environmental Impact Report No. 141 filed in conjunction with the Orange Park Acres Plan has been considered and, based upon the independent analysis and recommendation by the Staff and Planning Commission, the City Council finds that the adoption of the Orange Park Acres Plan would have no significant adverse effect on the environment. Indeed, the City Council feels that the adoption of the Orange Park Acres Plan will enhance and improve the environment of the City of Orange.

5. That the adoption of the Orange Park Acres Plan will promote desired planning goals of the City of Orange and the general welfare of its citizens.

6. Four persons spoke concerning these plans and suggested certain modifications and conditions thereto.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Orange that the recommendation of the Planning Commission of the City of Orange be upheld and that the herein described General Plan for the Orange Park Acres area for a portion of the City and adjacent unincorporated planning area in that particular territory as set forth in that certain plan prepared by J. L. Webb Planning Consultants, dated September 1973 and as amended by the Planning Commission on November 19, 1973, be adopted and approved as a part of the land use element of the City of Orange and that copies of this plan be maintained on file in the office of the Director of Development Services, the City Clerk, and in the offices of other public entities as permitted or required by law in order that this plan may be readily accessible to members of the public.

BE IT FURTHER RESOLVED that copies of the herein described General Plan be forwarded to the Secretary of the Resources Agency of the State of California.

ADOPTED this 26th day of December, 1973.

Mayor of the City of Orange

ATTEST:

CHARLOTTE M. JOHNSTON
City Clerk of the City of Orange

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the 26th day of December, 1973, by the following vote:

AYES: COUNCILMEN: Hoyt, Jackman, Smith, Perez

NOES: COUNCILMEN: None

ABSENT: COUNCILMEN: Temple

CHARLOTTE M. JOHNSTON
City Clerk of the City of Orange

Orange Park Acres
Specific Plan

September, 1973

Prepared at the Request

of

The Orange Park Acres
Development Committee

by

J L WEBB PLANNING
DESIGN PLAZA, 220 NEWPORT CENTER DRIVE, SUITE 22
NEWPORT BEACH, CALIFORNIA 92660 (714) 644-7355

The Orange Park Acres Development Committee

NORMAN BROCK

WILLIAM D. FANSHER

SHIRLEY GRINDLE

JAMES A. JACKMAN

LOWELL KVINGE

DR. GERALD PODOLAK

DON E. SMITH

RICHARD B. SMITH

Representing

Residents

The City of Orange

The County of Orange

Developers

Landowners

Credits

HERMAN KIMMEL AND ASSOCIATES
Traffic and Circulation

PACIFICO MONTANO, C.E.
Geology and Soils

PHILIP W. RUNDEL AND ASSOCIATES
Biological Resources

ULTRASYSTEMS, INC.
Air Quality and Noise

WOODSIDE/KUBOTA AND ASSOCIATES
Hydrology and Service Systems

GRATEFUL APPRECIATION
FOR PLANNING INPUT TO:

THE CITY OF ORANGE
Especially To Robert Mickelson

THE COUNTY OF ORANGE

ORANGE UNIFIED SCHOOL DISTRICT

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Introduction

LOCATION

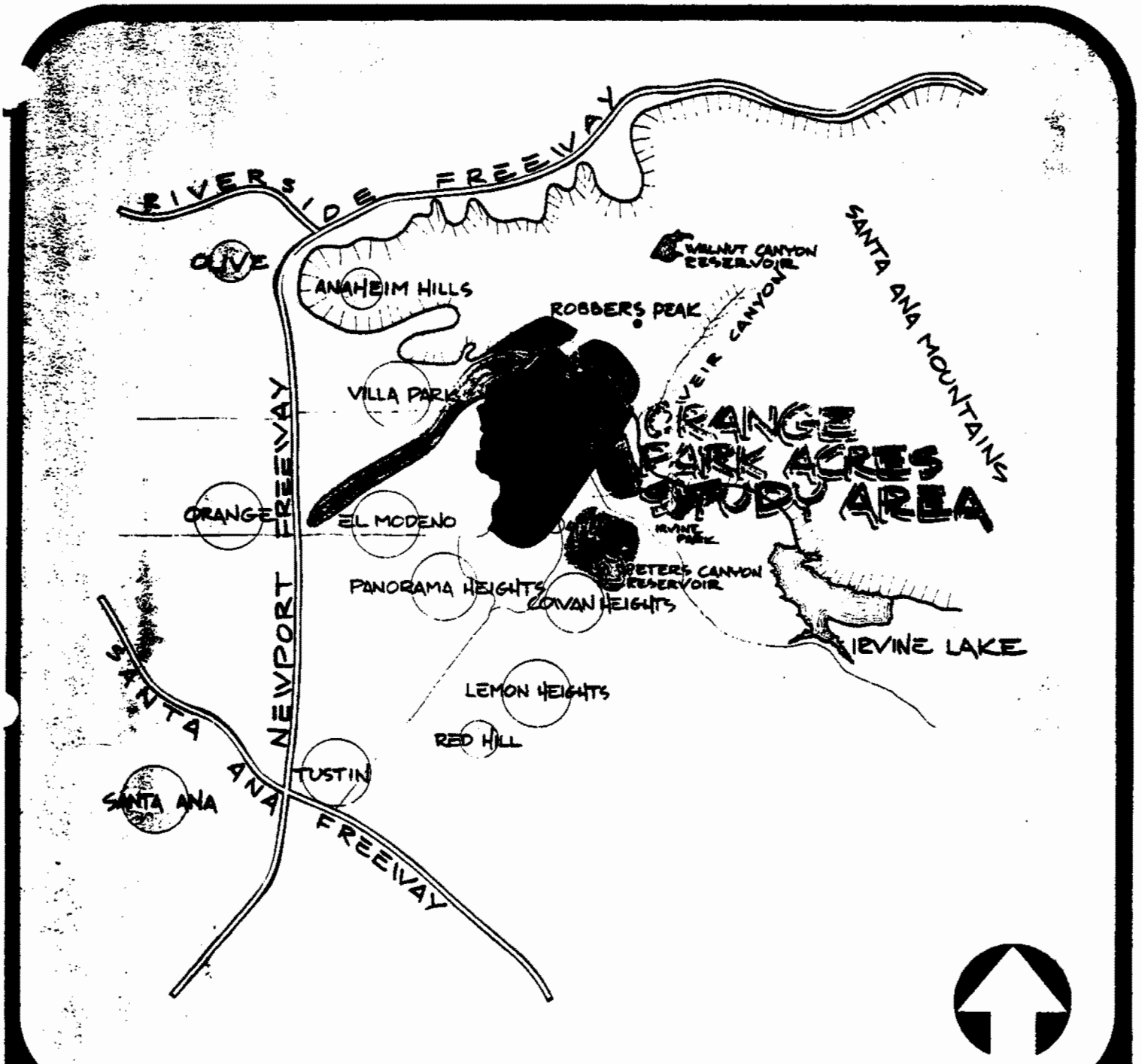
Orange Park Acres is located in the eastern foothills of the Santa Ana Mountains, south of the Peralta Hills and Santiago Creek and just north of the central plain area of Orange County known as the Tustin Plain. It is approximately three miles east from the Newport Freeway along Chapman Avenue or Santiago Canyon Road as shown on Exhibit # 1 (Vicinity Map).

PURPOSE

The development of Orange Park Acres has been an issue of major controversy between the developers, major landowners and residents of the area. It has been agreed that a Specific Plan identifying goals, objectives, policies and recommended land uses, in particular, is required in order to resolve the controversy. Toward this end, a Development Committee for Orange Park Acres was established on May 16, 1973. Members of this Committee represent the City of Orange, County of Orange, residents of Orange Park Acres, major landowners and developers of Orange Park Acres. This Committee has endorsed the preparation of this Specific Plan for Orange Acres. Because of financial impositions imposed upon major landowners who are ready to develop their property and the continual conflicts between landowners, developers and residents, an eight week time frame was established for the completion of this Plan.

SCOPE

This Plan involved the collection and study of information on the existing physical, social and economic environment and the identification of status of existing planning affecting the area. Upon a collection of this information, an evaluation of the opportunities and constraints to the development of a Specific Plan was made and a listing



ORANGE PARK ACRES

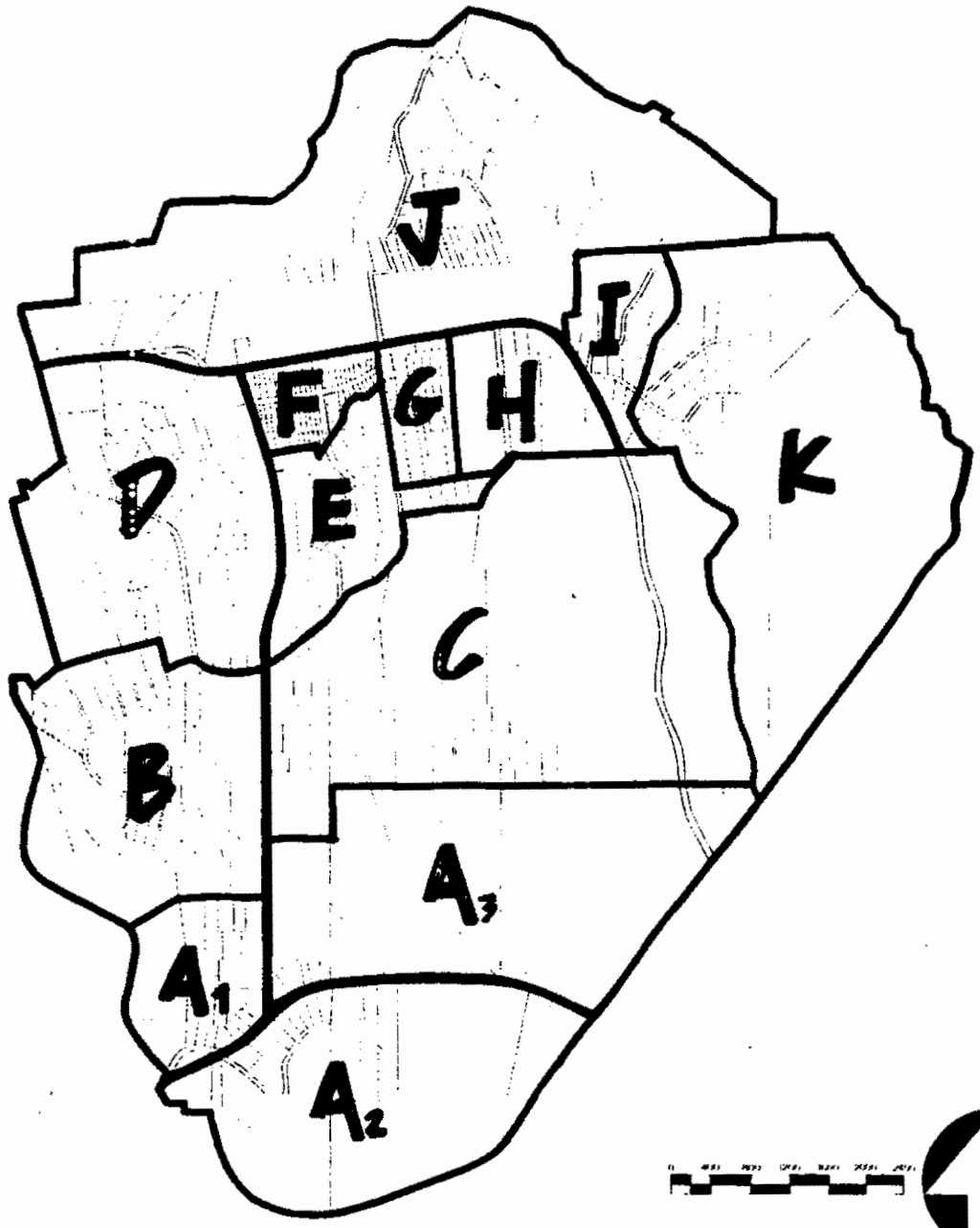
VICINITY MAP

of the goals, objectives and potential policies was prepared. Within this context alternative plans were prepared and evaluated and specific recommendations made toward the development of the proposed Specific Plan for Orange Park Acres.

Special studies in the areas of Traffic and Circulation, Geology, Biological Resources, Air Quality, Noise, Water, Sewer and Drainage were conducted by specialists in each of these areas. Other special studies and analyses of note include a Resident/ Landowner Questionnaire, Market Research, Cost/Benefit Analysis, View and Image Analysis, Education Analysis, extensive field investigations and Trails Study carried out by J.L. Webb Planning. The County and City of Orange have supported this project through the cooperation of the various staff members in providing needed background information, maps and research material. The approach to this proposed Plan has been to include all of the relevant information and elements to the greatest degree possible in the time frame allowed.

In order to evaluate differences within the community, Orange Park Acres has been divided into study area "sectors" as shown on Exhibit # 2 (O.P.A. Study Area Sectors). These areas are reflected in the depiction of questionnaire results and identification of other statistical information within this report.

In the process of preparing this Specific Plan, questions, which need to be answered outside of the range of this Plan, have arisen and have been identified within the "Recommendations Section" of this report.



ORANGE PARK ACRES

STUDY AREA SECTORS

HISTORY

The development of Orange Park Acres as it is known today had its beginning around 1929 with the establishment of Tract # 918. Deep wells were drilled near Santiago Creek and the Orange Park Acres Mutual Water Company was formed to serve the developing agriculture of the area. Most all of the area was planted in oranges, lemons and avocados. Also Eucalyptus hedgerows were planted to protect the crops. There were a few homes built in the area within some of the groves. In the late 1940's chicken ranchers began to establish operations within the area to such a degree that they received strong reactions from some of the other residents of the area. In the late 1950's, in conjunction with the poultrymen, there was an average one-acre minimum lot size, single-family residential zoning established for the area. This was intended to retain a balance between residential, farming and ranching activities and to perpetuate a rural life style. The next phase of development saw the further growth of residential development as agriculture diminished within the area. Lot splits from five down to one-acre parcels were typical in the 1960's and 1970's and the raising and keeping of animals increased sharply in the area. A large number of houses built on the lot-splits within the area were "move-ins" or houses that had been cut apart and trucked to a building site and reassembled at the site.

In 1962 and 1965 the City of Orange annexed an area surrounding the northern portion of the Orange Park Acres Study area.

Citrus and Eucalyptus hedgerows continued to decline in the area and a new element of change - large scale housing proposals and development - affected the area most dramatically. On a parcel just east of Meads Avenue, sixty-five new tract homes were constructed and sold in 1973. Another twenty-seven units were under construction in the vicinity of Winds

Drive and approximately 480 more houses on smaller than one-acre lots were proposed for development within the area by developers according to tentative tract maps. These proposals alone would more than double the number of homes in the area, but more than this, the residents saw this as a threat to the rural atmosphere in which they had purchased. Today the area is under great pressure for development and the viability of agriculture is questionable due to the high taxes and the fact that many trees are old and not producing good yields. The desire of some large landowners is obviously to sell their land for development. The area has demonstrated strong market appeal in the sales of the Klug and G.L. Lewis tracts and the sale of lots and move-in houses within the area. The question now is, "How can development be allowed to occur in a way which will maintain the rural atmosphere and yet provide for an economically viable Plan for development?" This report proposes to answer this question within the recommendations of the Specific Plan proposal.

Existing Environment

EXISTING PHYSICAL ENVIRONMENT

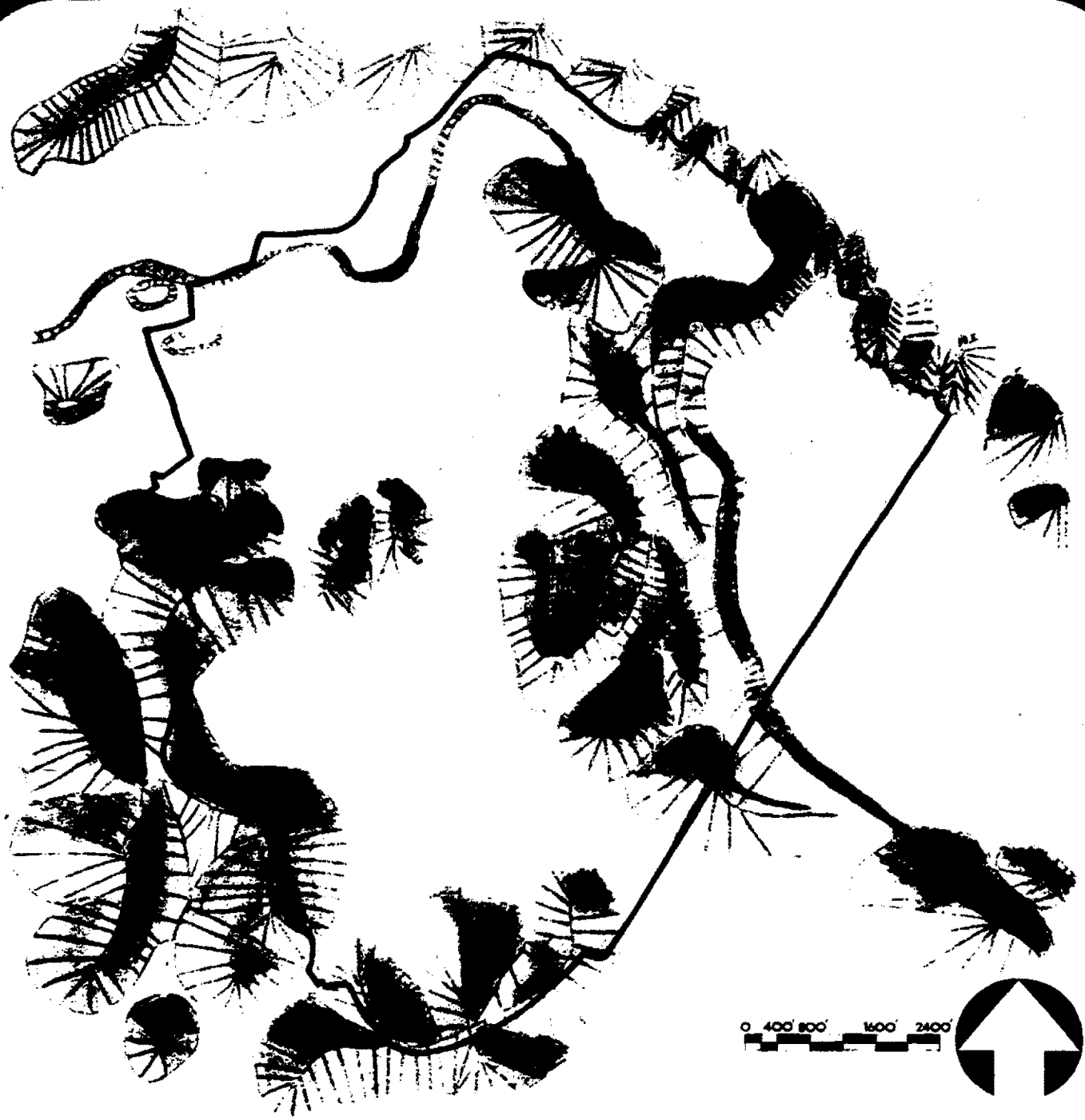
The physical environment contains those elements which directly affect the development potential of an area. This report deals with each of these major elements in enough depth to determine development feasibility and to aid in the establishment of policies which reflect the Goals and Objectives for Orange Park Acres.

CLIMATE

Orange Park Acres is at the eastern fringe of the Santa Ana Mountains Thermal Belt Zone which is ideal for citrus and only slightly influenced by the ocean with temperatures ranging from 23 degrees to near 100 degrees with peak summer averages of about 73 degrees. The precipitation is around 15 inches per year on an average. The winds in this area are typical to the Orange County area with northeasterlies and sea-land breezes being prevalent and the historic Santa Anas occurring less frequently with more velocity. Frost and fog are also typical for this temperature zone within Orange County. Further discussion of air quality may be noted in the "Air Resources" Section of this report.

PHYSIOGRAPHIC SETTING

The major land forms include the steep hills to the west and south whose ridgeline forms the boundary for the study area. To the north and east is Santiago Creek which also forms boundaries for the study area. Within the study area are the hills which make up a landmark known as Rattlesnake Peak and to the south are vacant rolling hills. Handy Creek bisects the flatter central valley area generally in a north-south direction (see Exhibit # 3 - Land Forms)., The elevations for this area range from 400 ± feet to 900 ± and much of the area contains steep categories of over



ORANGE PARK ACRES

MAJOR LAND FORMS

thirty percent (see Exhibit # 4 - Slope Analysis). A distinctive topographic characteristic of the hills within the area is their abrupt transition from over thirty percent slopes to less than ten percent slopes. This makes development on the hillsides very difficult.

In summary, Orange Park Acres is a secluded valley bisected by a small creek and rolling hills and bounded by steep hills and a major creek.

VIEW AND SITE ANALYSIS

There are eight categories of view potential described on the Exhibit # 5 (View Analysis Map). These categories are comprised of various combinations of views to the Santiago Creek area, the surrounding hills, the central valley of Orange Park Acres, local canyon views, views to the Peters Canyon Lake area and distinct views to the western portion of Orange County. A dominant factor affecting views from the site today is the extensive presence of Eucalyptus hedgerows which restrict and limit much of the long range view potential identified on the View Analysis Map. Some of the most dramatic views occur from the hilltops surrounding the area and with the exception of homes west of Morada Drive and around Rattlesnake Peak, these views have not been taken advantage of by the existing development.

Separate from the views available from a given home site, is the view of the environment and the visual image one has of the total environment as one travels the roads and trails and generally experiences the area. Exhibit # 6 (Image Analysis) depicts this view by showing the following elements:

Paths - major and minor roads which are used within the area

ORANGE PARK ACRES

SLOPE ANALYSIS

- 0 - 10 %
- 10 - 20
- 20 - 30
- 30 - UP

ORANGE PARK ACRES
-VIEW ANALYSIS-

- AND DISTANT HILLS
- AND IRVINE PLAIN
- ACRES AND EAST HILLS
- LOCAL CANYONS
- WATER
- NORTH ORANGE PARK ACRES AND WEST ORANGE COUNTY
- CENTRAL ORANGE PARK ACRES AND NORTH HILLS
- LOCAL ORANGE PARK ACRES AND SURROUNDING HILLS
- CENTRAL ORANGE PARK ACRES AND WEST HILLS

J.L. WEBB PLANNING

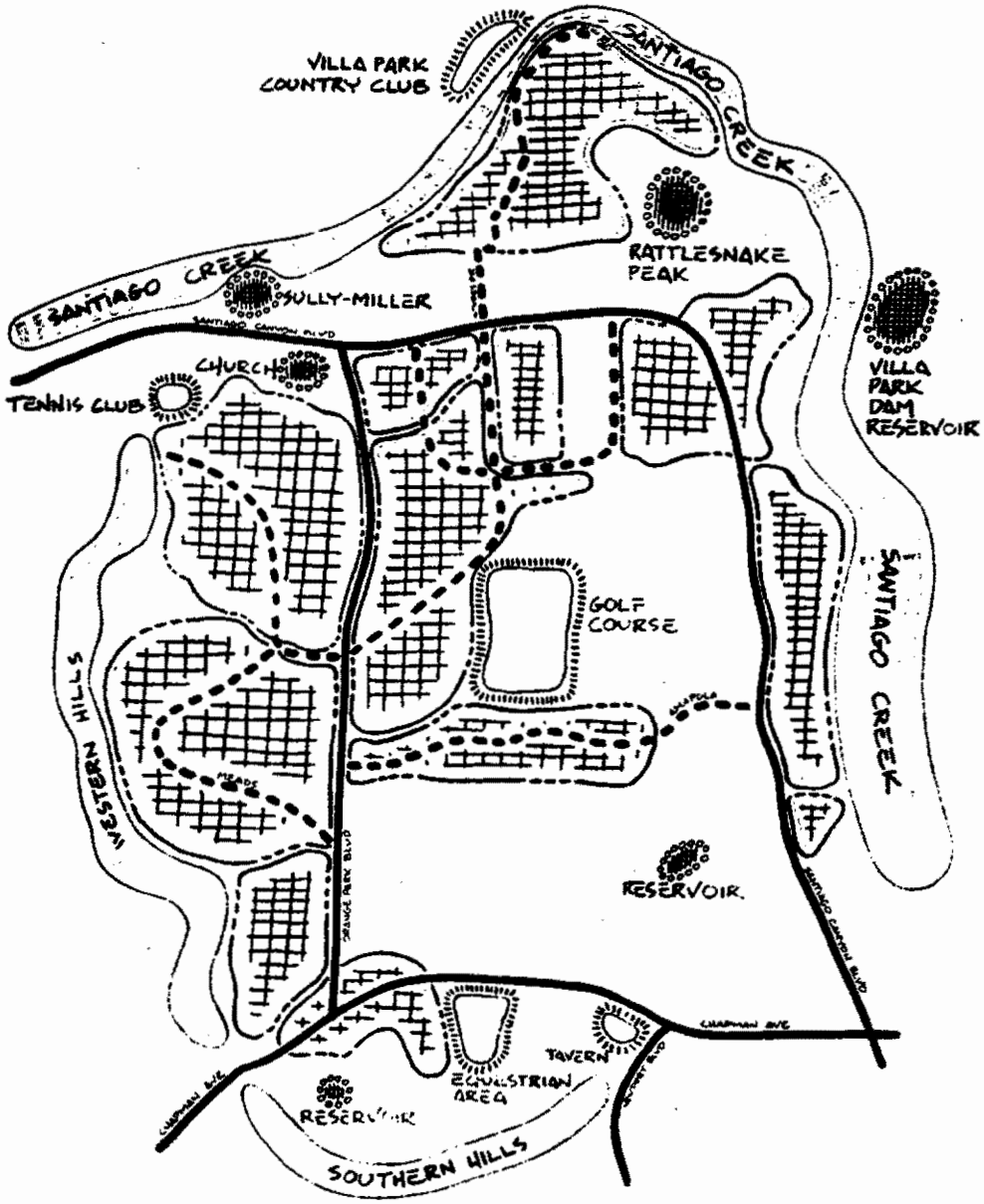
Nodes - the places where people come together such as the Villa Park Country Club, the Tavern, golf course, church, etc.

Edges - the major topographic factors which create a boundary or limit to the area

Districts - the areas with a sense of homogeneity including a similar land use and topographic setting and which may be served by a similar path such as the Mead's Loop area

Landmarks - those elements which when seen represent a distinct contrast to the surrounding area. They are often used as points of reference to locate an area such as Rattlesnake Peak or a reservoir

Some of the notable image components include the fact that Orange Park Acres has, for the most part, well defined limits. There are several notable landmarks, the most dramatic being Rattlesnake Peak. Orange Park Acres is somewhat unique in that the nodes do not help to form or give character to the existing districts. Rather, the minor paths seem to play the dominant role in providing a sense of commonality.



ORANGE PARK ACRES

- IMAGE ANALYSIS -

PATH

MINOR PATH

NODE

EDGE

DISTRICT

LANDMARK

J.L. WEBB PLANNING

GEOLOGY AND SOILS

An overall engineering evaluation of the soils and bedrock of Orange Park Acres has been prepared as a part of this study to provide preliminary data on engineering properties of the soils and bedrock including relative soil textures, type, excavation characteristics of bedrock, foundation properties, drainage, anticipated seismic response and others.

Following is a description of the regional geology and geologic structure of Orange Park Acres. The bedrock consists of sedimentaries including sandstones, siltstones, shales, and conglomerates, as well as of intrusive and extrusive volcanics (El Modeno Volcanics). These volcanic rocks consist of basalt and andesite dikes, and of andesite flows and breccias and palagonite flows and breccias.

Alluvial areas are located along the Santiago Creek. The sands and gravels of the alluvial deposits have been practically all mined out for use as aggregates.

There are several levels of terraces on the site and the materials are generally sands and silts with beds of gravel, especially along Santiago Creek. The dip of the sedimentary beds varies considerably and the general trend is to the west. The volcanics are also roughly bedded showing widely varying attitudes.

A number of geologic fault lines are shown on the geologic map (see Exhibit # 7 [Geology]). Except for a relatively long fault line crossing various formations of the site from northwest to generally southeast most other fault lines are located in the area of the volcanic rocks.

ORANGE PARK ACRES

GEOLOGY

- RECENT ALLUVIUM
- TERRACES
- VOLCANICS: ANDESITE FLOWS, FLOW BRECCIA.
- VOLCANICS: ANDESITE BRECCIA, SANDSTONE MATRIX.
- VOLCANICS: PALAGONITE TUFF, TUFF BRECCIA.
- PUENTE FORMATION, LA VIDA MEMBER.
- TOPANGA FORMATION
- TOPANGA FORMATION LIMY SILTSTONE.
- VAQUEROS & SESPE FORMATION, UNDIFFERENTIATED.
- ARTIFICIAL FILL
- [illegible] SLUMP AREA; OR SLOPE [illegible] REDUZED
- ERODED AND SURFICIAL SLOPE FAILURE AREA
- SAND AND GRAVEL
- D U FAULT ZONES: D-DOWNTHROWN U-UPTHROWN.
- STRIKE AND DIP OF BEDS

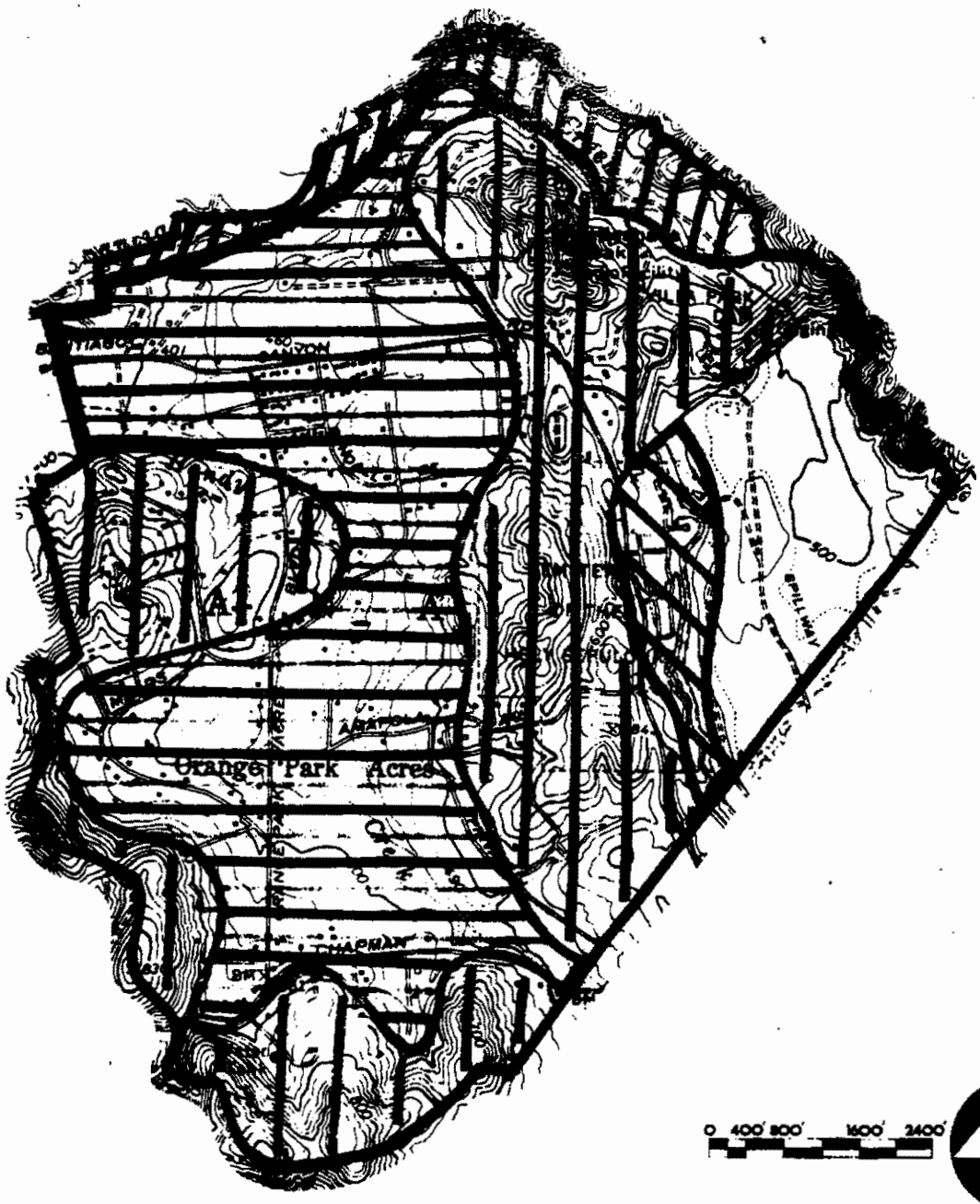
J.L. WEBB PLANNING

No major landslides have been identified by the writer or others. Our study revealed that there are only very minor areas that have undergone surficial slope failure in the past. Other areas that may be subject to the same type of failure, and perhaps to a somewhat deeper failure, have been identified and mapped in order that this element will be taken into account in the preparation of grading plans.

The engineering properties of soil and bedrock materials are shown in the Appendix in summary form and a complete description of these is included in the report prepared by Pacifico Montano dated August 14, 1973. Also discussed in this report in more detail are sections on Previous Earthwork, Surface Drainage and Groundwater, Seismic Safety Evaluation, Slope Stability, Anticipated Foundation Characteristics, Potential Problems and Remedial Measures, Natural Resources, Future Investigation and Grading Control and Certification. (Under separate cover)

In summary, in regard to land development feasibility, from the standpoint of grading and foundations, practically the entire site, excepting the limited areas of very steep slopes, can be developed for the purposes previously stated without excessive earthwork. The volcanic rock areas, even though steep sided, would provide exceptionally good foundation for buildings of several stories. The tops of the hills and ridges would have to be lowered somewhat to provide building space.

Following is a description of the soils of Orange Park Acres depicted on Exhibit # 8 (Soils). (These are covered in more detail in a report by Pacifico Montano dated August 21, 1973)



ORANGE PARK ACRES

SOILS

- RIV
- Se-Sf-FG$_2$
- PN-RN-AC$_2$
- Ci-AB
- VILLA PARK FLOOD CONTROL

J.H. WEBB PLANNING

Soil Symbol - ci-AB
Corralitos Association, 0 to 5 percent slopes
Where cultivated, these soils are used for row, field crops, and citrus orchards. They are often used for range or pasture. The topsoils on this association are slightly to moderately organic and are only a few inches in depth.

Soil Symbol - Pn-Rn-AC_2
Perkins-Rincon Association, 0 to 9 percent slopes
Where they are cultivated, these soils are used mostly for field crops or for orchards. These soils are also in areas used for pasture or range. They are also used for urban purposes.
The topsoils within this association vary considerably in depth and organic matter content, depending on topographic position and lateral distance from Handy Creek.
The areas that are relatively distant from Handy Creek contain topsoils that are moderately organic and are only a few inches in depth. In contrast, the flood plain of Handy Creek and the immediately adjacent low terraces are capped by up to several feet of relatively highly organic soils. It may be well to consider conserving these organic soils for landscaping purposes (of course, this would depend on the land use plans for these low lying areas).

Soil Symbol - Se-Sf-FG_2
San Andreas-San Benito Association, 30 to 75 percent slopes, eroded.
These soils are used mostly for watershed and range.
The soils derived from the sedimentary rocks as well as from the volcanic rocks of the subject site are included in this association. The tops of the hills and ridges contain none to very little organic topsoil accumulation. The lower slopes, however, locally contain a foot or more of moderately organic topsoil.

Soil Symbol - RW
Riverwash
Use is mainly for wildlife, ground water recharge, and construction materials. Because of frequent flooding, these areas have not had the opportunity for organic topsoil development and accumulation.

BIOLOGICAL RESOURCES

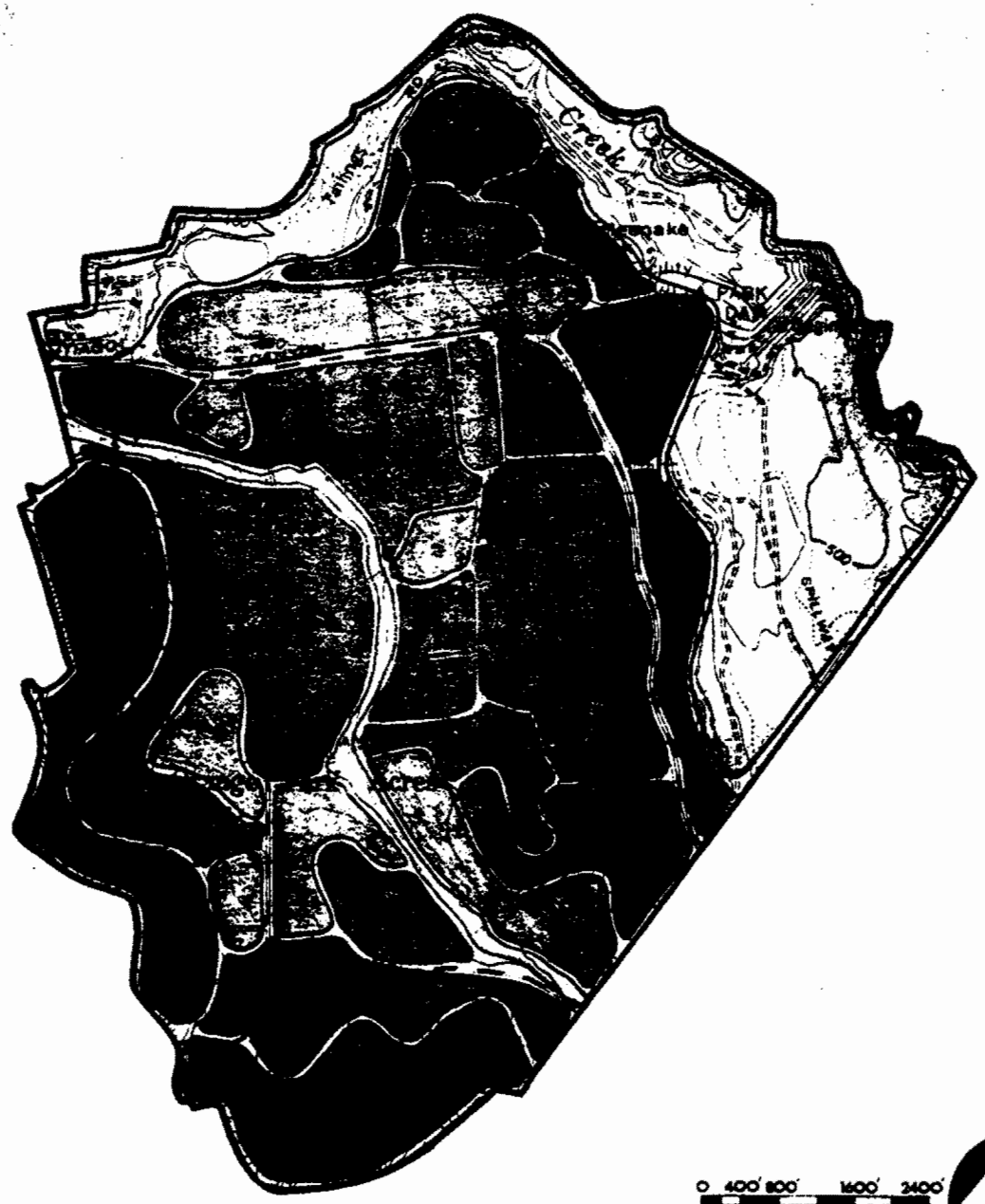
In order to assess the ecological impact of potential future development upon Orange Park Acres and to identify the opportunities within this area, a survey and report on the Biotic Communities of Plants and Vertebrates has been prepared. The following is a general assessment of the existing conditions generally found in Orange Park Acres. The Biotic Communities Map (Exhibit # 9) depicts the general location of the areas described. Also note Exhibit #10 (Existing Tree Conditions)

Although a major part of Orange Park Acres is developed, primarily in low density housing, significant areas of open space are present. The following will describe the existing vegetation on these areas in qualitative terms.

Hillsides west and south of Orange Park Acres

Hillsides for the southern and western margin of Orange Park Acres remain in a relatively undistrubed condition. While houses along Meads Drive and Morada Drive and nearby roads extend up to the base of the hills, there is little intrusion of construction onto the slopes of the hills.

The vegetation of these hillsides is a mosaic of coastal sage scrub and grassland communities. This mosaic is determined in part by changes in soil substrate from shallow rocky soils to deeper soils. Past grazing and fire history has also been a strong determining factor. Grazing favors the expansion of weedy European annual species of grasses over native species. Although there is no present evidence of significant grazing in the areas examined, grazing activity has clearly taken place in the past. Local evidence of at least small fires can be seen on the hillsides. Biological evidence, however, indicates that there has been no recent general fire.

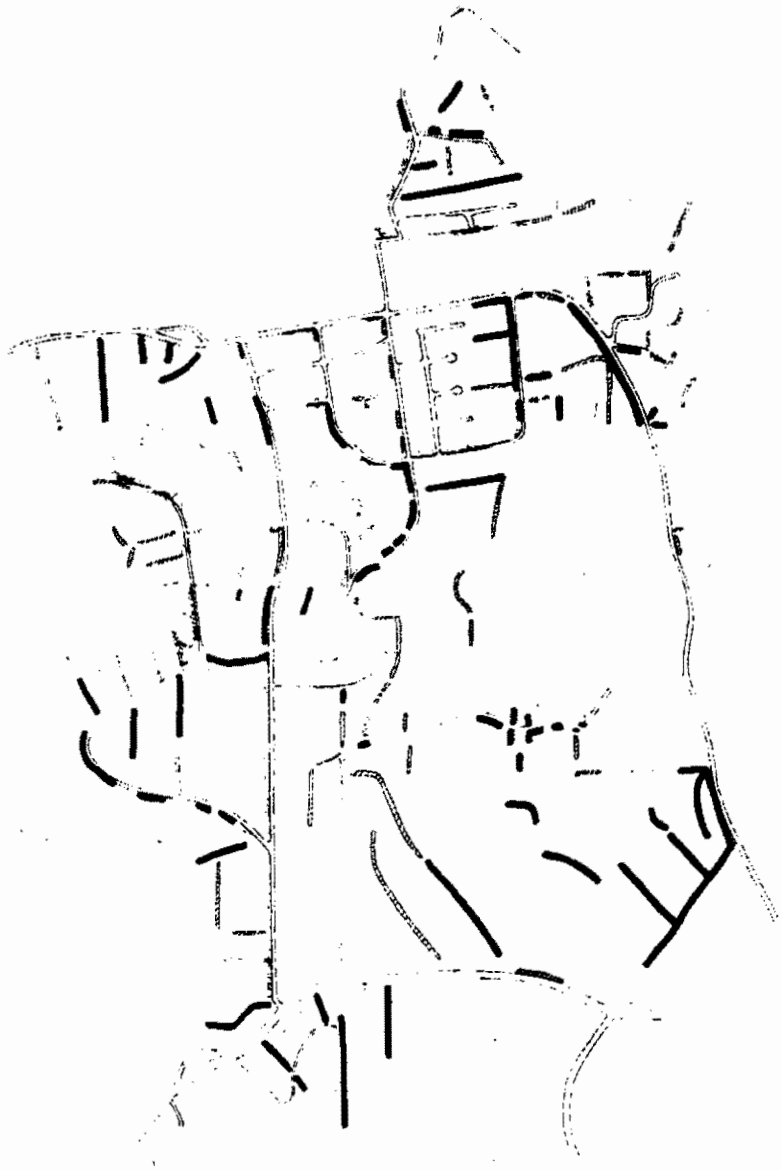


ORANGE PARK ACRES

-BIOTIC COMMUNITIES-

- HILLSIDES
- GRASSLANDS
- TREES
- SANTIAGO CREEK
- N. HILLSIDES
- CEMETERY
- DEVELOPED LAND
- HANDY CREEK

J.L. WEBB PLANNING



ORANGE PARK ACRES

-EXISTING TREE CONDITIONS-

ROWS IN GOOD CONDITION

ROWS IN MODERATE CONDITION - SOME DAMAGED OR DEAD TREES

ROWS IN POOR CONDITION - LARGE NUMBER OF DEAD OR DAMAGED TREES

J.L. WEBB PLANNING

Opuntia "occidentalis", a fire intolerant species in its early stages, is rapidly expanding its range on the hillsides with young seedlings common.

Grassy areas are overwhelingly dominated by species of introduced European weeds. The presence of relict individuals of the shrub species described previously for areas of coastal sage scrub indicates that much of this grassland area was once dominated by a shrub community.

Holy Sepulchre Cemetery

Undeveloped portions of land owned by the Holy Sepulchre Cemetery west of Santiago Creek Boulevard comprise a large block of open space. The majority of the area has an aspect of grassland, with a species composition much like the hillside areas. Native stands of coastal sage scrub species are present, however, particularly on the ridge crests.

Grassy Fields

Grassy fields of considerable extent are present in Orange Park Acres. In most cases these are fallow agricultural fields with few native species remaining. European weeds overwhelmingly dominate these areas.

Santiago Creek

Santiago Creek forms the north and northeastern boundaries of the Orange Park Acres study area. Year-around water flow in the creek provides a prime prerequisite for a diverse biotic community along its channel, but varying levels of disturbance have reduces this potential diversity. The best development of riparian communities can be seen in the vicinity of Winds Drive where it deadends at Santiago Creek. Here disturbance has been only moderate and the creek channel reaches 100 to 200 feet in width.

Above the Winds Drive area at the northeastern margin of the Orange Park acres study area, Santiago Creek merges with the drainage basin of Villa Park Dam. This earth-fill dam, constructed in 1963, collects water from a drainage area of 83.4 square miles. The area of the dam basin itself is 517 acres, most of which falls outside of the study area. At the present time a large area of standing water is present in the basin, but this appears to be variable from year to year. Plant communities vary from well-developed riparian stands like those previously described to highly disturbed sites supporting only weedy herbaceous species.

At the northwestern margin of the Orange Park Acres study area Santiago Creek is highly disturbed. Extensive open-pit gravel operations have drastically altered the channel shape and natural vegetation is almost lacking.

Handy Creek

Handy Creek winds from its head at Peters Canyon Reservoir across the Orange Park Acres area. While its creekbed is relatively distrubed in many localities, this channel provides good potential to enhance wildlife and recreational values in Orange Park Acres. Much of the creekbed is lined with willows or eucalyptus. The creekbed itself, anywhere from four to nearly twenty feet in width, has a scattered flora of native riparian species and introduced European species.

Despite the fact that European introductions represent the majority of species along Handy Creek, the total flora of natives and exotics combines to form a valuable biotic community. The significance of this community is evident from the abundant evidence of a diverse assemblage of vertebrate species utilizing the habitat.

Other areas not specifically discussed here include developed lands and existing tree crops within the area. A checklist of vascular plants is included within the report prepared by Philip W. Rundel and Associates, August 17, 1973. This list includes 105 species within the boundaries of Orange Park Acres. (Under separate cover)

Description of Biotic Communities - Vertebrates

Eight hours of intensive on-site field observations of the vertebrate fauna were conducted during the daylight hours of 9 and 12 August 1973. Both were warm and cloudless days, suitable for detailed observations.

The intent of this portion of the study was to describe the impact of human disturbance on vertebrate associations. This was accomplished by examining habitats that were natural and undisturbed, partially disturbed such as rural communities, and heavily disturbed such as the graded land, tract-home community. The information was to be assimilated by comparing these habitats with each other and using these data as a predictive too. The goal was to indicate what could happen if an area was disturbed, or how a disturbed area could be treated to enhance its wildlife value and maintain an intact and functioning ecosystem.

A primary goal in efforts to preserve and protect wildlife is to ensure the protection of some of the components of a natural ecosystem of which man is an inescapable part. Stated very simply for emphasis an ecosystem functions by energy flowing from one level to the next, with the necessary presence of nutrients. All carnivores may be considered the top level, all herbivores an intermediate and the plants the lowest level. Energy flows from bottom to top in the form of captured food; carnivores eat herbivores and so on. Stable and healthy ecosystems have all the components

adequately represented. Unwise manipulation or disturbance of a natural ecosystem can lead to many varied and often unknown results, generally destructive. In some cases a disturbed condition can be restored to a more balanced condition.

Santiago Creek off of Winds Drive near Villa Park Dam is a fine example of a healthy ecosystem. This ecosystem includes the insects in and out of water, mosquito fish, streamside trees, grasses and shrubs, frogs, mice, birds, snakes, lizards, etc. This is by far the most stable and diverse area in the study site. It has representatives in all three levels and has tremendous community aesthetic value judging from the large numbers of children using it for recreational purposes. The important point to remember is that there is no destruction of habitat with the concomitant recreational use; only equestrian and foot paths intrude on this ecosystem.

A gravel pit site on Santiago Creek but southwest of the above area is an example of what disturbance can do to disrupt an ecosystem. In this situation too frequent dumping into the creek proper has impeded the flow of water in places and fouled some pond areas with an oily scum on the surface. These ponds are not now suitable either as drinking or foraging sites for water, shore or terrestrial birds. Only three Folica americana (American coot) on one pond, and two Anas platyrhynchos (mallards) were observed in the vicinity of the gravel pit. There were far fewer frogs and insects and generally the area exhibited a paucity of vertebrate life. A considerable portion of this problem could be alleviated by curtailing refuse dumping into the creek.

An example of a wildlife refuge and functioning ecosystem within close proximity of human dwellings is Handy Creek at its intersection with and west of

Orange Park Boulevard. In area this creek is substantially smaller than Santiago Creek. There was no flowing water and a few sites of standing ponds, where insects and Pacific treefrogs could be easily found. A fifteen year resident of adjacent property informed Philip Rundel of his hopes that the creek would remain undisturbed. He indicated that raccoons, opossums, frogs, coyotes and red tail hawks are to be found around this creek. Racoon tracks are frequent in the creekbed. The presence of large Eucalyptus trees all throughout the study site make fine roosting and nesting sites for birds and especially the raptors which prefer nesting in these high locations.

Upstream, Handy Creek flows through a relatively rural setting where the houses are widely spaced, separated often by pasture, active or inactive groves. The sum total of observations indicated that this degree of interaction of human and naturla wildlife functions was minimally perturbing and disrupting natural ecosystems. In this riparian community there is a diverse assemblage of animals, including raptorial birds, mockingbirds, house finches, brown towhees, California thrashers, racoons, skunks, opossums, quail coveys, frogs, toads, etc. By contrast, an area of new tract houses such as that bordered by Meads Avenue, Randall Street, Kenneymead Street and Santiago Canyon Road have absolutely nothing that could be considered wildlife except house finches and ravens flying overhead. This area was graded level before construction. Repopulation of wildlife from surrounding areas would be possible except here an adjacent area is a site of an older tract. In this older tract virtually the only vertebrates that can be found are house finches, house sparrows, mockingbirds and lizards. In this case, time alone cannot mitigate the disturbance of grading and building; the residences are so tightly packed that natural vegetation cannot reestablish and habitats suitable for nesting and foraging

just do not exist except for those species as house finches and troublesome insect pests which seem to prosper in the presence of human populations.

For a list of vertebrates, see the report prepared by Philip Rundel and Associates, August 17, 1973 for Orange Park Acres. Recommendations from that report are also included in subsequent sections of this report.

CULTURAL/SCIENTIFIC RESOURCES

Cultural/Scientific Resources covers the diciplines of archaeology, paleontology and history and refers to the actual physical remains of the previous occupation of an area from a human and biological standpoint.

Existing studies completed on Cultural/Scientific Resources have been identified by Archaeological Research Inc. and work has already been done within the area known as the Meads Ranch, Leadership Housing area, the proposed expansion of the Klug tract and the northernmost portion of the study area adjacent to Sully-Miller. Two archaeological sites are recorded on the north and south boundaries of the study area and a paleontological deposit also occurs on the northeast corner of the study area. In-field investigations for other areas were not prepared and it is recommended that these would be required prior to development since there is a high liklihood of more archaeological sites occuring in Orange Park Acres because of water availability around the two drainage areas of Handy Creek and Santiago Creek.

AIR QUALITY

Air Quality in Surrounding Community

The air quality currently prevailing in the surrounding community can be described by the Orange County Air Pollution Control District's Anaheim air monitoring station, located approximately six miles west of the project site on Harbor Boulevard near Ball Road in Anaheim.

The ambient data recorded at the Anaheim station for 1972 are summarized in Tables "A" and "B" in the Appendix of this report. Table "A" describes the number of days the Federal air quality standards were exceeded and Table "B" describes the maximum hourly averages realized at the station. The Ambient Air Quality Standards are presented in Table "C" for comparison (also in the Appendix of this report).

The community experiences excessive photochemical oxidant during the summer months and adverse levels of carbon monoxide and nitrogen dioxide October through early spring (Nitrogen dioxide to a lesser extent). All three pollutants are heavily dependent on the automobile. As the more restrictive emission standards planned for 1975, 1976 and 1977 take effect, the air quality should improve. The extent to which the quality of air improves and whether the air quality improves will depend upon the effectiveness and consumer maintenance of the control devices used and whether the reduced emissions continue to outweigh the increasing vehicular population.

Air Quality Local to the Site

The Anaheim monitoring station is located six miles west of the project site. The question arises: How well do the monitoring data reflect the air quality at the site?

Photochemical oxidant is produced in the atmosphere from primary pollutants in the presence of sunlight over a period of time. Hence, photochemical oxidant will vary little over a few miles relative to the variation of primary pollutant concentrations. The latter are influenced to a great extent by local sources, especially the automobile. The monitoring station, though sufficiently close to provide a representative picture of oxidant behavior at the site, may not be sufficiently close to adequately characterize the ambient levels of primary pollutants existing at the site.

The Anaheim monitoring station is located near major thoroughfares (Harbor Boulevard and Ball Road) and within two blocks of the Santa Ana Freeway. Emissions from these roadways likely have a significant impact upon the monitoring data. In the absence of monitoring data local to the site, therefore, the Anaheim monitoring data may be used only as an approximate indication of the prevailing air quality (relative to primary pollutant concentrations) at the project site.

HYDROLOGY

Underground Basin

Within the study area there is some local ground water in the more pervious soils. This is ground water that does not have sufficient quantity or quality to be considered as a source of supply. The individual septic tanks and leach systems at most of the homes constantly add low quality water to the underground.

Water Supply

Water for domestic and irrigation purposes is supplied to the area as follows:

1. Developed areas within the City of Orange are supplied by the City of Orange
2. Areas outside the City of Orange are supplied by the Orange Park Acres Mutual Water Company

The City of Orange system in this area is an extension of the main system of the City on the west and the water is a combination of ground water from the Santa Ana basin and imported water from the Metropolitan Water District of Southern California.

Water supplied by the Orange Park Acres Mutual Water Company is either ground water from two wells westerly of the study area or imported water from the M.W.D. system. The M.W.D. water comes from a six million gallon reservoir of the East Orange County Water District located in the vicinity of Peters Canyon Reservoir. This water is taken from the Santiago Aqueduct, then filtered and chlorinated by the E.O.C.W.D. before delivery to the Orange Park Acres Mutual Water Company. The O.P.A.M.W.C. system has adequate capacity to serve the present development, repair and replacement in the future.

Sewerage

Only the developed areas within the City of Orange are presently served by a sewer system connected to a regional collection and disposal system. The remainder of the area is without a community system and each dwelling provides for sewage disposal by septic tanks, seepage pits, leach lines, or combinations of these. This partially treated or untreated sewage is then percolated into the ground. Where the local soil conditions are good the local disposal systems work very well. In the areas where the soils are less pervious or the systems have been inadequately designed, the local disposal systems are a constant source of trouble.

Drainage

The study area is mostly within the "K" zone of rainfall intensity as designated by the Orange County Flood Control District for runoff calculations. The mean seasonal precipitation is between 15 and 16 inches per year. The principal drainage feature is Handy Creek which originates at Peters Canyon Reservoir and northerly and northwesterly through the area. Runoff is transported to Handy Creek both by sheet flow from the adjacent areas and by small washes from the larger areas.

The flood plain area along Handy Creek is generally about 200 feet wide. (See Exhibit # 11 - Flood Plains) At several locations the flood plain is 350 feet wide and immediately upstream from Amapola it is 700 feet wide. Below Orange Park Acres Boulevard the flood plain area is rather well defined and narrow, with only one major structure subject to inundation. Between Orange Park Acres Boulevard and Meads Avenue the existing flood plain is wide and inundation is indicated for several large structures. From Meads Avenue to Amapola the stream bed alignment is very good and the area of inundation is relatively small except for some low lying areas.

ORANGE PARK ACRES

FLOOD PLAIN

HANDY CREEK DIVERSION

POSSIBLE HANDY CREEK IMPROVEMENT

FLOOD PLAIN AREA

From Amapola to Chapman Avenue the channel alignment is again very good; however, there is a wide area just above Amapola which shows several large structures being inundated by the 100-year storm. The small tributary channels carry heavy silt loads during periods of heavy rainfall. This is deposited on the roadways and in Handy Creek, which tends to fill up the channel and cause damage to the adjacent property. Erosion of the hillsides is detrimental to the top soil as well as a problem to the flood plain.

Water Quality

Water served in the area meets the minimum requirements of the State of California, Department of Public Health Standards. Both the City of Orange and the Orange Park Acres Mutual Water Company operate in accordance with the permits issued by the State Department of Public Health.

Both the ground water and imported water are higher in mineral solids than desirable. Water quality is generally in the 750 to 800 parts per million range. It is anticipated that higher quality imported water (500 ppm) will be available in 1976 due to the blending of Northern California Water with Colorado River water. Water obtained from the Santiago Aqueduct, Irvine Lake, or the Santiago Lateral, which includes Northern California water, will require more extensive treatment than is now given to the Colorado River water by the East Orange County Water District. These additional facilities may be provided on a regional basis by some regional agency.

UTILITIES

Existing water lines, sewer lines, gas lines, telephone lines and power lines are located within street right-of-ways or within easements specifically conveyed to the utility. For the most part these are within the streets. Most of the streets contain all of the above listed utilities, except sewer lines. Sewer trunk lines are located in a portion of Santiago Canyon Road, Orange Park Acres Boulevard, Clark Street and Randall Street. Collection sewers are also located in Clydesdale Avenue, Wilderness Avenue, Suffold Circle, Arabian Way, Stallion Street and a portion of Meads Avenue.

NOISE ASSESSMENT

The existing noise environment in the Orange Park Acres area depends upon the proximity of roadways and developed areas. Since traffic noise is generally not noticeable except within about 1000 feet or less of a roadway, the ambient noise environment in undeveloped areas, away from roads is presently relatively quiet (35-45 dBA) - typical of rural areas. In the vicinity of roadways, noise levels are higher due to traffic; and near developed areas the noise from power mowers, occasional chain saws, air conditioners, etc. raises the existing ambient noise level to those typical of quiet residential (40-50 dBA) to average residential (50-60 dBA) neighborhoods depending upon the intensity of development, the time of day and the day of the week.

The existing noise levels due to traffic on the major roadways are very low according to HUD standards. Table "D" (shown in the Appendix of this report) shows the minimum distance from the road centerline at which noise levels are acceptable according to the HUDstandards. Thus, even very near the major roads with the existing traffic volumes, the traffic noise is well within acceptable levels.

FIRE CONDITIONS

Due to the rural environment of Orange Park Acres the possibilities of brush type fires are high. In 1969 the Paseo Grande Fire destroyed 100,000 acres, including sixty homes. This fire began near Corona and burned into Orange Park Acres.

As for fire conditions within the immediate area, both the City of Orange and the County of Orange Fire Departments emphasized the lack of enough fire hydrants in the area. The hydrants should be no more than 250 ft. from a dwelling unit and no more than 500 ft. apart.

Another fire condition problem in the area is the existence of dead trees and brush. Orange Park Acres is protected by both the City of Orange and the County Fire Departments, who coordinate assistance for each other in the event of a major fire in the area. Also, the Villa Park Volunteer Fire Department, consisting of volunteer residents in the area, is an additional asset for fire protection in Orange Park Acres.

LAND USE

Inventory

In the Orange Park Acres Study Area there are 594 acres within the City limits of Orange and 1127 acres within the County of Orange unincorporated area. There are approximately 73 acres in roads bringing the total acreage in Orange Park Acres to 1794. There are approximately 482 dwelling units in the area of which 450 units are currently occupied while 32 units are under construction. The area is subdivided into approximately 604 parcels ranging in size from .17 to 95 acres and establishing a total net density of .28 dwelling units per acre. Table # 1 (Property Inventory) shows the total acreage, parcels, dwelling units and dwelling units per acre for each planning sector within Orange Park Acres. Table # 2 (Development Status) shows the total acreage developed, undeveloped and non-developable within the City of Orange, County unincorporated area and for Orange Park Acres. (See Exhibit # 12-Development Status)

TABLE # 1

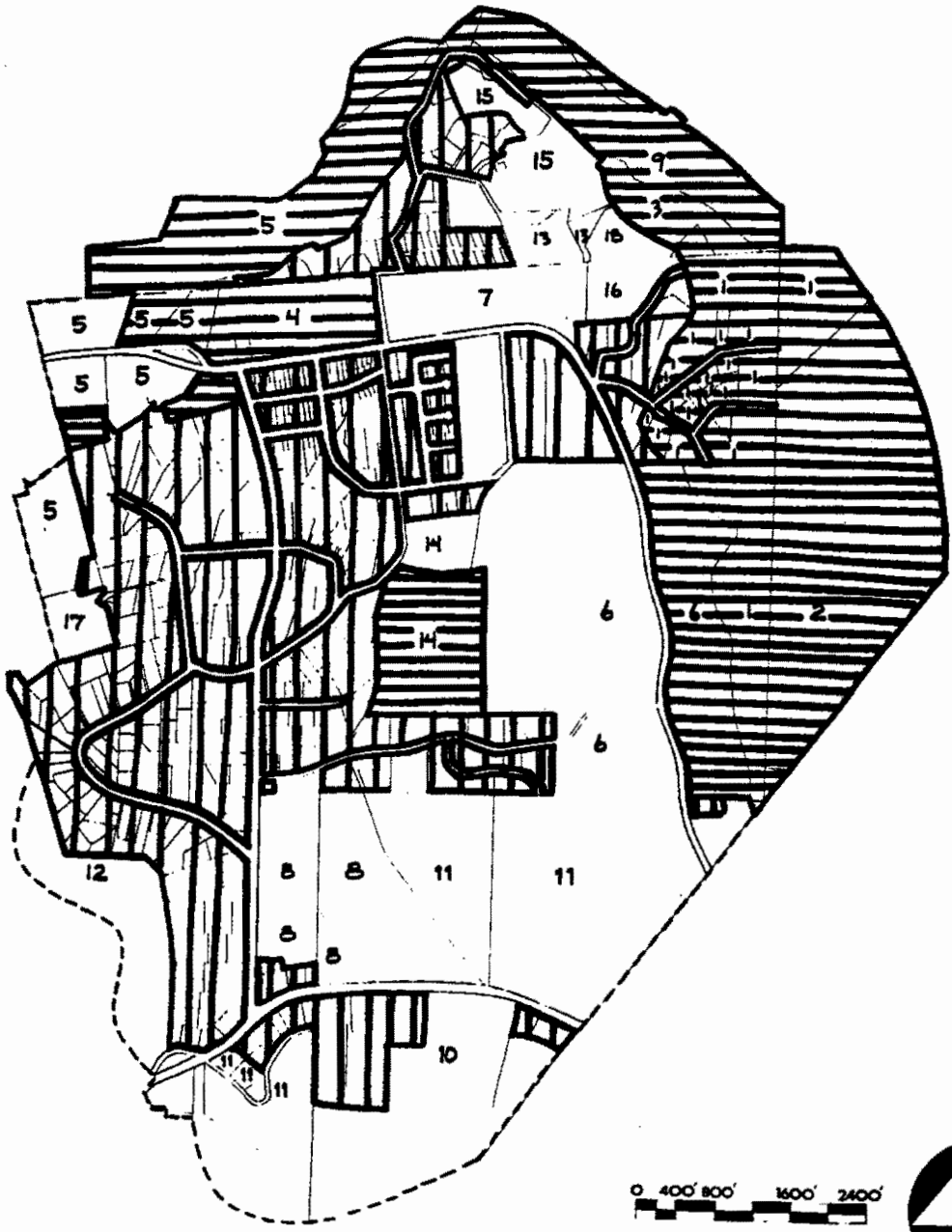
ORANGE PARK ACRES
PROPERTY INVENTORY

SECTOR	Total Acres	Total Lots	Total D.U.	D.U./ Acre
A_1	43.5	27	18	.41
A_2	151.0	25	16	.11
A_3	186.0	14	12	.06
B	128.5	82	67	.51
C	285.0	58	47	.16
D	155.8	68	50	.32
E	61.7	54	47	.75
F	21.0	87	75	3.57
G	16.2	65	65	4.06
H	43.0	20	15	.34
I	35.0	21	14	.40
J.	328.1	54	56	.17
K	266.0	29	0	0
Roads	73.0			
TOTAL	1793.8	604	482	.28

TABLE # 2

ORANGE PARK ACRES
DEVELOPMENT STATUS

	City	County	O.P.A.
Developed	29	660	689
Undeveloped	290	271	561
Non-developable	275	196	471
Roads			73
TOTAL	594 acres	1127 acres	1794 acres



ORANGE PARK ACRES

• EXISTING DEVELOPMENT STATUS & MAJOR LAND OWNERS •

DEVELOPED

UNDEVELOPED

NON-DEVELOPABLE

1. O.C. FLOOD CONTROL DISTRICT
2. SERRANO IRRIGATION DISTRICT
3. CARPENTER IRRIGATION DISTRICT
4. ORANGE UNIFIED SCHOOL DISTRICT
5. SULLY-MILLER CONTRACTING CO.
6. ROMAN CATHOLIC ARCHDISHOP
7. J.W. KLUG
8. LEADERSHIP HOUSING SYSTEMS INC.
9. RINKER DEVELOPMENT CORP.
10. CHANDLER JOINT VENTURE
11. FRANK F. MEAD JR.
12. WANDA DIVORMAN
13. LAWRENCE COLLINS
14. H. H. LENZ
15. HAROLD BLOME
16. DON GREEK
17. PAUL HOWARD
18. L. COSTELLO

J.L. WEBB PLANNING

Major Land Ownerships

Major landowners in Orange Park Acres refer to governmental agencies, commercial enterprises and private parties which own land in excess of eight acres. Shown below in Table # 3 (Major Landowners) are major landowners by name and acreage size of holdings in Orange Park Acres. (See also Exhibit # 12 - Development Status)

MAJOR LANDOWNERS — Table # 3

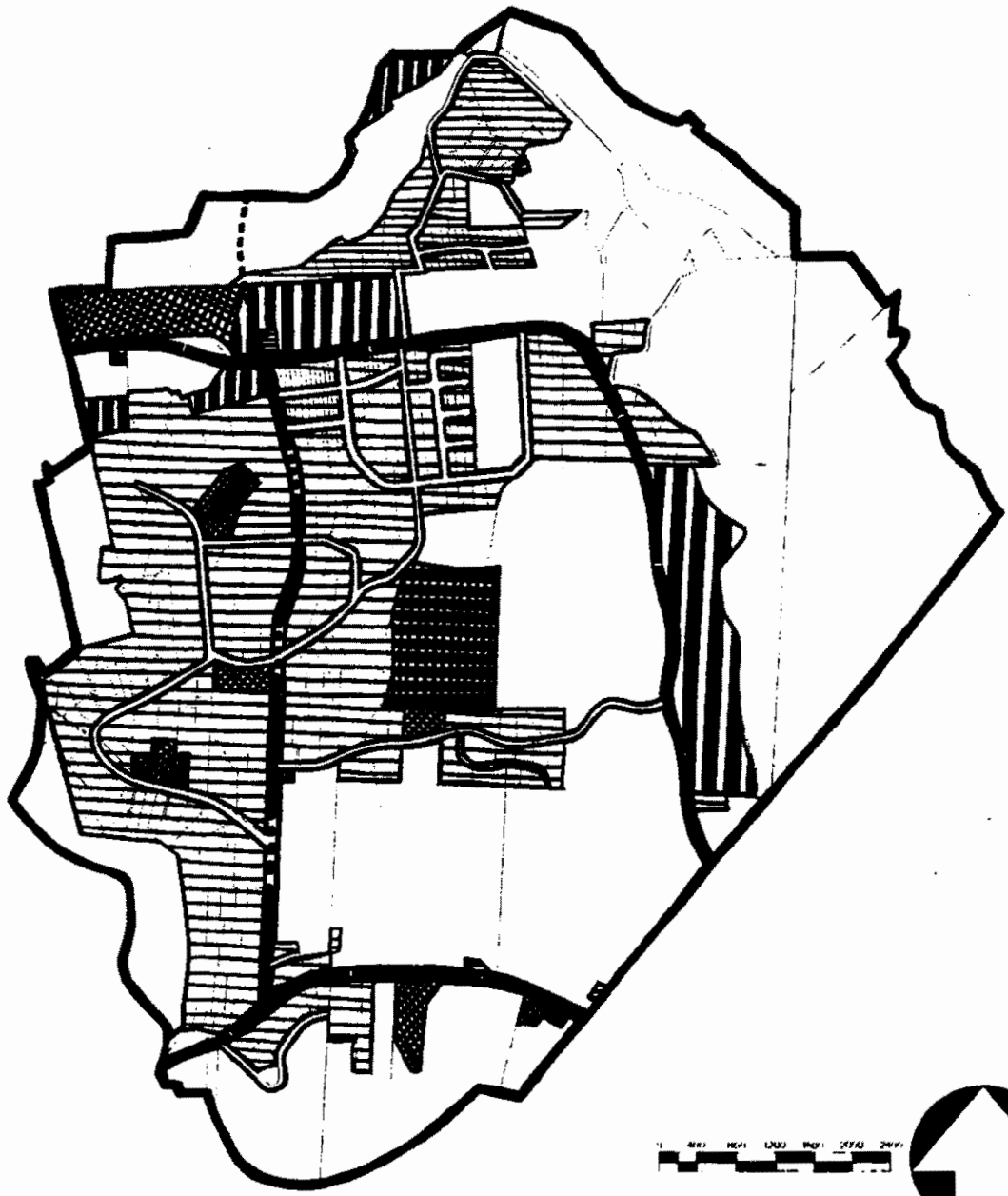
OWNER	ACRES
1. O.C. Flood Control District	112
2. Serrano Irrigation District	157
3. Carpenter Irrigation District	15
4. Orange Unified School District	28
5. Sully-Miller Contracting Co.	120
6. Roman Catholic Archbishop	157
7. J.W. Klug	30
8. Leadership Housing Systems, Inc.	60
9. Rinker Development Corporation	45
10. Chandler Joint Venture	72
11. Frank F. Mead, Jr.	140
12. Wanda Dworman	40
13. Lawrence Collins	9
14. H. Lenz	45
15. Harold Blome	9
16. Don Greek	11
17. Paul Howard	9
18. L. Costello	8

Land Uses

There are five classifications of land uses currently in Orange Park Acres. The following Table # 4 (Land Uses) lists the types of uses and total acreage for each. (See also Exhibit # 1 - Existing Land Use and Circulation)

LAND USES — Table # 4

Classification	Type of Use	Acres	TOTAL
Residential	Single-family detached	680	680
Commercial	Chicken ranches	19	
	Riding Stable	4	
	Tavern	2	
	Sully-Miller	30	
			55
Public-Quasi-public	Church	6	
	Tennis Club	4	
	Villa Park Country Club	8	
	School Site	29	
	Golf Ranch	34	
	Cemetery	41	
	Roads	73	
			195
Open Space	Riding & hiking trails, vistas & undeveloped open space	864	864
		TOTAL	1794



ORANGE PARK ACRES

EXISTING LAND USE AND CIRCULATION

ARTERIAL HIGHWAYS

PRIMARY

SECONDARY

SECONDARY PROPOSED

LAND USE

RESIDENTIAL

PUBLIC-QUASI PUBLIC

GOLF COURSE

COMMERCIAL

OPEN SPACE

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Zoning

There are nine classifications of zoning in Orange Park Acres which are listed and defined below. Table # 5 (Existing Zoning) shows the amount of acreage for each zoning classification in Orange Park Acres area. (See Exhibit # 14 – Existing Zoning)

Zone	Definition
A_1	General Agriculture
AR-10,000	Agricultural Residential – 10,000 sq.ft. min.
S-G	Sand and gravel extraction
E4-1	Small estates – 1 acre min.
R-1-40	Residential – 40,000 sq.ft. lot min.
R-1-20	Residential – 20,000 sq.ft. lot min.
R-1-10	Residential – 10,000 sq.ft. lot min.
R-1	Residential – no min.
R-O	Recreation – open space

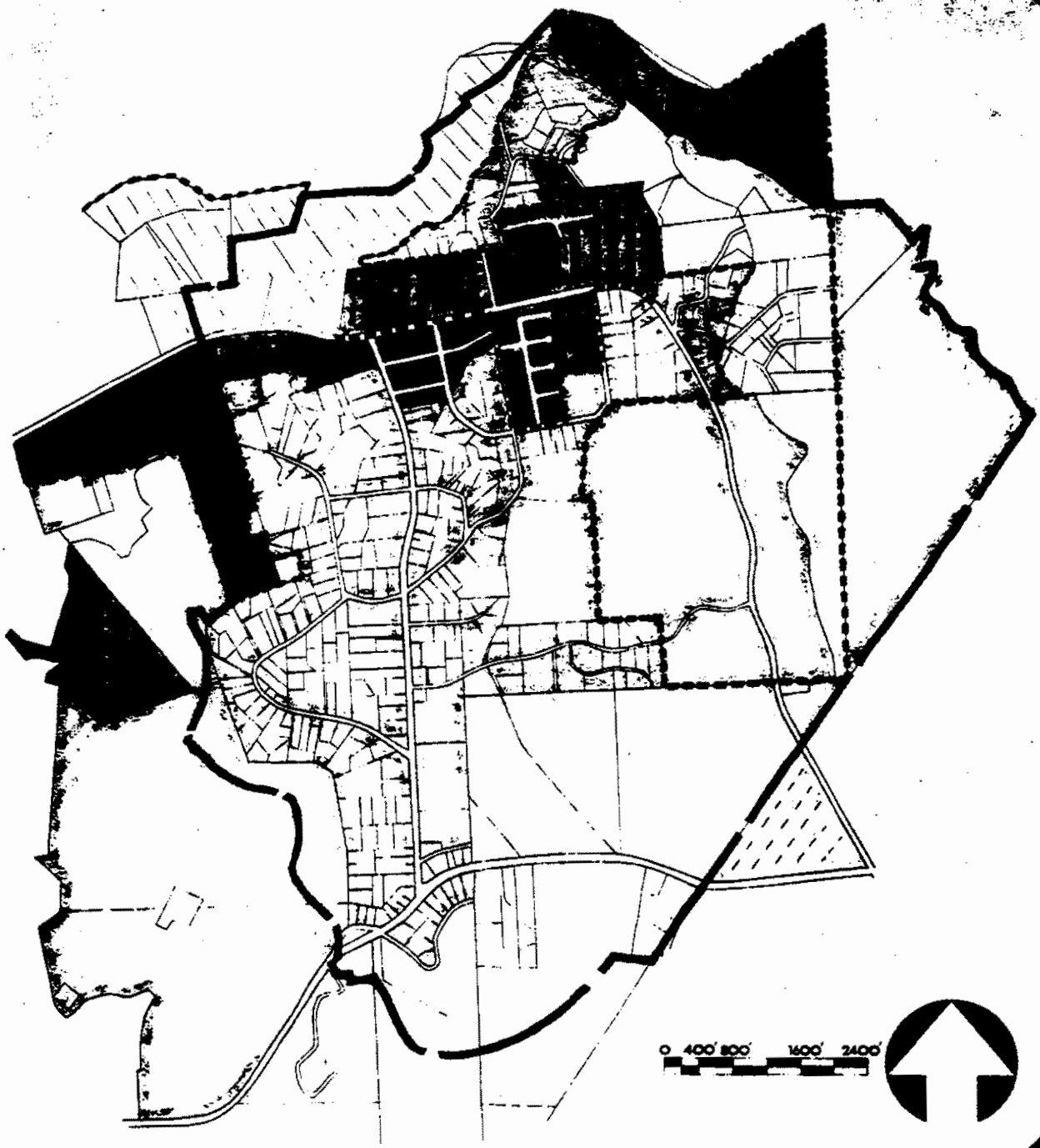
The existing City boundaries are depicted by the dotted line on Exhibit #14 (Existing Zoning).

TABLE # 5

ORANGE PARK ACRES

EXISTING ZONING

Zone Code	Acres	D.U./Ac.	Total Max. D.U.
A_1	510	.25	77
AR-10,000	40	4.0	160
S-G	98	0	0
R-1-40/E4-1	688	1.0	688
R-1-20	25	2.0	50
R-1-10	143	4.0	572
R-1	27	4.0	108
R-O	4	0	0
R-1-40c	158	1.0	158
School	29	0	0
Roads	73	0	0
TOTAL	1794		1813



ORANGE PARK ACRES

EXISTING ZONING

S-G	AR-10,000	E-4-1	R-1-10
A-1	R-1-40	R-1	R-1-8
AGRICULTURAL RESERVE	R-1-40C	R-1-20	R-O

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CIRCULATION

Access to the area is provided by Santiago Canyon Road, Chapman Avenue and Newport Boulevard, These are all primary highways on the Orange County Master Plan of Arterial Highways. A primary highway is a divided 4-lane facility that provides protected left-turn lanes. Orange Park Boulevard, which goes through the proposed development, is classified as a secondary highway. It will have four lanes, undivided. Exhibit # 15 (Existing & Ultimate Traffic Volumes) indicates existing traffic volumes on the arterials within the area of Orange Park Acres.

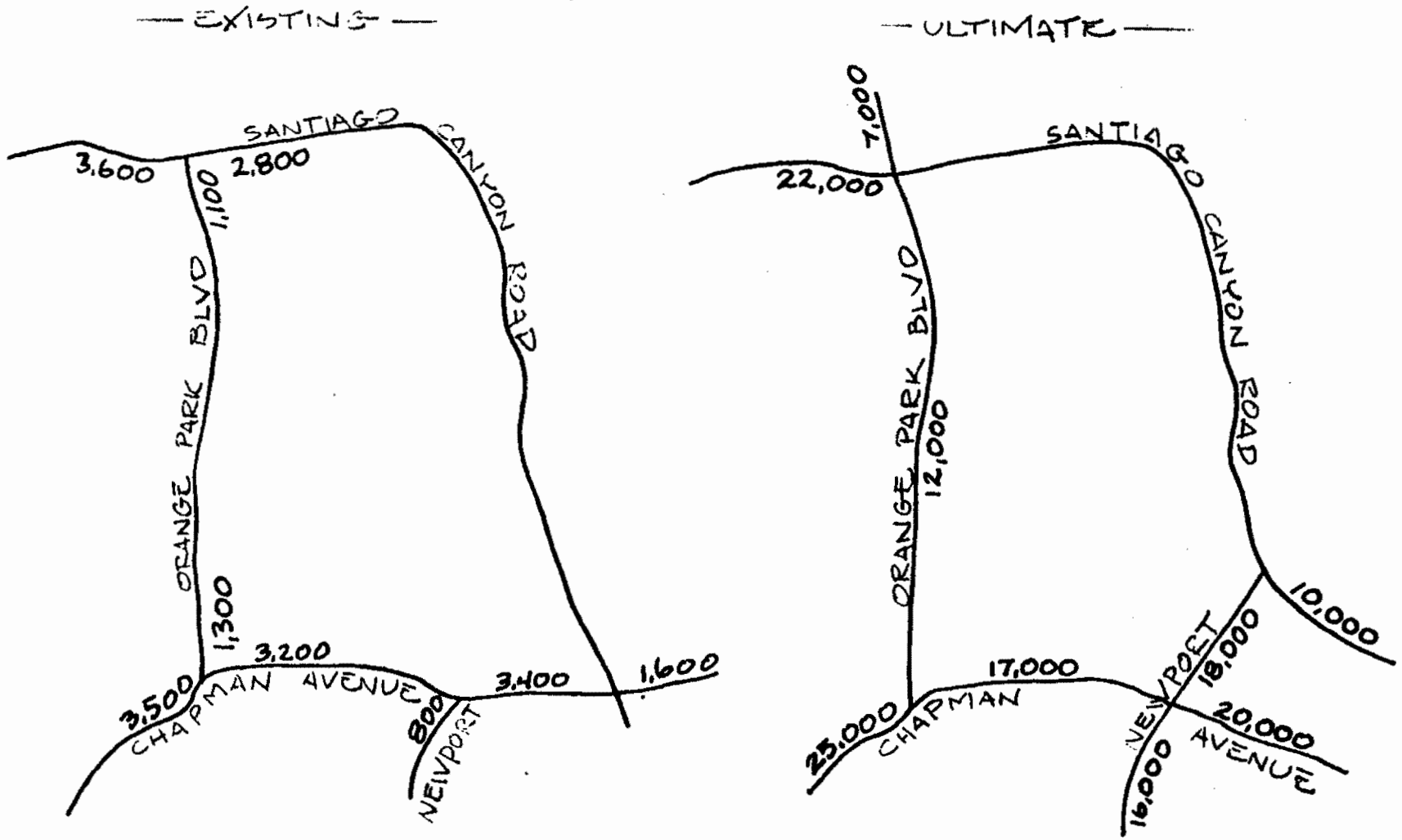
Exhibit #15 also indicates the estimated ultimate traffic volumes obtained from a combination of traffic studies prepared by the Orange County Road Department and The Irvine Company. These traffic studies used an average land use density in the proposed area of development of approximately three dwelling units per acre. The arterials depicted on the Ultimate Volume Map of Exhibit # 15 are those proposed on the Orange County Master Plan of Arterial Highways.

The capacities of the adjacent arterials are:

Primary (Chapman Ave., Santiago Canyon Rd., Newport Boulevard)	30,000 ADT
Secondary (Orange Park Boulevard)	20,000 ADT

The estimated volumes on the adjacent highways as shown on Exhibit # 15 are within the capacities listed above.

EXISTING AND ULTIMATE TRAFFIC VOLUMES



EXISTING SOCIO-ECONOMIC ENVIRONMENT

The purpose of the existing socio-economic environment section is to show the existing status of population characteristics, education, housing and land market and cost/revenue. Population characteristics measure the existing population size, growth, employment status and incomes per household. Education measures the number of students, facilities, and costs and revenues for education for the Orange Park Acres area. The market analysis measures assessed values, market values and absorption rates existing in Orange Park Acres. Cost-revenue measures the total revenues generated by property tax and other revenues received by the City and County of Orange from the residents in Orange Park Acres along with the costs generated by the area. In summation, it will be possible to forecast estimates for each of the above elements for the generation of alternative plans and for the Specific Plan.

POPULATION CHARACTERISTICS

Population

Currently in Orange Park Acres there are approximately 1755 persons of which 632 are students. There are approximately 3.9 persons per dwelling unit or .98 persons per acre. Since 1950 the population in the area has about doubled per decade. However, there has been an increase of about forty percent in population just since 1970. The median age of the population is about forty years. Table # 6 (Estimated Population Status) shows the population number, percentage and density per dwelling unit for each of the planning sectors in Orange Park Acres. Table # 7 (Population Density) shows the total density for each planning sector along with a comparison with the densities of the City of Orange and the County of Orange. Table # 8 (Population Growth: 1950-1973) shows the number and percentage increase and future projected growth trends of population for Orange Park Acres, the City of Orange and the County of Orange.

TABLE # 6

ORANGE PARK ACRES

ESTIMATED POPULATION STATUS

Sector	Elem. Stud. p/du	Jr.Hi Stud. p/du	H.S. Stud. p/du	Total Persons p/du	Elem. Stud. No. of	Jr. Hi Stud. No. of	H.S. Stud. No. of	Total Students No.	%	Total Population No.	%
A	.53	.29	.53	3.47	24.4	13.4	24.4	62	10	160	9
B	.66	.17	.60	4.08	42.2	10.9	38.4	92	15	261	15
C	.78	.44	.67	4.11	35.1	19.8	30.2	85	13	185	11
D	.72	.24	.52	3.96	36.0	12.0	26.0	74	12	198	12
E	.61	.21	.57	4.00	28.7	9.9	26.8	65	11	188	11
F	.53	.17	.13	3.35	39.6	12.6	9.8	62	10	251	14
G	.86	.28	.38	3.83	53.3	17.4	23.6	94	15	238	13
H	.60	.40	.80	4.20	9.0	6.0	12.0	27	4	63	4
I	.50	.25	.88	4.22	7.0	3.5	12.3	23	3	59	3
J	.63	.13	.13	3.75	18.3	3.8	3.8	26	4	109	6
L	1:25	.63	.63	4.89	11.3	5.7	5.7	23	3	44	2
Totals	.68	.26	.49	3.90	304.9	115.0	213.0	632	100	1755	100
Percentage of Total Population					17%	6%	12%	35%			

Population per dwelling unit = 3.9

Students per dwelling unit = 1.4

TABLE # 7

ORANGE PARK ACRES

POPULATION DENSITY

1973

Area	Per D.U.	Per Acre	Per Sq. Mile	Sq. Miles
A	3.47	.42		
B	4.08	2.37		
C	4.11	.64		
D	3.96	1.27		
E	4.0	3.04		
F	3.35	11.95		
G	3.83	14.69		
H	4.2	1.46		
I	4.22	1.68		
J	3.75	.33		
O.P.A.	3.9	.98	627	2.8
City of Orange	3.3	7.99	5,041	16.4
Orange County	3.2	3.1	2,001	782.0

TABLE # 8

ORANGE PARK ACRES

POPULATION GROWTH: 1950–1973

Area	1973 *%Inc.	1973 Number	1970 *%Inc.	1970 Number	1960 *%Inc.	1960 Number	1950 Number
O.P.A.	40	1,755	100	1,250	125	625	300
City of Orange	8	83,900	196	77,374	136	24,444	10,027
Orange Co.	14	1,600,000	100	1,420,386	225	703,925	216,224

*Percentage increase over prior census

PROJECTED GROWTH TRENDS

	Number	Year	%Increase
City of Orange	98,580	1980	27
	118,235	1990	20
Orange County	1,890,386	1980	24
	2,240,386	1990	15
O.P.A.	4,300	1980	125

Further projections for O.P.A. are dependent upon Specific Plan

Employment

Approximately forty-two percent of the population in Orange Park Acres is presently employed. Over ninety percent of the employed work in the Orange County area. Due to the near accessibility of the Newport Freeway, within a thirty minute drive there are the Irvine Industrial Complex, the Anaheim Industrial area and access to over half of the employment places in Orange County. Table # 9 (Employment Status) shows the percentages of the Orange Park Acres population by current activity status and the percentage of employed by occupation type along with comparisons with the employed population of the City of Orange and the County of Orange.

Income

The median family income for Orange Park Acres is approximately $22,000. Table # 10 (Household Income) shows the percentages of families by income range per planning sector within Orange Park Acres along with comparisons of family incomes of the City and County of Orange.

Summary

If the current trend continues, the population will continue to grow in Orange Park Acres to have again doubled before the end of this decade. The population density per dwelling unit will probably drop to below 3.6 persons per dwelling unit because of the low density and size of housing in the area. If higher density housing is developed in the area, the population density per dwelling unit may decrease but the total population would probably still be as great. Employment will remain high and possibly increase because more women may have to enter the work force in order to afford to live in Orange Park Acres. Since the area is developing rapidly, so are the property values and the median income range may climb per family. In conclusion, because of the lack of other areas like Orange Park Acres, which lies near urban facilities but retains a rural character, the demand will increase.

TABLE # 9

ORANGE PARK ACRES

EMPLOYMENT STATUS

PERCENTAGE OF POPULATION	OPA Sector A	B	C	D	E	F	G	H	I	J	OPA	City	Co.
Employed	42	30	28	35	31	43	40	39	32	39	39	36	36
Retired	4	5	4	1	5	2	0	0	3	14	2	*	*
Housewife	10	21	18	14	16	15	10	18	15	10	15	*	*
Adult Students	2	3	1	0	6	2	0	0	3	0	1	*	*
School Children	40	36	47	37	37	27	40	43	44	23	36	*	*
Non-school Children	2	5	2	13	5	11	10	0	3	14	7	*	*
PERCENTAGE OF EMPLOYED													
Men	64	86	90	72	80	70	62	72	84	76	74	64	65
Women	36	14	10	28	20	30	38	28	12	24	26	36	35
Professional	36	34	20	46	36	16	54	42	25	38	35	34	34
Non-professional	55	53	80	50	52	82	46	59	38	50	58	59	60
Self-employed	9	13	0	4	12	2	0	1	35	12	7	7	6

Sources:

All above are percentage estimates based upon data from O.P.A. Questionnaire and Quarterly Business Review, First National Bank of Orange County (4th quarter 1972).

* Not Calculated – insufficient availability of data

TABLE # 10

ORANGE PARK ACRES

HOUSEHOLD INCOME

PERCENTAGE OF HOUSEHOLDS BY INCOME RANGE

1973

Area	Under 10,000	10,000– 19,999	20,000– 29,999	30,000– 39,999	40,000– 50,000	Over 50,000	# of Households
A	14	21	42	7	14	2	46
B	4	27	31	12	13	13	67
C	7	29	30	19	10	5	47
D	0	50	20	20	0	10	50
E	3	42	31	16	7	1	47
F	6	59	29	6	0	0	75
G	0	60	36	4	0	0	65
H	0	40	20	20	20	0	15
I	0	0	50	18	16	16	14
J	14	14	28	2	42	0	29
O.P.A.	4	39	29	13	7	3	450
City of Orange	30	47	15	5	2	1	25,000
Orange County	35	45	13	4	2	1	400,000

Median Family Income

O.P.A.	$22,000
Orange County	$14,600
	$13,000

EDUCATION

Students and Facilities

Currently there are approximately 1.4 students per dwelling unit in Orange Park Acres adding up to a total of 632 students. Of the total number of students approximately 305 (17%) are in elementary school, 115 (6%) are in junior high school and 213 (12%) are in high school. (Also see Table # 6 - Population).

Orange Park Acres lies within the Orange Unified School District. Elementary school students attend Linda Vista School. Junior high students attend Santiago Junior High and high school students attend El Modena High School. There is an elementary and junior high school site in Orange Park Acres, but actual construction of the schools is projected to be sometime in the next five years. However, at the present time, there is no bonding to pay for school construction on this site. Elementary students must reside one mile and secondary students two miles from the school in order to be bused. Some elementary students in Orange Park Acres will require busing.

Cost/Revenue

The 1972-73 school year cost per student for education in the Orange Unified School District was $867. The sources of revenue for educational costs are as follow: 60 percent from property taxes, 38 percent from State aid and two percent from Federal aid. The total cost for educating the 632 Orange Park Acre students was $546,210 of which the property owners in the area paid $273,105 which is but 80 percent of the $327,726 needed from property tax revenues. This $54,621 deficit is approximately $121 per dwelling unit. Table # 11 (Educational Cost/Revenue) shows a complete breakdown of costs and revenues and deficits for Orange Park Acres

Orange Unified School District has projected a 1973-74 school year cost of $977.00 per student. However, Legislative State Bill # 90, just passed this year, has increased state funds for education providing relief to property taxes. The current tax rate for education of $5.41 per $100 of assessed value will drop to $4.79 per $100 of assessed value. The new revenue sources for education for 1973-74 will be as follow: 54% from property tax, 43% from the State and 3% from the Federal Government. Table # 11 (Education Cost/Revenue) shows in the column under 1973-74 the projected breakdown of cost/revenue and deficit for Orange Park Acres. As shown in the Table, the deficit will increase to $84,111.

TABLE # 11

ORANGE PARK ACRES

EDUCATION - COST/REVENUE

ITEM	1972-73 (Actual)	1973-74 (Projected)
COSTS:		
per student	$ 867	$ 977
# of students	x 630	x 630
Total cost	$546,210	$615,510
REVENUE:		
O.P.A. Property Tax	$517,217	$517,217
% Tax for Education	x .54	x .48
O.P.A. Revenue	$279,297	$248,264
DEFICIT		
Total Cost	$546,210	$615,510
% Property Tax Revenue	x .60	x .54
Needed Prop. Tax Revenue	$327,726	$332,375
O.P.A. Prop. Tax Revenue	$279,297	$248,264
Deficit Total	$ 48,429	$ 84,111
O.P.A. Deficit P/Student	$ 76.62	$133.08
O.P.A. Deficit P/ D.U.	$107.62	$186.91

Number of Students - 632
Number of Dwelling Units - 450

MARKET ANALYSIS

Assessed Values

The assessed value of a parcel is twenty-five percent of the market value and is computed for the purpose of property tax collection. The total assessed value in Orange Park Acres for land and improvements is $6,370,961. Multiplying by four will produce a total assessed market value of $25,483,845. Table # 12 (Assessed Values) shows by planning sector the total assessed market, assessed land and total assessed value. (See also Exhibit #16- Assessed Land Values Per Acre and Exhibit #17- Assessed Market Value - Improvement)

Market Values

The market value of property is that price which a buyer is willing to pay and is accepted by a willing seller. Through field investigations and research of recorded deeds, the true market value of property in Orange Park Acres has been estimated to be about thirty percent above the assessed market value. This brings the total real market value in Orange Park Acres to $33,883,845. The following list shows the average mean value per dwelling unit and acre for Orange Park Acres.

Average assessed value per/D.U.	$10,500
Average assessed market value per/D.U.	$53,000
Average market value per/D.U.	$68,000
Average market land value per/D.U.	$12,000

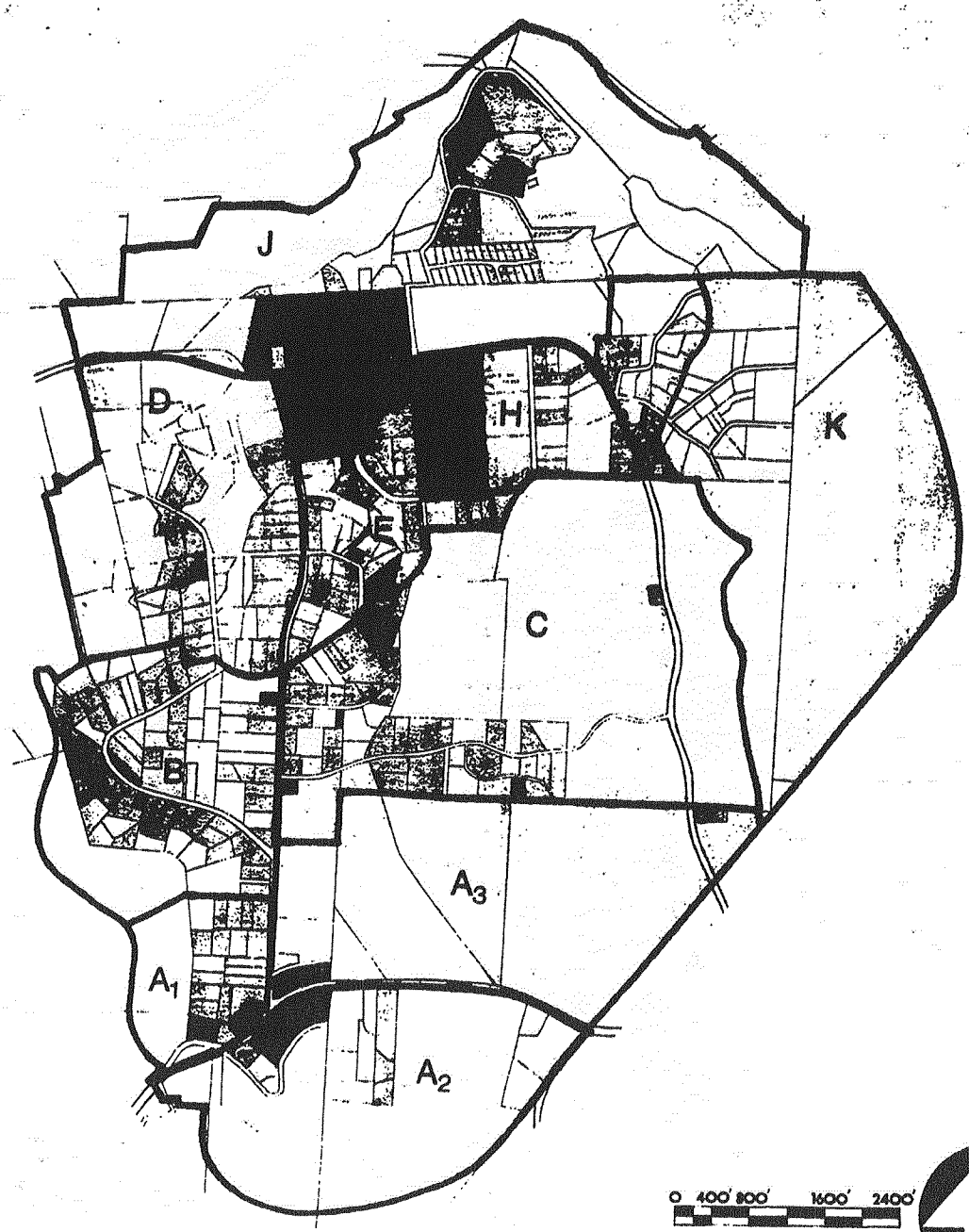
Absorption Rates

Absorption rate refers to the amount of time it takes to sell a dwelling unit. The various factors of mortgage market, interest rates, employment conditions and unit price are the prime determinators of an absorption rate at a given period of time. Currently, interest rates are nine

TABLE # 12

ORANGE PARK ACRES
ASSESSED VALUES

Sector	Total Acres	Taxes Paid	Assessed Mkt. Land Value	Assessed Mkt. Imprv. Value	Total Assessed Mkt. Value
A_1	43.5	20,449	478,327	482,080	960,407
A_2	151.0	26,835	906,467	209,540	1,116,007
A_3	186.0	56,081	2,141,080	173,240	2,314,320
B	128.5	75,673	1,660,856	1,907,120	3,567,976
C	285.0	71,343	1,789,391	899,300	2,688,691
D	155.8	70,816	1,890,960	1,492,420	3,383,380
E	61.7	39,802	946,001	1,070,979	2,016,980
F	21.0	35,458	951,260	820,050	1,881,032
G	16.2	31,619	637,000	561,840	1,198,840
H	43.0	17,465	537,040	242,840	779,880
I	35.0	13,741	300,926	312,040	612,966
J	328.1	57,935	2,328,320	753,360	3,081,680
K	266.0	0	1,881,684	0	188,684
Roads	73.0				
TOTAL	1,793.8	517,217	16,449,312	9,034,544	25,483,845



ORANGE PARK ACRES

ASSESSED MARKET VALUE

—LAND··· DOLLARS P/ACRE

- UNDER 999
- 1,000 TO 4,999
- 5,000 TO 9,999
- 10,000 TO 14,999
- 15,000 TO 19,999
- 20,000 TO 24,999
- 25,000 TO 29,999
- 30,000 TO 39,999
- 40,000 TO 49,999
- 50,000 OVER

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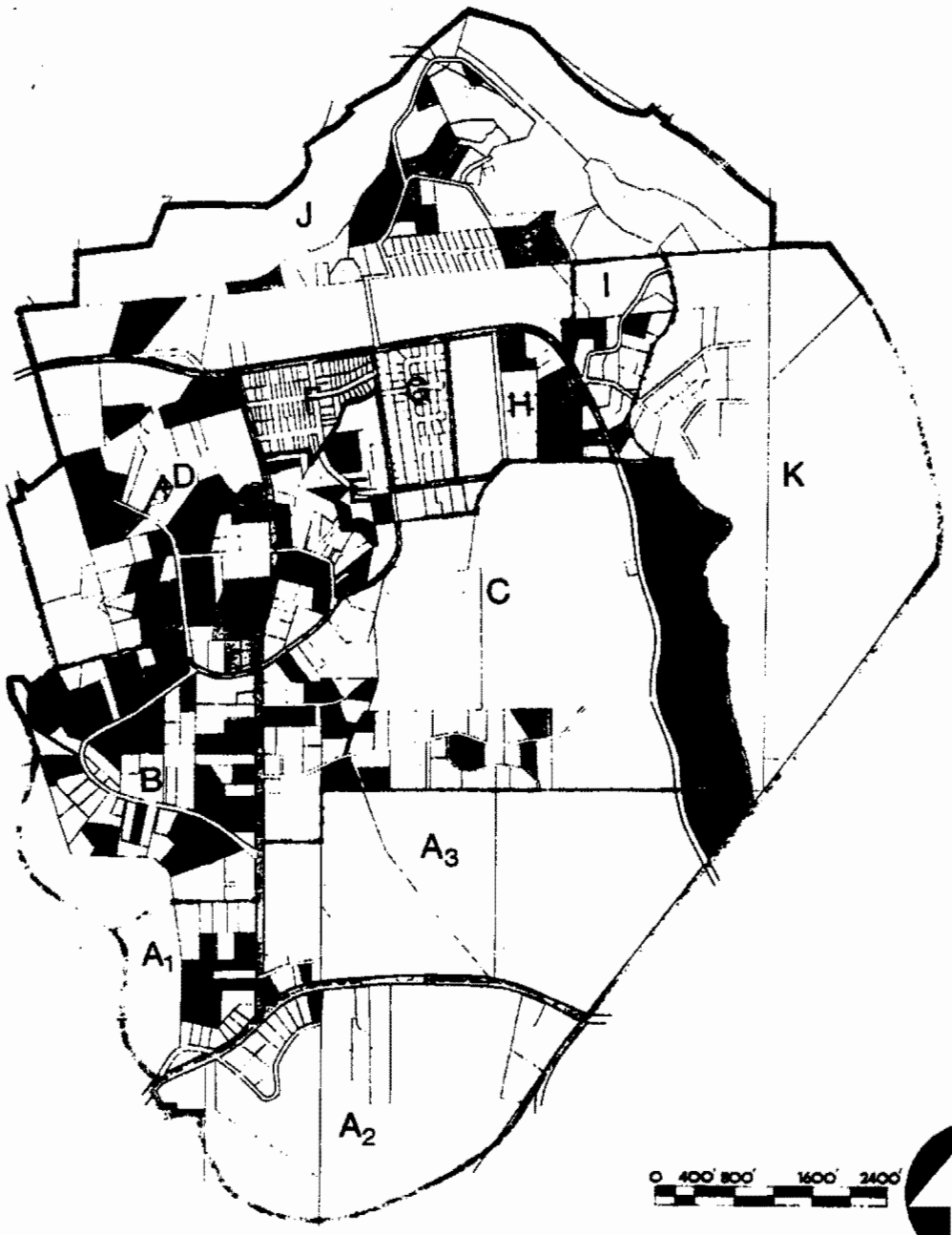

ORANGE PARK ACRES

ASSESSED MARKET VALUE

— IMPROVEMENT DOLLARS

UNDER 4,999	10,000 TO 14,999	20,000 TO 24,999	30,000 TO 34,999	40,000 TO 49,999
5,000 TO 9,999	15,000 TO 19,999	25,000 TO 29,999	35,000 TO 39,999	50,000 & OVER

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to ten percent and are affecting current absorption rates to an unusual low. Therefore, the rates for Orange Park Acres have been estimated using rates generated during the past two years.

There are three major types of housing development taking place in Orange Park Acres- new tract development, resales and lot subdividing and building. Orange Park Acres lies within Orange County's southern and eastern housing market area, which is one of the fastest development growth areas in Southern California. This conditions is due to the growth in employment in the area along with easy access by freeway to work locations and further compounded by desirability of the living environment. Based upon research of new developments in Orange Park Acres and the County, the number of total resales in the past two years and the population increase since 1970, Table # 13 (Estimated Housing Absorption Rates) shows the estimated absorption rates by type of housing per price range. Table # 14 (Current Development Profiles) shows three development profiles. Pacesetter and Colony Park Homes are both single-family detached units located in Orange Park Acres. Casitas Santiago is a condominium/townhouse development just outside of the area.

Summary

Orange Park Acres has a myriad of housing sizes, ages and values. However, as the price of land and the cost of housing is increasing at a rapid rate, and the demand for the rural environment is increasing while supply decreases, the value of property mayincrease far more rapidly in Orange Park Acres than in the past. This also means that a reassessment of property in the area may occur thus driving up future property tax revenue. With the present average home value on an acre lot at $68,000, it can be estimated that in the next five years that value may reach the $80,000 plus mark. This would allow fewer people to obtain residences there. If a

slight increase in housing density were allowed, the value per acre would increase but the value per dwelling unit would decrease and therefore, allow persons of the current economic status in Orange Park Acres to reside in the area.

TABLE # 13

ORANGE PARK ACRES

ESTIMATED HOUSING ABSORPTION RATES

(Units Per Month)

Price Range	O.P.A. Area			County
	New	Resales	Lots	New - Only
Under 25,000	25	.1	1.2 Avg. for All Lots	25
25 - 35,000	20	.5		20
36 - 50,000	16	.3		15
51 - 75,000	10	.4		5
76 - 100,000	2	.2		4
Over 100,000	1	.1		2

Sources:

Above estimates based upon data on New House Sales Rates in O.P.A., Orange County Progress Report, 1972, First American Title Insurance Surveys, 1972, Income Ranges and Population Growth Rates.

TABLE # 14

ORANGE PARK ACRES VICINITY
CURRENT DEVELOPMENT PROFILES

PACESETTER HOMES by Klug Tract # 6232

No. of dwelling units	65
D.U. per acre	4.1
Price range	$34,950 - $52,500
Size	All 4 bedrooms (1488 sq.ft.-2151 sq.ft.)
Absorption rate	Exceeded 3 per week
No. sold	All units sold

COLONY PARK By G.L. Lewis

No. of dwelling units	27
D.U. per acre	2.4
Price range	$55,000 - $65,000
Size	3,4, & 5 bedrooms (2100 - 2650 sq.ft.)
Absorption rate	Approx. 2 per week
No. sold	21

CASITAS SANTIAGO By Delta Construction Inc.

No. of dwelling units	79
D.U. per acre	9
Price range	$23,900 - $29,950
Size	2-4 bedrooms (850 - 1385 sq.ft.)
Absorption rate	5 per week
No. sold	25

COST/REVENUE ANALYSIS

Approach

Out of the total 1794 acres in Orange Park Acres 510 acres are within the City Limits of Orange while the other 945 acres lie within the Orange County unincorporated area. Thus, both costs and revenues for each jurisdiction must be measured separately in order to arrive at a proper estimate of costs and revenues for Orange Park Acres.

There exists no proven accurate cost/revenue methodology model for the City of Orange or Orange County currently. However, in the Proposed General Plan prepared by the Quinton-Budlong Corp. in February, 1972, the cost/revenue analysis utilized the per acre method. What is needed is a cost/revenue analysis model which incorporates a mix of both per acre and per capita. However, data is not available in a format where this method can and should be utilized. Therefore, property tax revenues will be estimated on the per acre basis, while all other revenues and costs will be estimated utilizing the per capita base for the following reasons.

1. Orange Park Acres is a rural area and it does not generate the higher costs required by urban areas.

2. The per acre method for property tax revenue measures actual revenues collected based upon values of the land.

3. The per acre method does not accurately measure most costs which are generated by persons,not land .

4. The per acre method based on developed land eliminates revenues from undeveloped land which has minimal cost requirements.

5. The per capita cost and revenue method accounts for population densities more accurately than the per acre method utilizing current available data.

Methodology

To determine the property tax revenues in Orange Park Acres the tax rates were first located (see Exhibit # 18 [Existing Tax Rate Zones]) then multiplied by the assessed values less exemptions for each parcel in the City and County of Orange. This was further classified by types of land use - developed, undeveloped and non-developable. Then the City tax and County tax rate portions were derived and calculated to a per acre base. The per capita revenue was determined by utilizing the 1972-73 City of Orange actual budget and the 1971-72 County of Orange actual budget. (See Table # 15 [Estimated City of Orange and County of Orange Revenues]) The per capita costs for the City of Orange were determined by dividing the November, 1972 population of 83,900 into the 1972-73 actual expenditures of $11,960,256. The Orange County Unincorporated area costs per capita were determined by dividing the estimated 1972 population of 1,500,000 into the estimated expenditures generated by those residents. The total results from the above processes are shown on Table # 16 (Existing Estimated Cost/Revenue Analysis). This table also lists the factors utilized in the financial computations.

Summary

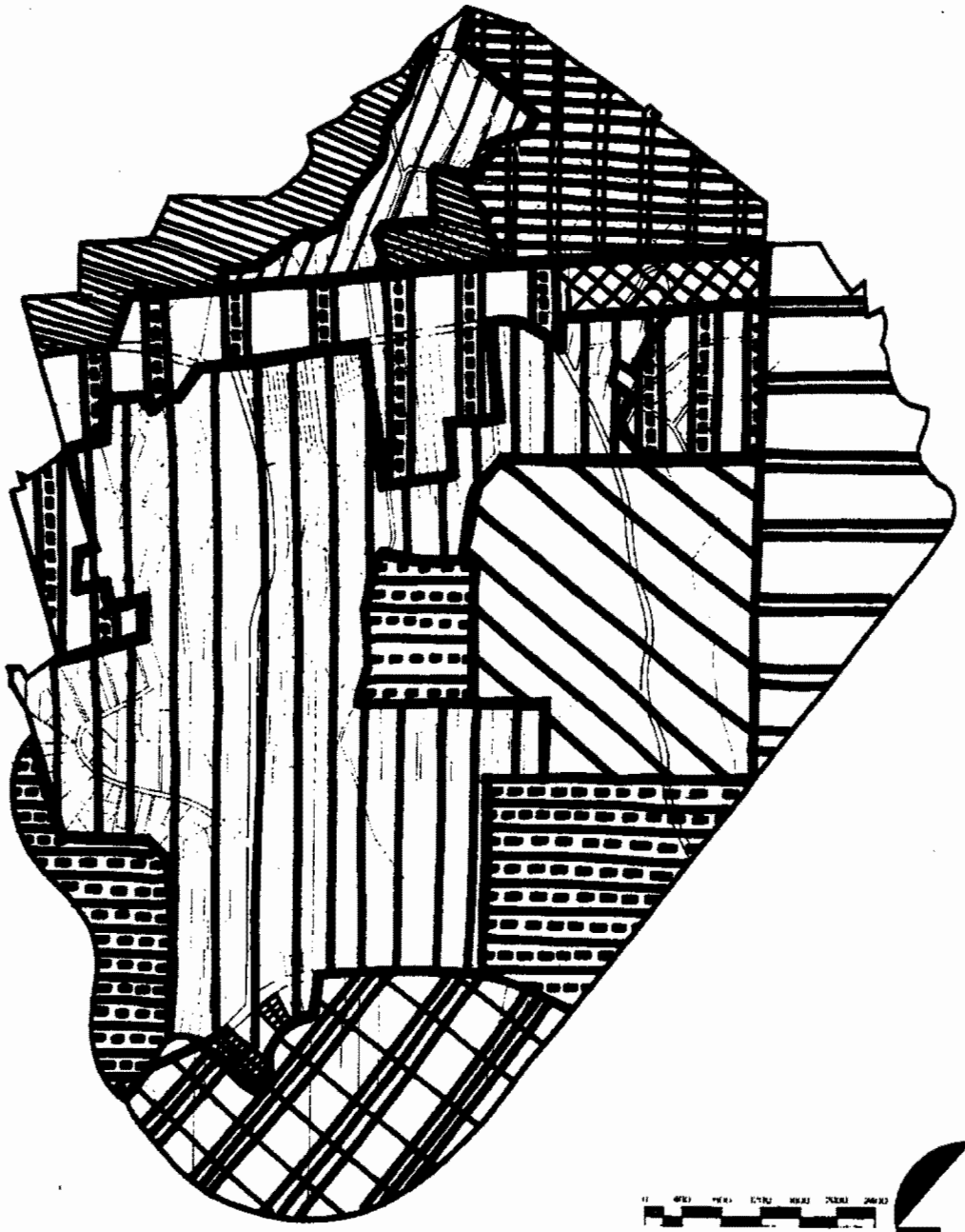
As shown in Table # 16 (Existing Estimated Cost/Revenue Analysis) Orange Park Acres produces a total surplus in revenue of $52,808 of which $5,462 goes to the City of Orange and $47,346 goes to the County of Orange. It must be emphasized that these figures are general estimates only. It is recommended that a special complete cost/revenue analysis be prepared for the following reasons:

1. This report provides only a general cost/revenue analysis and shows only a general indication of the results.

2. Data is too incomplete at this level of study to state precise costs generated by Orange Park Acres.

3. The characteristics of costs of Orange Park Acres differ from those generated by urban areas.

In conclusion, it is believed that an in-depth cost/revenue study will produce the same findings, only more definitively, that Orange Park Acres pays for itself.



ORANGE PARK ACRES

- EXISTING TAX RATE ZONES -

$9.79	10.29	10.47	10.89
9.87	10.36	10.55	10.97
10.28	10.46	10.86	

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TABLE # 15

ESTIMATED REVENUES
CITY OF ORANGE & COUNTY OF ORANGE

Source	City - 1972-73 Revenues	City - 1972-73 p/Capita	County - 1971-72 Revenues	County - 1971-72 p/Capita
Sales & Use Tax	3,391,982	40.42	1,625,153	8.12
Other Taxes	474,836	5.65	1,856,967	9.28
Licenses & Permits	278,017	3.31	2,823,339	14.11
Fines	319,441	3.80	4,247,083	21.23
Use of Money	479,541	5.71	3,966,988	19.83
Fees & Services	995,608	11.86	26,159,266	17.43
Other Revenue	559,607	6.66	754,791	3.77
Other Agencies	3,384,618	40.34	(Co.-wide)	-----
TOTAL	12,829,516	117.75	223,502,896	93.77

POPULATION FACTORS

City of Orange 83,900 (est. 1972)

County Unic. Area 1,500,000 (est. 1972)

TABLE # 16

EXISTING ESTIMATED COST/REVENUE ANALYSIS

FINDINGS:

Area	Property Tax Revenue	Other Revenue	Total Revenue	Total Expen.	Total Surplus
City of Orange	12,158	31,793	43,951	38,489	5,462
County Unic.	82,481	113,365	195,846	148,500	47,346
OPA TOTAL	94,639	145,158	239,797	186,989	52,346

FACTORS:

	City of Orange	Co. Unic.	OPA Total
Dwelling Units	70	380	450
Population	270	1485	1755
Prop. Tax Rate p/100 assessed	1.29	1.95	
Other Revenue p/Capita	117.75	93.77	
Expenditures p/Capita	142.55	*93.77	
Prop. Tax Revenue p/acre developed	171.72	105.13	
Prop. Tax Revenue p/acre undeveloped	19.91	48.29	
Prop. Tax Revenue p/acre non-developable	7.34		
Developed Acres	29	660	689
Undeveloped Acres	290	271	561
Non-developable Acres	191	14	205

*Used same p/Capita as revenue since no data is available on cost p/Capita for Co. Unincorporated area

RESULTS OF ORANGE PARK ACRES QUESTIONNAIRE

A resident/landowner questionnaire was mailed out as a part of this study and over 50 percent response was recorded. The purpose of the questionnaire was two-fold; one, to obtain objective information such as family size, the number of school children etc., and two, to obtain evaluations and input from the residents as to the considerations that should be given to the planning study.

Following is the objective information derived from the responses to the questionnaire. An estimated 1755 people live in Orange Park Acres which gives an average of 3.9 persons per dwelling unit with 1.4 students per dwelling unit. The average adult age is around forty years. The organizations listed most often were 4-H and Church.

There are definitely more animals than humans in Orange Park Acres. Chickens are the most numerous largely because of the chicken ranches. We estimate that there are more than 700 horses owned by the residents of Orange Park Acres. In numbers, dogs follow closely to horses then rabbits and cats which are estimated to number well over five hundred.

The typical resident has lived in Orange Park Acres over five years and the reasons most often given for moving to Orange Park Acres are: the rural atmosphere, a place to raise animals and have agriculture and the good environment for children to grow up in.

Those who rent in the area are less than two percent of the residents. Most of the residents came to Orange Park Acres from somewhere within Orange County. The majority live on one to two acre lots and reside in homes of over 2000 square feet in size. The average market value of a

residence is $68,000. A great majority of homes in the area are one-story and contain eight to nine rooms per house. The typical age of a house within the area is from ten to fifteen years. The main improvements listed were: patios, corrals, sheds, stalls, stables and barns. The prime uses of the lot other than for residential was for the raising and keeping of animals. About 50% listed this as one of the prime uses and around thirty percent included agriculture as a prime use of their land. The vast majority of the people work in Orange County or Los Angeles County and have an average annual income of between $20-25,000. In addition to approximately two cars per family in Orange Park Acres, there is at least one truck for every two families and at least one to two bicycles per family. One of every three to four families have motorcycles.

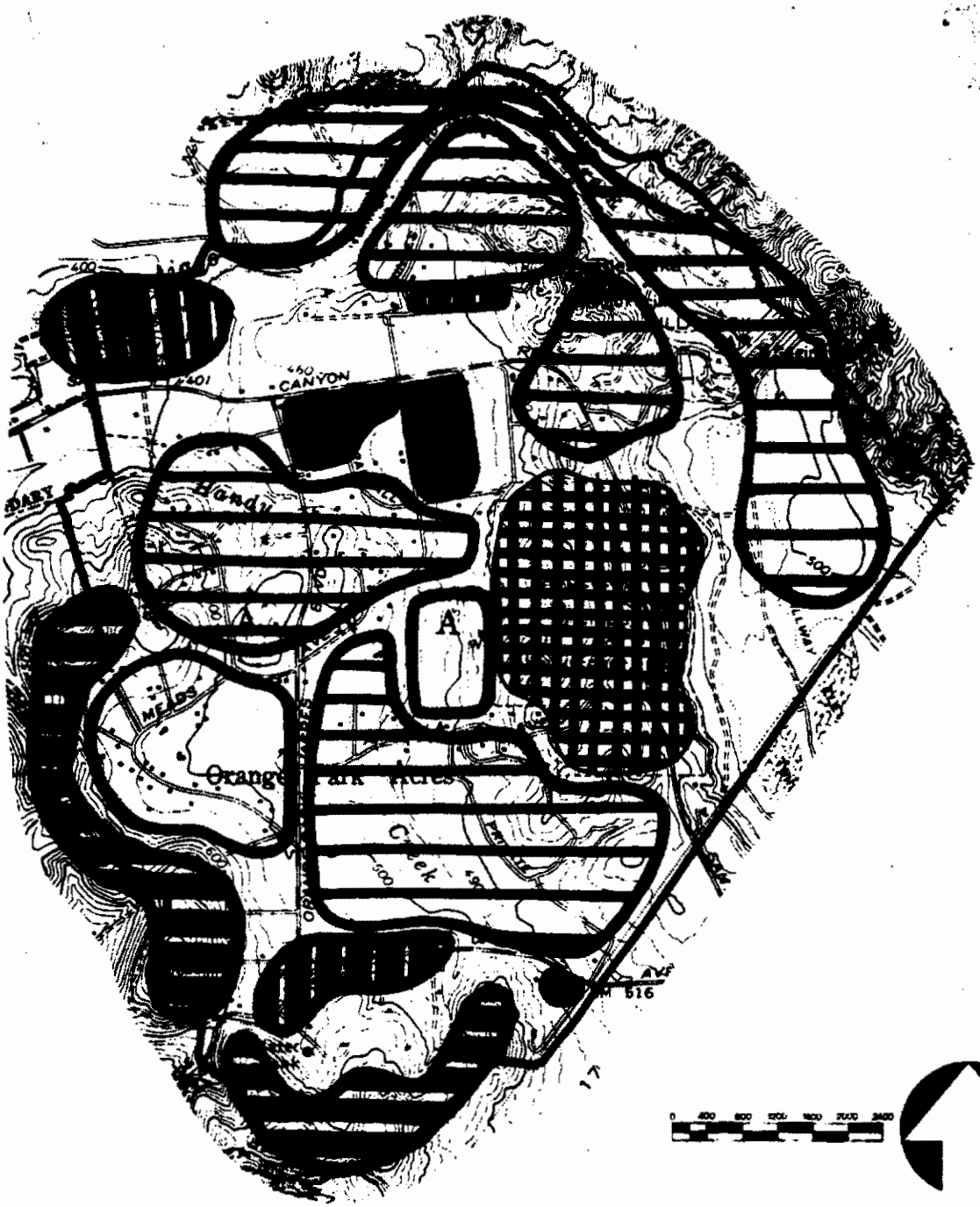
Activities in a typical week include an average of five hours horseback-riding, three hours shopping, three hours visiting friends, over two hours bicycling, two hours swimming, around one hour in club activities and over one-half hour each in hiking, civic activities and sightseeing. The average percentage of free time spent in Orange Park Acres is around eighty-six percent.

Following is a discussion of the qualitative evaluations of Orange Park Acres by the residents. The aspects of Orange Park Acres most often listed as positive include the rural-country atmosphere within convenient distance to the city, friendly neighbors who are willing to help, the low density of one acre minimum lot size and the natural beauty of the area such as its trees and openness. Also listed were the quietness, privacy and slow pace, the sense of belonging to a community, the ability to raise anaimals and to have agriculture as a part of the environment, the lack of streetlights and the distance between houses and the fact that it is a good place to raise children.

The elements of most concern about Orange Park Acres include, first and foremost, the intrusion of tract development upon the rural environment, specifically the Deerfield Tract along Santiago Boulevard. Other factors causing concern include the need for adequate sewers and drainage, the fact that the trees are dying and agriculture is diminishing within the area, the traffic and trucks along Santiago Canyon Road, Chapman and Orange Park Boulevard, the lack of planning or architectural controls and move-in housing. Also listed as concerns were the chicken ranches, dirt, flies and the odor from animals, loose dogs and tresspassers who have no respect for property, the need for more trails in the area and the sand and gravel operations in the area.

A composite map has been prepared from each of the maps submitted by the residents and landowners depicting positive and negative areas within Orange Park Acres as seen by these people.(See Exhibit # 19 (Negative and Positive Areas)

In summary, Orange Park Acres contains a relatively high income group with large families who desire a rural atmosphere. Most families have animals and many are involved in agriculture. There is a great variety of house types and ages within the area. There is a strong community spirit and the peoples' activities in a typical week are dominated with involvement in Orange Park Acres. (See Appendix for sample of O.P.A. Questionnaire)



ORANGE PARK ACRES

- POSITIVE OR NEGATIVE AREAS -

FROM STUDY AREA QUESTIONNAIRE RESPONSES

MOST POSITIVE

POSITIVE

LEAST POSITIVE

POSITIVE & NEGATIVE

NEGATIVE

MOST NEGATIVE

J.L. WEBB PLANNING

EXISTING PLANNING STATUS

The purpose of this section is to identify and determine the significance of the existing applicable plans within the City and County of Orange which may have an affect on the preparation of a Specific Plan for Orange Park Acres.

SPHERE OF INFLUENCE

The Sphere of Influence - City of Orange has been filed with the Local Agency Formation Commission and is depicted on Exhibit #20 (Sphere of Influence). It is indicated that it is likely that in the future, if annexed, the entire study area would be within the City of Orange.

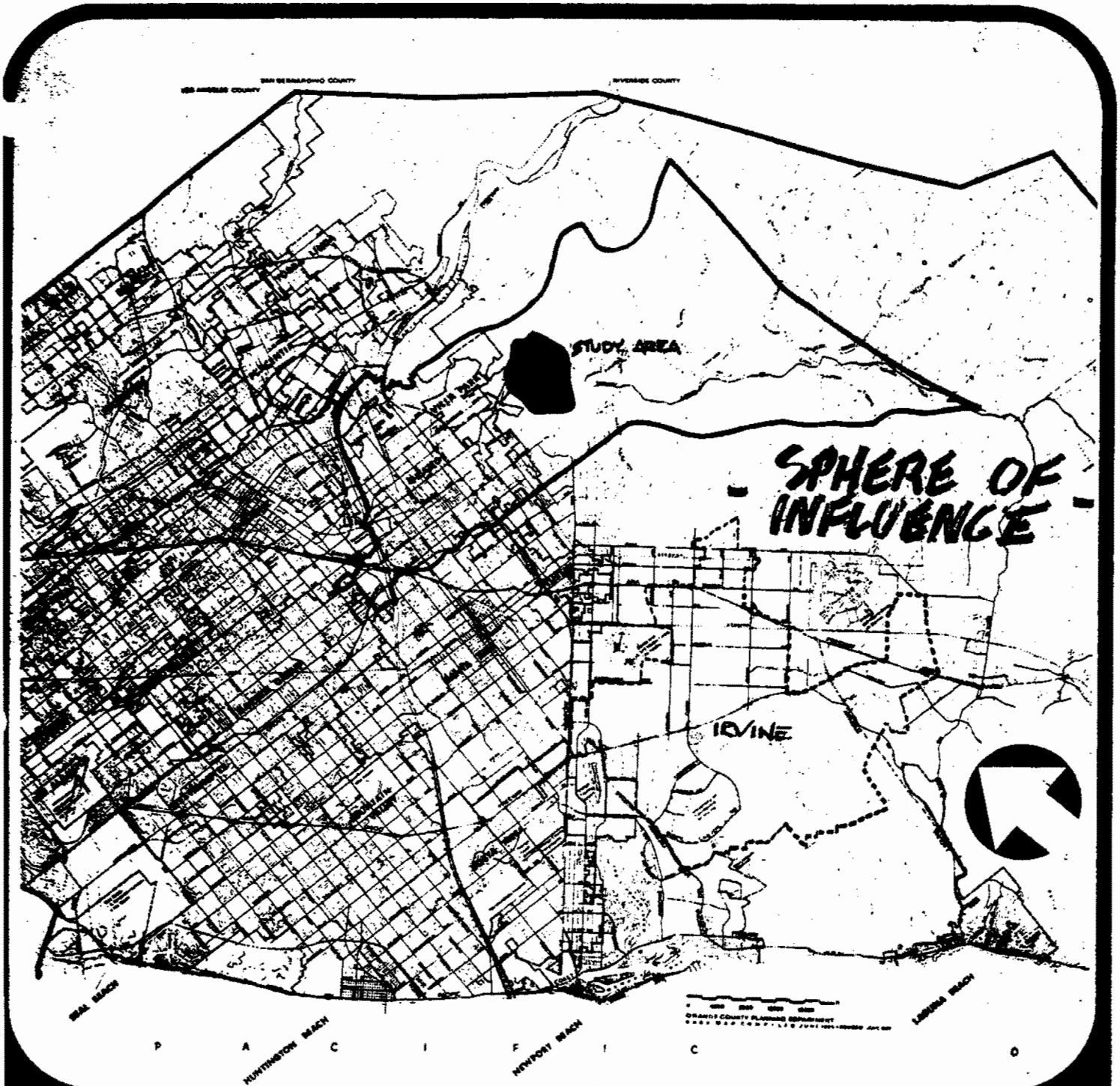
CITY OF ORANGE GENERAL PLAN

A General Plan Study for the entire City of Orange and surrounding areas including Orange Park Acres was completed in 1971, however, it has not been adopted by the City Council or Planning Commission. Therefore, it does not have any legal impact. Even so, this Plan has been used for reference in the preparation of the Orange Park Acres Specific Plan.

ORANGE COUNTY GENERAL PLANNING PROGRAM

Within the Orange County General Planning Program elements have been adopted and have application to this study:

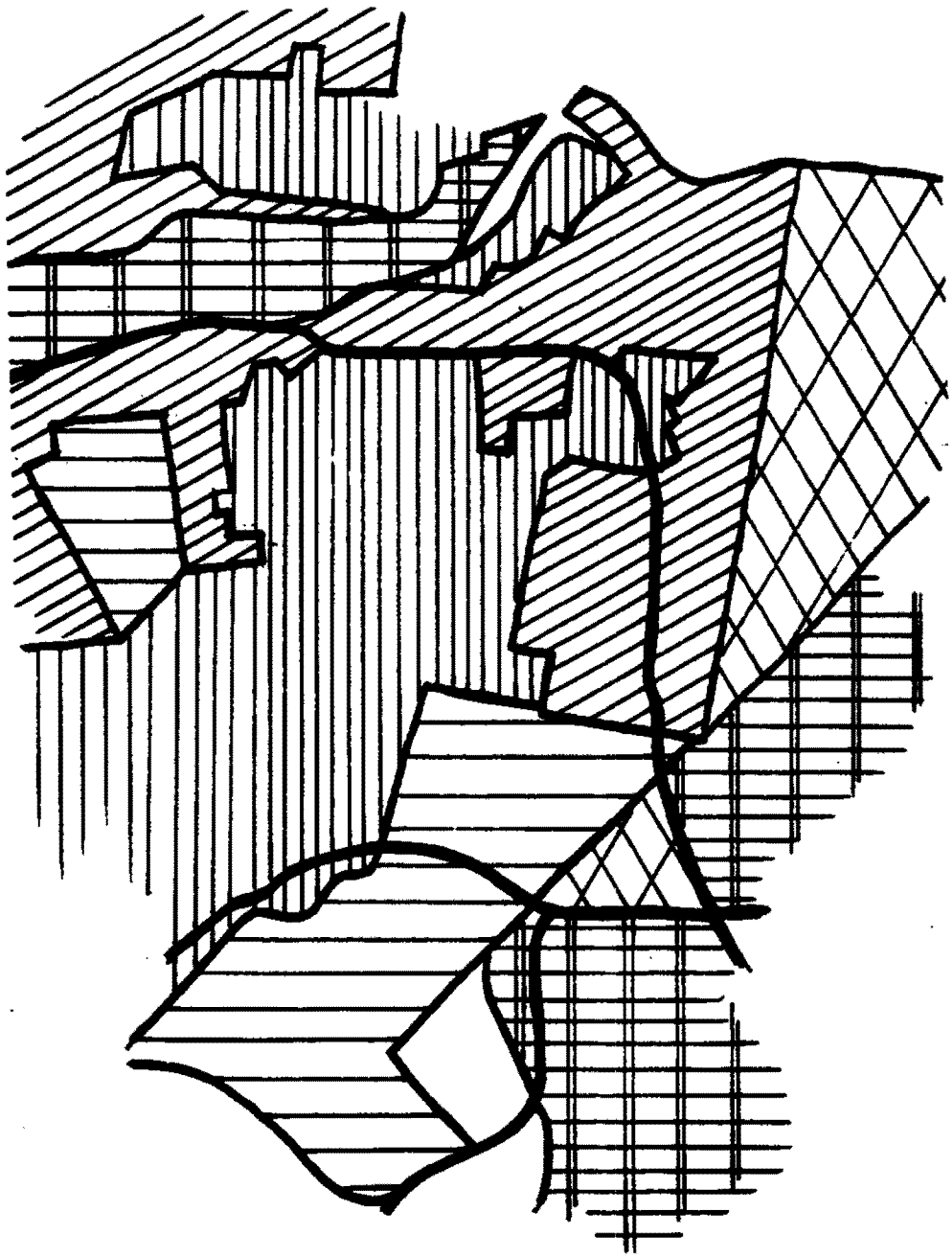
1. The 1983 Orange County Land Use Element has been adopted and supersedes the Orange Community General Plan and the Tustin Area General Plan (see Exhibit #21 [1983 Land Use Element]). Not shown on the exhibit is the incorporation of the Santa Ana River - Santiago Creek Greenbelt Plan. These plans have been used for reference in this planning study. The Orange Park Acres Specific Plan will be proposed an an amendment to the 1983 Land Use Element.



ORANGE PARK ACRES

SPHERE OF INFLUENCE

J.L. WEBB PLANNING



ORANGE PARK ACRES
1983 LAND USE ELEMENT

LOW DENSITY RESIDENTIAL
RECREATION
INCORPORATED
GENERAL AGRICULTURE
OTHER OPEN SPACE

J.L. WEBB PLANNING

2. The Master Plan of Arterial Highways for the County has been utilized for this study and at this writing the City of Orange is considering revisions to their Arterial Master Plan which will make it compatible with the Master Plan of Arterial Highways for Orange County. Specific alignment studies have been prepared along Santiago Canyon Road and recommendations relative to this subject are made within subsequent sections of this report.

3. The following elements have been utilized as reference and have had application to the preparation of this Plan: Open Space and Conservation, Scenic Highways, Preliminary Housing, Regional Parks, Bicycle, Riding and Hiking Trails. See Exhibit # 22 (Trails) for a depiction of currently proposed trails in the area.

ORANGE PARK ACRES - PROPOSED PLANS

Other plans identified as relating to this study include the tentative tract for J.W. Klug, the R.B. Smith proposal for the Meads Ranch (120 acres), the Leadership Housing Systems, Inc. proposal for the Edwards and Trueblood property and the one-acre subdivisions of the properties owned by Don Greek, Lil Jenquist and H. Lenz.

Alternative Concept Plans

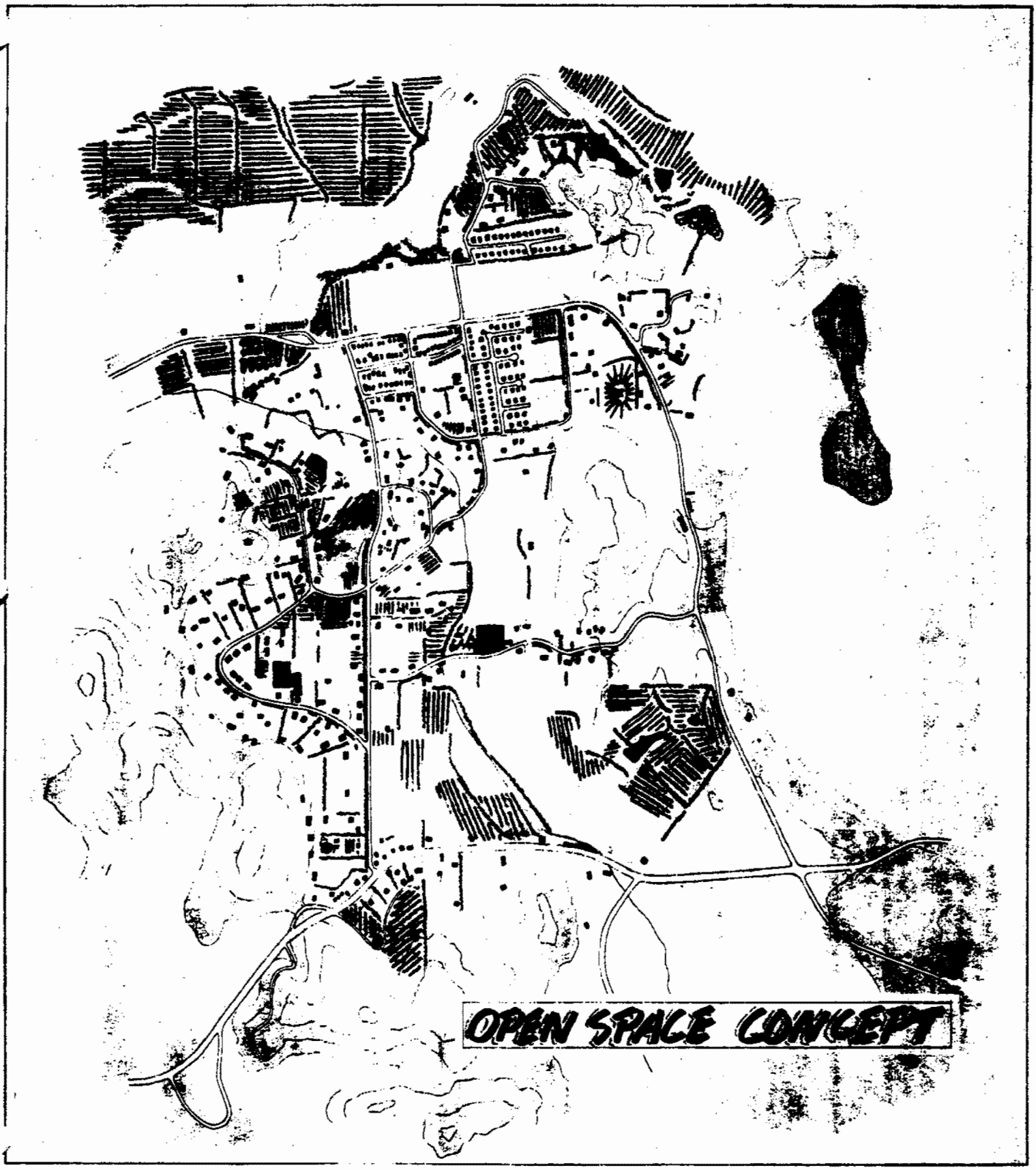
THE PURPOSE FOR PREPARING ALTERNATIVE PLANS IS TO EXAMINE AND EVALUATE THE DIFFERENT BASIC CHOICES AVAILABLE FOR SELECTION AS THE BEST POSSIBLE PLAN. THE FOUR BASIC ALTERNATIVES EVALUATED IN THIS REPORT INCLUDE: (1) AN OPEN SPACE CONCEPT, (2) A ONE-ACRE CONCEPT, (3) A CLUSTER CONCEPT AND (4) A CURRENT DEVELOPMENT TREND ALTERNATIVE. THESE CONCEPTS ARE PRESENTED IN GENERAL ALONG WITH A COMPARISON AND EVALUATION WITH ONE ANOTHER. THIS EVALUATION INCORPORATES A SYNTHESIS OF THE ABOVE ALTERNATIVES AND AN ESTABLISHMENT OF THE PARAMETERS FROM WHICH THE PROPOSED SPECIFIC PLAN SHALL BE DERIVED.

OPEN SPACE CONCEPT

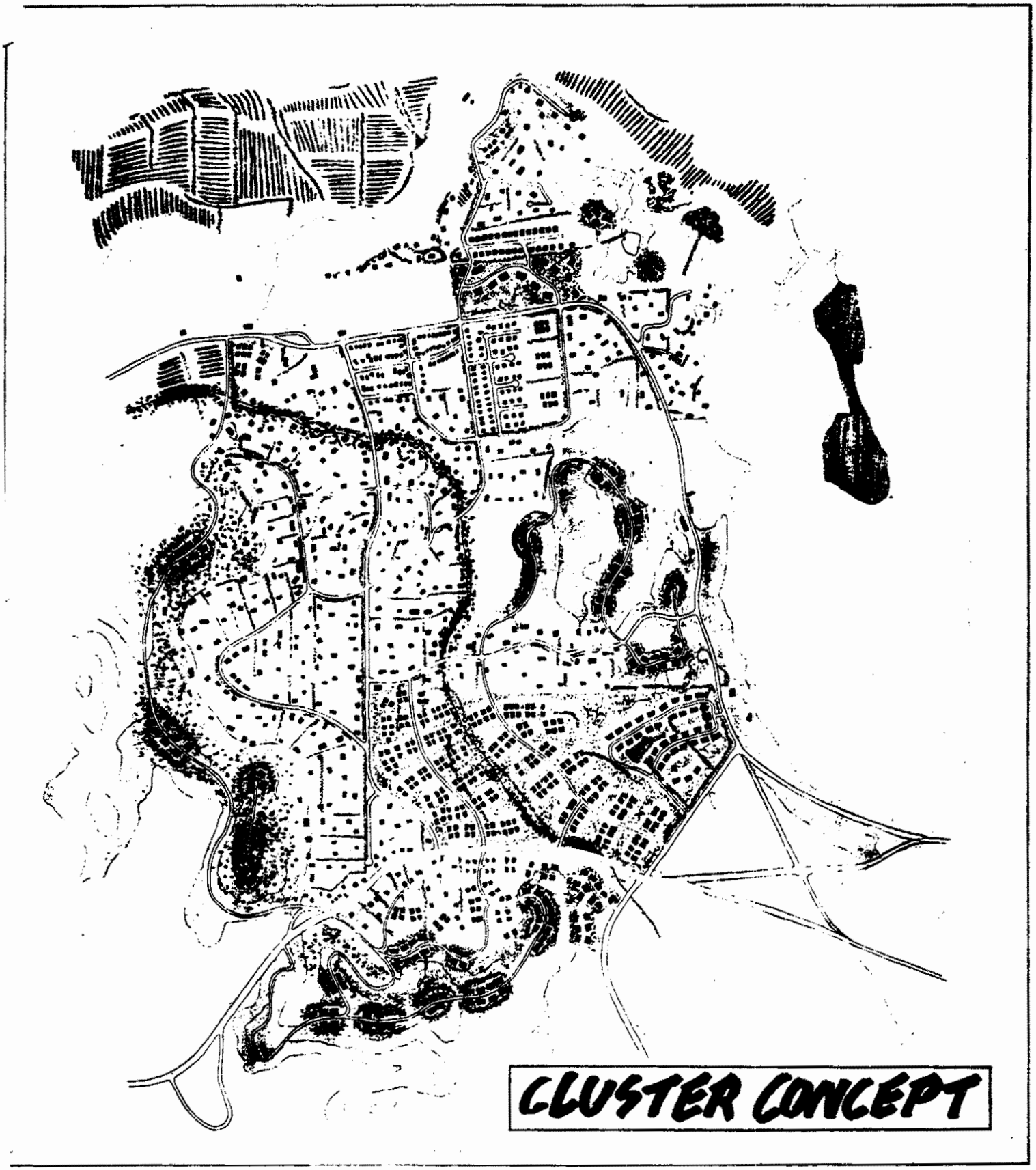
The Open Space Alternative Plan allows development and subdividing of parcels of less than ten acres, but limits the minimum parcel size to one acre. The remaining parcels of ten acres or more are to remain as open space to be used for recreation, equestrian use, hiking or scenic vistas. This Plan would be implemented by the residents by forming a special assessment district. This would provide the possibility for the borrowing of the necessary funds to purchase the open,undeveloped land and possibly make other improvements such as sewers, roads, drainage, trails, etc. In addition to repaying the loan, the residents would also have to pay the property taxes on the open land. This Plan is proposed as an opportunity to retain the one-acre minimum lot size in presently developed areas and in addition retain the existing open space. Exhibit # 23 (Open Space Concept) shows the Orange Park Acres area development if this Plan is implemented.

ONE ACRE CONCEPT

The One Acre Alternative Plan allows complete development for the entire Orange Park Acres area only,limiting all parcels to a one-acre minimum. There will be some local parks as required by the City of Orange and Orange County regulations. Also, trails and the Santiago Creek area will remain in open space for it is part of the County Open Space and Conservation Element. This Plan can be implemented by zoning the entire area R-1-40 for the area within the City limits of Orange and by zoning the County unincorporated area E4-1. This would allow only one residential structure per acre. This alternative reflects the Plan proposed by the residents of the area. Exhibit # 24 (One-Acre Concept) shows the Orange Park Acres area at full development if this Plan is implemented.

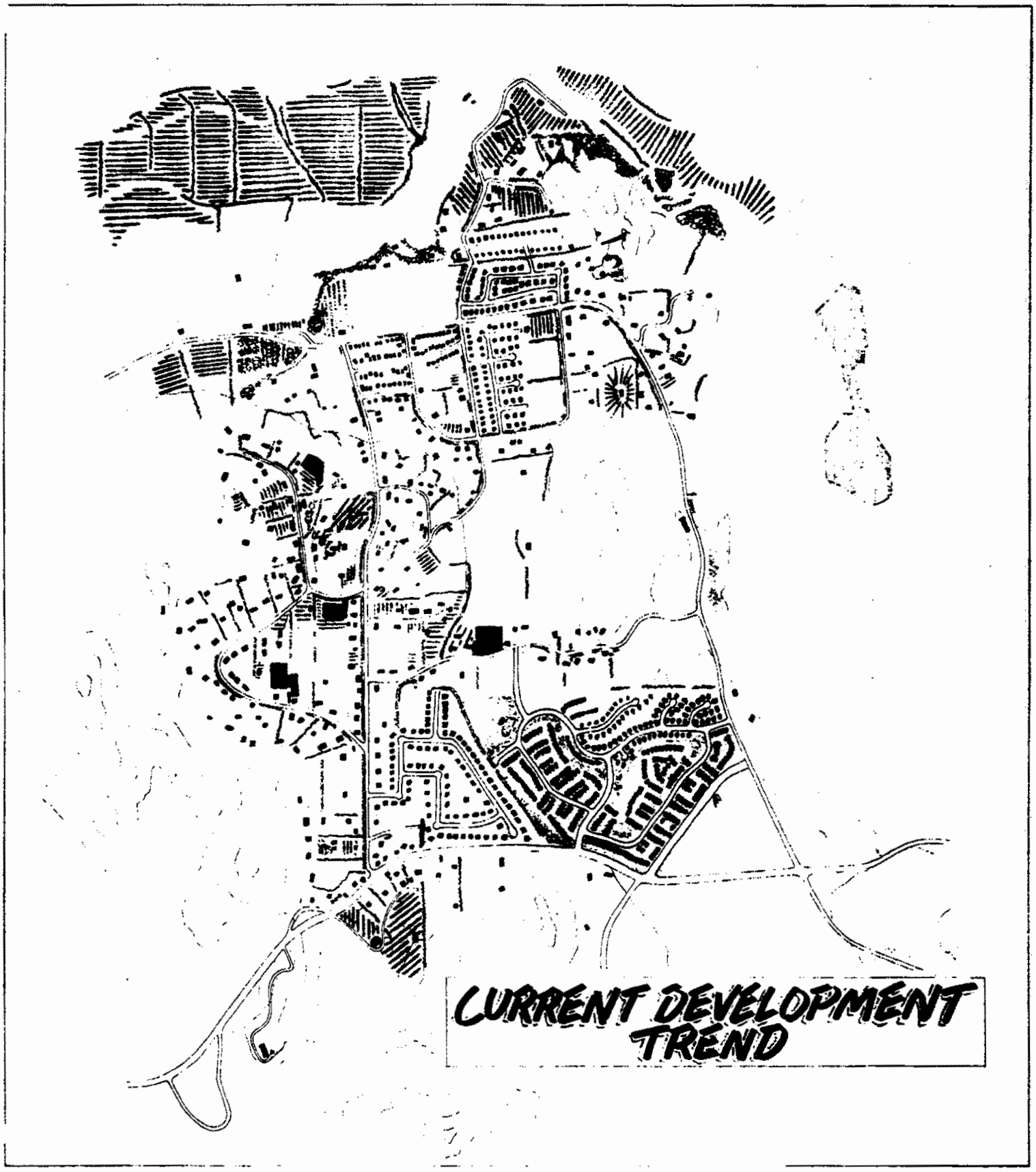

OPEN SPACE CONCEPT

ONE ACRE CONCEPT


CLUSTER CONCEPT

required local parks. It does allow for improvements in the area such as sewers, streetlighting, drainage, curbs, etc.

The purpose for including this alternative is that it represents the most current proposals for the area. It is not desired by the residents of Orange Park Acres but it offers a positive economic return to the landowners of large undeveloped parcels. It also would allow persons of lower income levels to enjoy living in the area. However, it may destroy the present lifestyle and rural character - a main attraction of the area. Exhibit # 26 (Current Development Trends) shows the area if the present proposals for development were implemented. This development alternative would assume extension of similar development on all larger parcels in the area,although it only depicts those which are presently proposed for smaller than one-acre lot development.


CURRENT DEVELOPMENT TREND

EVALUATION

The evaluation of the alternative concept plans is measured in two formats. The first is a quantitative analysis, which measures all physical and socio-economic data for each alternative plan in a comparative quantitative format. The second format is a qualitative analysis measuring the negative, positive and moderate acceptance of each alternative plan with regard to the goals, objectives and policies for the Specific Plan.

QUANTITATIVE ANALYSIS

The quantitative data utilized in analysis of each alternative plan is derived from factors developed from the existing status of each physical and socio-economic element. Since the purpose here is to be able to measure relationships of different elements with each alternative plan, all cost/revenue factors were based upon the existing City of Orange factors. This allows for a more precise relationship measurement and decreases complexity. It does not assume incorporation of Orange Park Acres into the City of Orange. Table # 17 (Quantitative Analysis - Totals) shows the totals for each element for each alternative. Table # 18 (Quantitative Analysis - Factors) shows the factors used to determine the totals for each element in each alternative.

TABLE # 17

ORANGE PARK ACRES

QUANTITATIVE ANALYSIS - TOTALS

Data Item	Open Space	One Acre	Cluster	Exist. Trend
Dwelling Units	680	1,100	1,770	2,700
Population	2,600	4,300	6,300	8,600
Prop. Tax Revenue	81,640	135,020	197,820	270,040
Other Tax Revenue	306,150	506,325	741,825	1,012,650
Total Revenue	387,790	641,345	939,645	1,282,690
Expenditures	370,630	612,965	898,065	1,225,930
Surplus Revenue	17,160	28,380	41,580	56,760
Students	950	1,550	2,125	2,700
Student Deficit Cost	126,350	206,150	142,308	0 *
Median Family Income	22,000	28,000	24,000	20,000
Total ADT's	8,160	13,200	21,240	32,400
Absorption Time	3-5 yrs	8-12 yrs	5-10 yrs	5-10 yrs
Land Use Acreage				
Residential	680	1,250	1,020	1,130
Public/quasi-public	195	195	195	195
Commercial	55	55	55	55
Recreation, Open Space	864	294	524	414
Total Acres	1,794	1,794	1,794	1,794

*This alternative assumes one student per dwelling unit
All figures are estimates
All revenues, costs & taxes in constant U.S. dollars
Sources: Assessor Records, O.P.A. Questionnaire & J.L. Webb Planning

TABLE # 18

ORANGE PARK ACRES

QUANTITATIVE ANALYSIS - FACTORS

Data Item	Open Space	One Acre	Cluster	Exist. Trend
Dwelling Units/ac.	.65	.88	1.4	2.2
Persons/D.U.	3.9	3.9	3.6	3.2
Persons/ac.	2.5	3.4	5.1	6.8
Property tax rate/100	1.29	1.29	1.29	1.29
Mkt. Land Value/ac.	12,000	15,000	20,000	30,000
Total Mkt. Value/D.U.	68,000	70,000	60,000	50,000
Property tax/capita	31.40	31.40	31.40	31.40
Other Taxes/capita	117.75	117.75	117.75	117.75
Expenditures/capita	142.55	142.55	142.55	142.55
Students/D.U.	1.4	1.4	1.2	1.0
Cost per Student	977	977	977	977
Deficit Cost per Student	133	133	67	0
ADT's per D.U.	12	12	12	12

All figures are estimates
All revenues, costs & taxes in constant U.S. Dollars
D.U. = dwelling unit
ac. = acre
Capita = person
Sources: Assessor Records, O.P.A. Questionnaire & J.L. Webb Planning

QUALITATIVE ANALYSIS

The qualitative analysis measures the positive, negative and moderate compatibility of each alternative plan with general parameters of objectives utilized in formulating the proposed Specific Plan for Orange Park Acres. Table # 19 (Qualitative Analysis) lists the general objectives and shows with a negative (-), positive (+) or moderate (o) sign the compatibility of each alternative plan.

Summary

Based upon the results displayed in the quantitative and qualitative analyses, some basic evaluation parameters have been established for a proposed Specific Plan. First, the Open Space Alternative offers the best plan to achieve the best rural environment, but economically it would cost the homeowners approximately $4,000,000 to purchase the land. Property taxes would be approximately $40,100 annually and if sewer improvements and maintenance of the area were included, it would cost each homeowner approximately $200 per month for this plan to become a reality.

The Existing Trend Alternative is the least desirable in that it destroys the rural environment and lifestyle. However, it offers the greatest density and therefore provides housing for the greatest range of income groups and the greatest increase in land values and revenue surplus. It is this positive economic factor that is causing the existing trend of development to occur in the area today.

Since one of the above alternatives offers the rural environment but is not economical and the other alternative is economical but destroys the rural environment, neither of the above alternative plans should be the solution.

TABLE # 19

ORANGE PARK ACRES

QUALITATIVE ANALYSIS

Objective	Open Space	One Acre	Cluster	Exist. Trend
1. Preserves rural environment	+	o	+	-
2. Provide for compatible development	+	+	o	-
3. Promotes common lifestyle	+	+	o	-
4. Preserves open space	+	-	o	-
5. Preserves natural features	+	o	+	-
6. Provides for equestrian activity	+	o	+	o
7. Provides best visual image	+	o	+	-
8. Promotes increase in land values	o	o	+	+
9. Provides housing for a variety of income levels	-	-	o	+
10. Provides greatest revenue for generated costs	o	-	o	+
11. Economically feasible	-	o	+	+
12. Socially feasible	+	+	o	-

Compatibility Level
(+) positive
(-) negative
(o) moderate

Therefore, an examination of the One-Acre and Cluster Alternatives will be considered.

The One-Acre Alternative offers a rural environment put provides less open space, thus, it is a rural setting subdivided in an urban format. Economically it provides housing for only those in the upper income groups while generating just enough revenue to pay for itself.

The Cluster Alternative offers a rural environment in that it provides open space although it offers some differentiation in life styles. Economically it pays for itself while allowing those with moderate incomes to reside in the area. The Cluster Alternative is more feasible economically in addition to preserving the rural environment.

In conclusion, due to the strong support of the One-Acre Alternative by the homeowners in the area, it is thought that a mix concept of both the Cluster and One-Acre Alternatives would provide the best solution. It would retain the rural environment and open space, provide for moderate income requirements, provide the one acre parcels desired by the residents of Orange Park Acres and be economically feasible.

Proposed Specific Plan

THIS SECTION FIRST DESCRIBES THE PROPOSED PLAN BY ENUMERATING THE GOALS, OBJECTIVES AND POLICIES ESTABLISHED AND RECOMMENDED IN THE COURSE OF STUDY. THE SECOND STEP GENERALLY DESCRIBES THE CONCEPT AS IT HAS BEEN DERIVED FROM AN ANALYSIS OF THE EXISTING OPPORTUNITIES AND CONSTRAINTS, STATEMENT OF GOALS, OBJECTIVES AND POLICIES AND AN EVALUATION OF THE ALTERNATIVES. THE ELEMENTS OF THE PROPOSED PLAN ARE THEN DESCRIBED AND AN EVALUATION OF THE TOTAL PLAN IS MADE. THIS SECTION IS CONCLUDED WITH RECOMMENDATIONS FOR THE IMPLEMENTATION OF THE SPECIFIC PLAN.

GOALS, OBJECTIVES AND POLICIES

A goal is the end toward which effort is directed. The goal is the most general of the three categories, goals, objectives and policies. It is best characterized as a "motherhood" statement in that it is so general that everyone can agree upon it (i.e. "create a quality environment").

Objectives are similar to goals except that they are more specific but still general enough that they are not specifically measurable.

Policies on the other hand can be measured in one of three ways, either by comparison, performance or dimension. Therefore, the most controversial areas are those dealing with specific policy. The purpose of this section is to identify the general and specific directions recommended by this Plan. Following is a listing of Goals and Objectives followed by the Policies recommended for this Plan.

GOALS AND OBJECTIVES

1. Establish a Distinctive Community Theme

   a. Maintain a free, open and informal type of development uninhibited by regimentation

   b. Provide a wholesome rural atmosphere emphasizing a quiet seclusion close to nature

   c. Foster compatible residential development within the area visually and functionally

   d. Link the various areas through a system of trails and identifiable streetscape landscaping

   e. Offer a positive entry treatment and visual distinction of the main elements within Orange Park Acres

   f. Establish a "theme" element, such as a specific tree type or style of fence to be used throughout the area

g. Promote a distinctive "lifestyle" which allows for a diversity of activities

h. Foster a unity of interest and purpose among the residents

i. Emphasize the rural, green image promoting the maintenance of trees and the inclusion of landscaped corrals and fence lines

j. Establish a rural District Code for roads, lighting, setbacks, landscaping and other criteria for rural development to promote a distinctive theme

2. Preserve and Enhance Natural Features

a. Maintain the existing trees where possible and replant new trees recommended by a landscape-agricultural specialist

b. Preserve a positive image of the hillsides through special development controls

c. Identify and preserve the positive features of the major drainage courses and bodies of water within the area utilizing them for recreational purposes where appropriate

d. Identify and protect unique and valuable flora and fauna

e. Preserve distinctive geological features

f. Insure maintenance of view of positive features of and from the site

g. Reflect a visual unity within the geological boundaries of the Hanging Valley

h. Preserve and enhance the natural beauty of the area

i. Enhance the natural setting through planning and landscape design

3. Provide For Economic Viability

a. Establish a balance between facilities and services provided and revenues collected for this area

b. Promote an increase in land value over time through appropriate planning

c. Provide housing for a variety of incomes within the economic parameters of today's costs

d. Insure that housing development proposed by the Plan is economically viable today

e. Provide for appropriate phasing of development

4. Promote the Safety, Health and Welfare of the People

a. Provide, where possible, safe, low-trafficked roads discouraging through traffic compatible with existing and proposed arterial roads

b. Propose improved treatment of sewerage for problem areas

c. Include adequate roads, clear areas and water to protect against fire

d. Recommend treatment of drainage to minimize danger during heavy rains

e. Provide for adequate police surveillance and protection

f. Provide recommendations for clean-up and maintenance within the area

g. Promote a reduction of residential uses in areas with noise or pollution problems

h. Promote safe trails and their crossings of streets, providing grade separation where appropriate

POLICIES FOR ORANGE PARK ACRES

1. Promote the use of wood-rail fencing, either natural or painted white, to give a sense of openness - while restricting the use of block walls, chain link or other opaque fencing

2. Provide for a variety of house and structure setbacks to avoid the straight line affect caused by structures being "lined up"

3. Encourage the use of natural exteriors for the structures including wood and warm, earth colors

4. Emphasize the use of one-story structures to create a ranch type or low profile rural feeling

5. Utilize natural drainage courses and landscaped swales, discouraging lined channels etc.

6. Provide rural road standards with minimum pavement sections - no curbs, gutters or sidewalks and incorporate equestrian, hiking and bicycle trails along the road

7. Create a positive view from the roads emphasizing landscaped or open space features through open wood fences

8. Provide for continuous trail linkages throughout O.P.A. connecting to County proposed trails, major land use elements and natural features such as Santiago Creek and Handy Creek

9. Retain a positive view to the hills, preserving the undeveloped hillsides of O.P.A. Provide a landscaped screen for all housing in those areas and incorporate sensitive grading criteria throughout

10. Preserve Santiago Creek as a balanced ecological system and riparian area, maintaining the diversity of plant and vertebrate species while allowing for light recreational

use such as equestrian and hiking trails. Specifically support the Santiago Creek Greenbelt Proposal by the County of Orange

11. Promote the phasing-out of gravel pit operations along Santiago Creek and promote restoration of natural amenities within the area

12. Provide for the establishment and preservation of a greenbelt along Handy Creek incorporating an equestrian trail

13. Establish a greenbelt strip through the undeveloped portion of the Holy Sepulcher Cemetery west of Santiago Canyon Road. Utilize the natural drainage channel to provide for the enhancement of wildlife values through an open space corridor, helping to retain a rural character and provide for an equestrian and hiking link

14. Retain and provide for the maintenance of the Eucalyptus hedgerows within the area and provide for the planting of a more suitable variety of Eucalyptus tree in conjunction with the Plan development

15. Preserve, if feasible, the lake on the Mead Ranch in order to maintain the number of species of plants and animals which depend upon it for food and water

16. Promote the continued use of agriculture within the area

17. Provide for landscape, greenbelt or open space buffer between differing housing types

18. Restrict, through design and ordinances, the parking along all of the streets. Provide off-street parking on lots or parking bays which are completely screened from view

19. Promote incorporation of certain "theme" elements, such as trees, fences or other landscaping, along the major roads within O.P.A.

20. Recommend a requirement for low-level rural character lighting on each lot to reflect individual architecture and landscaping styles in order to replace the typical cobra head streetlight

21. Establish as local scenic roads: Chapman, Santiago Canyon Road, Newport, Orange Park Boulevard, Meads Avenue, Winds Drive and Amapola. These would receive any "theme" treatment established for O.P.A.

22. Adopt proposed trails as shown on Exhibit #33 as the main trail system to serve O.P.A. and promote future grade separated crossings at arterial road crossings

23. Provide for special landscape and entry treatment at all main entry points into O.P.A. via arterial roads and on to Orange Park Boulevard and Amapola off of these arterials

24. Discourage any through traffic along Orange Park Boulevard and other local roads for the area. To help accomplish this, promote the relocation of the extension of Orange Park Boulevard north of Santiago Boulevard shown on the Master Plan of Arterials

25. Support a future traffic study for O.P.A. to determine the need, location and traffic volumes in and around O.P.A. to be carried out jointly by the City and County of Orange

26. Re-evaluate the alignment studies along Santiago Canyon Road along the cemetery property to determine if an alternative to extensive filling of an important canyon area can be avoided or minimized

27. Develop an overall planning Committee for O.P.A. to guide the implementation of the Specific Plan and subsequent planning within the area including architectural controls, maintenance requirements and special development standards. This Committee should have representatives from the County, City, residents, developers and landowners within the area

28. Preserve the steep slopes along the hillsides maintaining a constant band of open space and trails along these areas

29. Provide the flexibility for raising and keeping of animals in all development on the flatland areas where possible

30. Adopt a specific grading ordinance for all future development such as the example submitted with this report prepared by J.L. Webb (see Appendix)

31. Provide a landscape screen to shield massive cut slopes along Chapman as seen upon entering the study area from the west. Also screen any other cut or fill areas which expose only dirt and rocks and are unsightly

32. Provide for minimum setbacks along Chapman, Santiago Canyon Road and Newport to shield from noise, air pollution and to aid in providing a visual corridor along these important roads

33. Locate corrals, stalls, pens, storage areas, etc. so as not to detract from a positive view from the roads within the area. Attention should be given to the placement of effective landscape mounds or shrubs on the lot.

34. Promote the incorporation of a trunk sewer to serve the entire area of existing and proposed development

35. Require all new development to produce a cost/revenue impact report

CONCEPT PLAN

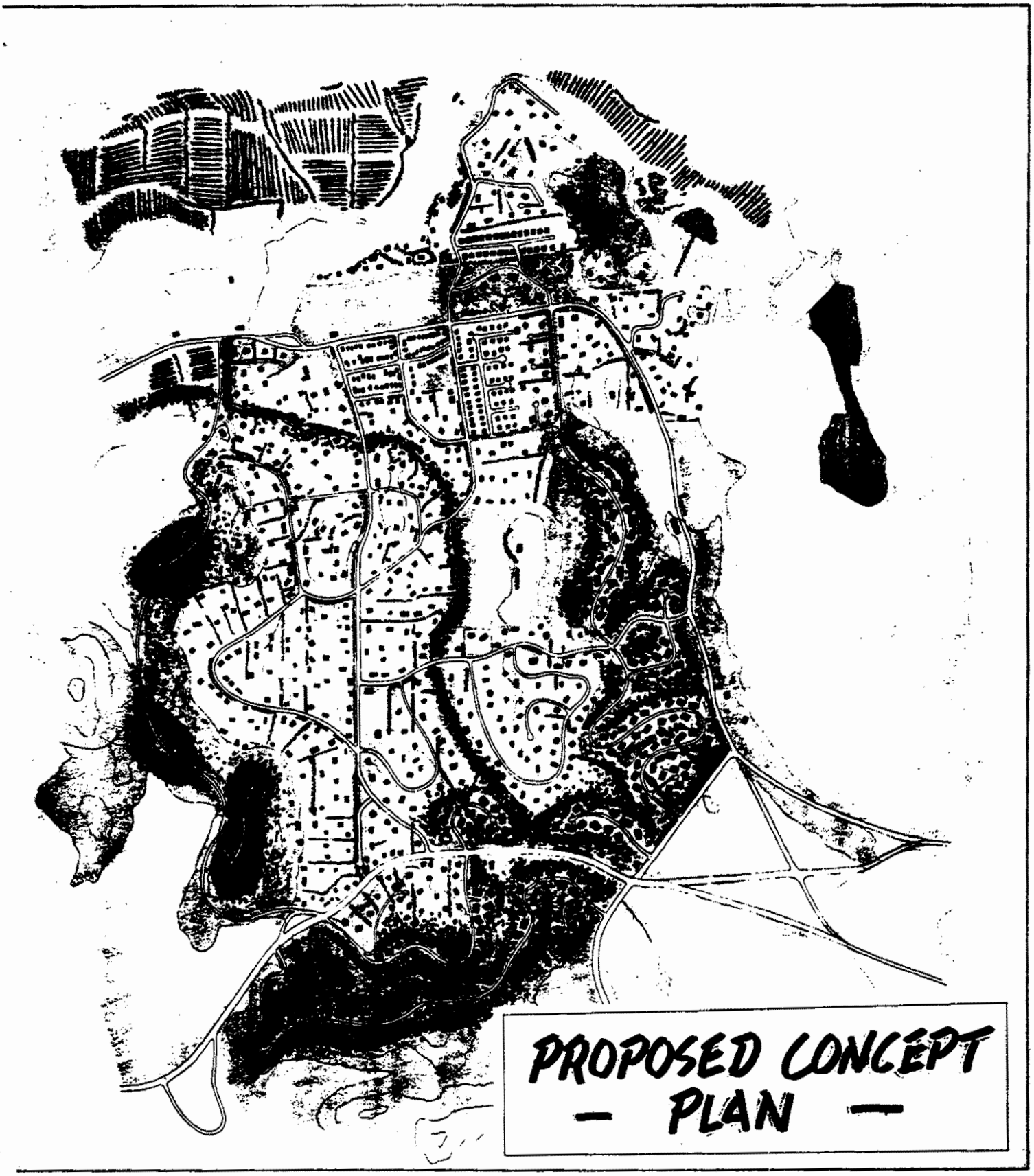
The proposed Specific Plan is a mix of the One-Acre and the Cluster Alternative Plans. This Plan will offer a rural environment which will allow the one-acre lots to continue developing in the area while also allowing for a viable economic community. There are three proposed housing concepts presented in the Plan: (1) single-family detached, (2) hilltop clusters and (3) flatland clusters. Exhibit # 27 (Proposed Concept Plan) shows the overall proposed Plan as it will be when fully developed. A further explanation is provided for each housing concept.

SINGLE-FAMILY DETACHED

The single-family detached housing unit is presently the only housing type in Orange Park Acres. It is one dwelling unit on a single parcel. The proposed concept provides for a maximum of 790 of this type of unit, allowing for an increase of 310 single-family units in the area. The Plan also proposes that the architectural design, layout and image of these units be of rural character in order to give positive visual attention and sense of openness.

HILLTOP CLUSTERS

The reason for proposing hilltop clusters is to preserve open space on the hillsides and thus preserve the rural visual image. Also, hilltop development is less damaging to the geology and topography and yet offers panoramic views to the occupants of this type of housing. In order to preserve the positive aspect of hilltop clustering, landscaping should be provided to screen it from view by those living at lower elevations and in flatlands.


PROPOSED CONCEPT
— PLAN —

Hilltop developers should utilize the attached unit concept in order to provide enough units to make them economically viable and yet occupy a minimum of space. The proposed Specific Plan allows for approximately 560 hilltop units in Orange Park Acres. Exhibit # 28 (Hilltop Cluster Concept) shows both an elevation and sectional close-up of a standard hilltop cluster proposal.

FLATLAND CLUSTERS

Flatland clusters can be either attached or detached units. The proposed Plan allows for approximately 320 of this housing concept type. Due to the proximity to heavily traveled roads and easy access, special consideration must be given to retain the rural visual image. Controls in architectural design, setbacks and landscaping are the major factors that will determine the success that this housing concept will have in retaining and even adding to the rural visual image of Orange Park Acres. Exhibit #29 (Tract #7560 Cluster Alternative) shows the affect which can be obtained by attached clusters on flatland. It accomplishes all of the following objectives: open space, economic viability, low circulation, no congestion with off-street parking and provides heavy landscape buffering from noise and enhances the visual image. Exhibit # 30 is an illustration showing the architectural rurality of one of the clusters in Exhibit# 29.

The detached clustered housing units are also proposed for flatland areas. They obtain the same objectives as the attached clusters except they are detached. It is recommended that there be a minimum distance of 200 ft. between clusters and that there be access to a community stable area for all units by road along with a greenbelt or pasture area. The criteria for development of this type of clustering was reviewed by the Orange Park

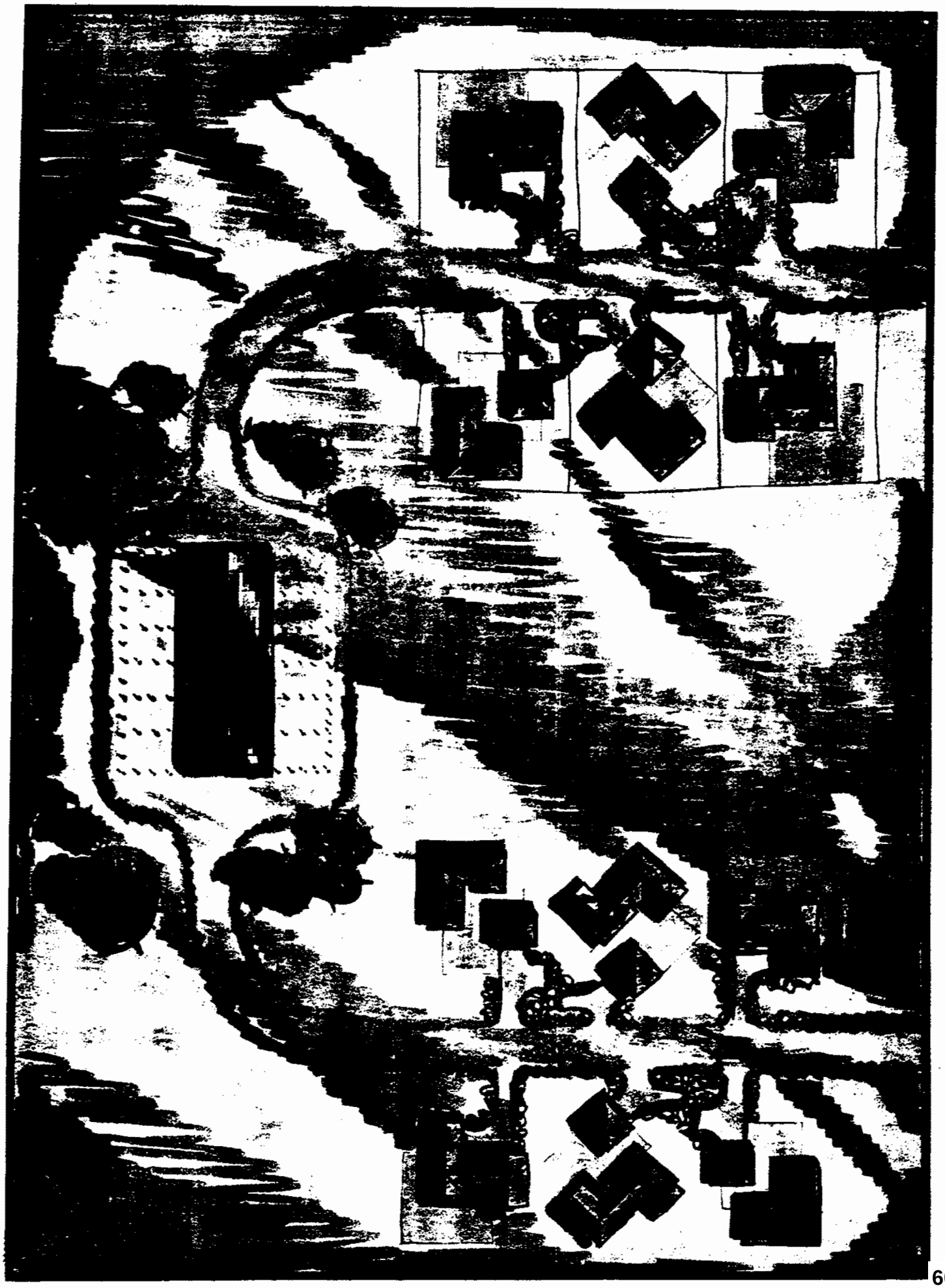
Acres Development Committee so as to allow for the keeping of animals in a collective manner while giving independence to the occupant but not destroying the rural openness image. See Exhibit # 31 for an example of detached clustering housing concept.

SECTION

— HILLTOP CLUSTER CONCEPT —

ELEVATION

TRACT #7560 CLUSTER ALTERNATIVE



PHYSICAL ELEMENTS

The proposals for the physical elements of this Plan are included in the following sections based upon the existing opportunities and constraints and the applications of the goals and objectives and policies established for the area.

LAND USE

Residential

There are four residential density classifications proposed for the Specific Plan: (1) low density - one acre, (2) low density - one-half acre, (3) medium -low density and (4) medium density. The total acreage allowed for each proposed density by planning sector is shown on Table # 20 (Land Use Acreage). Table # 21 (Dwelling Unit Densities) shows the maximum dwelling units and densities proposed for each sector. An allowance of acreage for steep topography and adjacent open space was included in the gross density acreage proposed for cluster units. The following are the specific land use descriptions for each residential area as depicted on the Land Use Map for Orange Park Acres (Exhibit # 32). For comparison with Alternative Concept Plan exhibits see Exhibit # 27 (Proposed Concept Plan).

Low Density - One Acre

This category covers 708 gross acres of the Orange Park Acres area and provides for a minimum one-acre lot size for a maximum density of one dwelling unit per acre. The maximum number of dwelling units and density is shown by each sector on Table # 21 (Dwelling Unit Density). This density category includes many lots, one acre and over in size, and the maximum number of lots accounts for "lot splits" of each of the larger lots down to one acre in size. Therefore, if a five acre lot is not divided and only one house occupies this lot, it would account for five of the

TABLE # 20

ORANGE PARK ACRES

PROPOSED SPECIFIC PLAN

LAND USE ACREAGE

Sector	Residential D.U./Ac. 1	2	3	4	Total	Public Quasi-public	Open Space Recreation	Total Acreage
A_1	24.8	4	17.2	–	46			46
A_2	15	6	132.5	–	153.5	.5(1)	4(6)	158
A_3	99	3	84	–	186	–	5(6)	191
B	109	–	24	–	133	–	–	133
C	110	–	111	–	221	41(2)	34(3) 5(6)	301
D	130	–	25	–	155	6(4)	4(5)	165
E	64	–	–	–	64	–	3(6)	67
F	–	–	–	25	25	–	–	25
G	–	–	–	21	21	–	–	21
H	48	–	–	–	48	–	–	48
I	35	–	–	–	35	–	–	35
J	67	11	40	–	118	29(7)	184(8) 7(9)	338
K	–	–	–	–	–	–	266(10)	266
Total	701.8	24	433.7	46		76.5	512	
Grand Total			1205.5			588.5		1794

(1) Water Tank– .5 ac.
(2) Cemetery – 41 ac.
(3) Golf Course – 34 ac.
(4) Church – 6 ac.
(5) Tennis Club – 4 ac.
(6) Local Parks – 17 ac.
(7) School Sites – 29 ac.
(8) Santiago Greenbelt – 184 ac.
(9) Villa Park Country Club – 7 ac.
(10) Villa Park Dam area – 266 ac.

TABLE # 21

ORANGE PARK ACRES
PROPOSED SPECIFIC PLAN
DWELLING UNIT DENSITIES

	Low Den-1Ac		Low Den-1/2ac		Med-Low		Medium		Total	
Sector	DU	DU/AC	DU	DU/Ac	DU	DU/Ac	DU	DU/Ac	DU	DU/Ac
A_1	20	.81	7	1.75	48	2.79	–	–	75	1.63
A_2	15	1.0	8	1.33	300	2.26	–	–	323	2.10
A_3	90	.91	5	1.67	250	2.98	–	–	345	1.85
B	92	.84	–	–	24	1.0	–	–	116	.87
C	75	.68	–	–	150	1.35	–	–	225	1.02
D	105	.81	–	–	40	1.60	–	–	145	.94
E	57	.89	–	–	–	–	–	–	57	.89
F	–	–	–	–	–	–	87	3.48	87	3.48
G	–	–	–	–	–	–	65	3.10	65	3.10
H	39	.81	–	–	–	–	–	–	39	.81
I	33	.94	–	–	–	–	–	–	33	.94
J	65	.97	27	2.45	68	1.70	–	–	160	1.36
K	–	–	–	–	–	–	–	–	–	–
Total	591	.84	47	1.96	880	2.04	152	3.30	1670	1.38

790 single-family detached – 1.02 DU/ac — 775 acres
880 single-family cluster – 2.04 DU/ac — 431 acres
Total Gross developed acres — 1206 acres

Low Density – 1 ac (1Du/ac max.)
Low Density – 1/2 ac (2 DU/ac max.)
Med – Low – 1/2 ac (3 DU/ac max.)
Medium – (4 DU/ac max.)

dwelling units allowed within the area. Only one single-family detached structure is allowed per lot. It is recommended that the E-4-1 zoning as described in the Orange County Zoning Code apply to this residential area.

Low Density - One-half Acre

This area includes twenty-four (24) acres of Orange Park Acres and depicts only those lots which exist and are greater than one-half acre but less than one acre in size. (See Table #21 -Dwelling Unit Density) for a maximum density of two dwelling units per acre.

Medium-Low Density

This category of residential land use contains 428 gross acres within Orange Park Acres and provides for single-family attached and detached clusters referred to as "rural clusters" within a greenbelt or open space context. Table # 21 (Dwelling Unit Density) depicts the gross density and maximum number of dwelling units proposed for each sector within Orange Park Acres. The maximum gross density for these areas is three dwelling units per acre. Overall density is calculated on the gross area including directly associated permanent open space or greenbelt areas included at the time development is proposed. Therefore, in the hillside areas the development is restricted generally to the hilltops or flatter slope areas as depicted on the Land Use Map (Exhibit # 32). However, the steep hillsides which would remain as open space and are included as proposals of the project would be calculated to derive gross density. The same is true of the flatland areas near Chapman Avenue and along Santiago Boulevard where a greenbelt or pasture area buffer is shown adjacent to the road to protect from noise, air pollution and to provide a better visual setting. The total area including this greenbelt area would be used to derive gross density.

Landscaping is recommended to visually screen these units from view. Also, architectural crietria to blend with a rural atmosphere is to include use of wood exteriors and warm, earth-tone colors. Examples of how this concept would apply to the area along Santiago Canyon Boulevard are depicted on Exhibit # 29 (Tract #7560 Cluster Alternative) and Exhibit #30 (Cluster Unit Illustration). These exhibits show the conceptual approach of using rural road standards, screened parking bays and exterior landscaped and pasture areas to improve the visual image while allowing for agriculture and the raising and keeping of animals to occur within the common area.

Medium Density

These areas are shown for those existing developments on lots of around 10,000 square feet or less. There is a total of forty-six acres in this category. Table # 21 (Dwelling Unit Densities) lists the number of dwelling units and densities for the sectors within Orange Park Acres. Criteria recommendations related to these developments include the provision of landscape screening to be planted to hide the block walls and houses backed up to the roads within the areas.

In summary of the residential development proposals, the existing development of residential is retained and one-acre minimum lots are proposed for all of the flatland areas adjacent to the existing one-acre developed areas. A "rural clustering" of attached and detached housing is proposed along the hilltops in order to preserve the steep hillside areas. Also, a dense landscape screen is proposed to provide a positive view of the hills. Other " rural clustering"occurs along along Chapman and Santiago Boulevard where there can be separation from noise, air pollution and where there is potential open space vistas. These development areas are

separated from the one-acre lot areas by large open spaces, pasture or greenbelt areas but are connected to the main trails proposed throughout the area. Although the "rural clustering" offers a different housing type, it is felt that the potential for raising and keeping of animals and agriculture, even on a common area concept, provides a lifestyle common to that which dominates the area at the present time.

Commercial

Several commercial operations such as the chicken ranches, the tavern, the equestrian center and others exist within the area. Many are subject to a "use permit" A guiding principal for the inclusion of commercial is whether or not it could be supported solely by the residents of Orange Park Acres. Another equally important consideration is compatibility with the rural environment. It has been the recommendation of the Orange Park Acres Development Committee that no commercial land use be depicted for this Plan. This recommendation stems from the thought that any commercial use located along the major arterials would attract customers from many other areas which would create more traffic and would be incompatible with the rural atmosphere objectives. It is possible that a "mom and pop" type of grocery or feed and seed store might be compatible with Orange Park Acres if it only served the Orange Park Acres residents. It is the fear, however, that this could not be controlled and therefore, no local commercial land uses are shown as proposal on the Plan. Commercial operations which are within the area or wish to come into the area would therefore, be subject to a "use permit" or "use variance."

Public-Quasi-public

Included within this category of land use is the cemetery, a ten acre church site, a .5 acre reservoir and an elementary and junior high school site of

twenty-nine acres. It is assumed that the cemetery will be contained on the east side of Santiago Canyon Road and will encompass approximately 41 acres. Other uses which may also be considered public or quasi-public are included within the Open Space land use category. Because of the rural character and small relative number of projected population, no specific public uses are proposed within the area and are expected to be served by both the City and County of Orange to the west of this site.

Open Space

The Orange Park Acres Specific Plan proposes the incorporation of that portion of the County adopted Santa Ana River - Santiago Creek Greenbelt Plan within the Santiago Creek to the north and east of this study area. This covers approximately 450 acres of the study area.

The Plan proposes the incorporation of presently proposed trails within the Master Plan of Riding and Hiking Trails for Orange County, the Proposed Orange County Skeletal Bicycle Plan and the Santiago Creek Project Priority Map. The Plan also depicts the proposed local routes to form the main trail system for Orange Park Acres to link to these routes. (See Exhibit # 33 (Parks, Trails & Open Spaces) Of specific note is the incorporation of Handy Creek as a trail link. It is recommended that it be acquired to provide for trails and drainage.

This Plan advocates the permanent retention of the 34 acre golf course within Orange Park Acres. If the private ownership cannot sustain a vialbe economic return, public acquisition is suggested in order to preserve a substantial amenity for recreation and open space within the area. It is recommended that the property immediately to the east of the golf course, owned by the Catholic Church, would use the "rural cluster" in

order to preserve the vast majority of its natural hillsides and canyon area, leaving open the steep slopes and large canyon areas. This canyon has been identified as a natural asset since the water table is high and it would easily support plant life and could become a handscome greenbelt if properly planted. The area is also recommended for acquisition by the community to allow for a trail linkage through this area. Care should also be taken not to destroy this natural asset by filling it with dirt to accomodate the future alignment of Santiago Canyon Road.

In addition to the golf course, there is a four acre Tennis Club and the seven acre Villa Park Country Club to be sustained within the proposed Plan.

Local parks at the County and City standard of four acres per 1000 persons would generate a requirement for around 17 acres of park to serve the added population. These are shown on Exhibit # 32 (Land Use Map) which depicts their connection through the proposed trail system. The Plan proposes that the parks would have very low maintenance requirements (i.e. pasture instead of highly manicured landscaping). It should be planned to provide service to the rural character environment oriented to community activities such as B-B-Q's, livestock shows, fairs, etc.

Another significant proposal related to open space is the retention of the steep slopes of hillside areas creating a continuous band of open space along the hills to the south and west. Also included as a recommendation within the residential development is the retention of open space, greenbelt or pasture areas along Santiago Boulevard and Chapman Avenue and on those hillsides on the Mead Ranch and on vacant land belonging to the Catholic Church. This is depicted on Exhibit # 32 (Land Use Map).

Summary

In summary, the proposed Land Use Element offers a balance in types of residential, public-quasi-public, open space and recreational land use. This balance provides for the retaining of the rural environment, offers economic viability and offers a visually compatible climate for the preservation of the Orange Park Acres lifestyle. Thus, it is believed that the goals of the community have been met. Therefore, the Land Use Statistics on Table # 22 and the Land Use and Circulation Map (Exhibit # 32) are presented here for adoption as the Specific Land Use Plan for Orange Park Acres.

TABLE # 22

ORANGE PARK ACRES

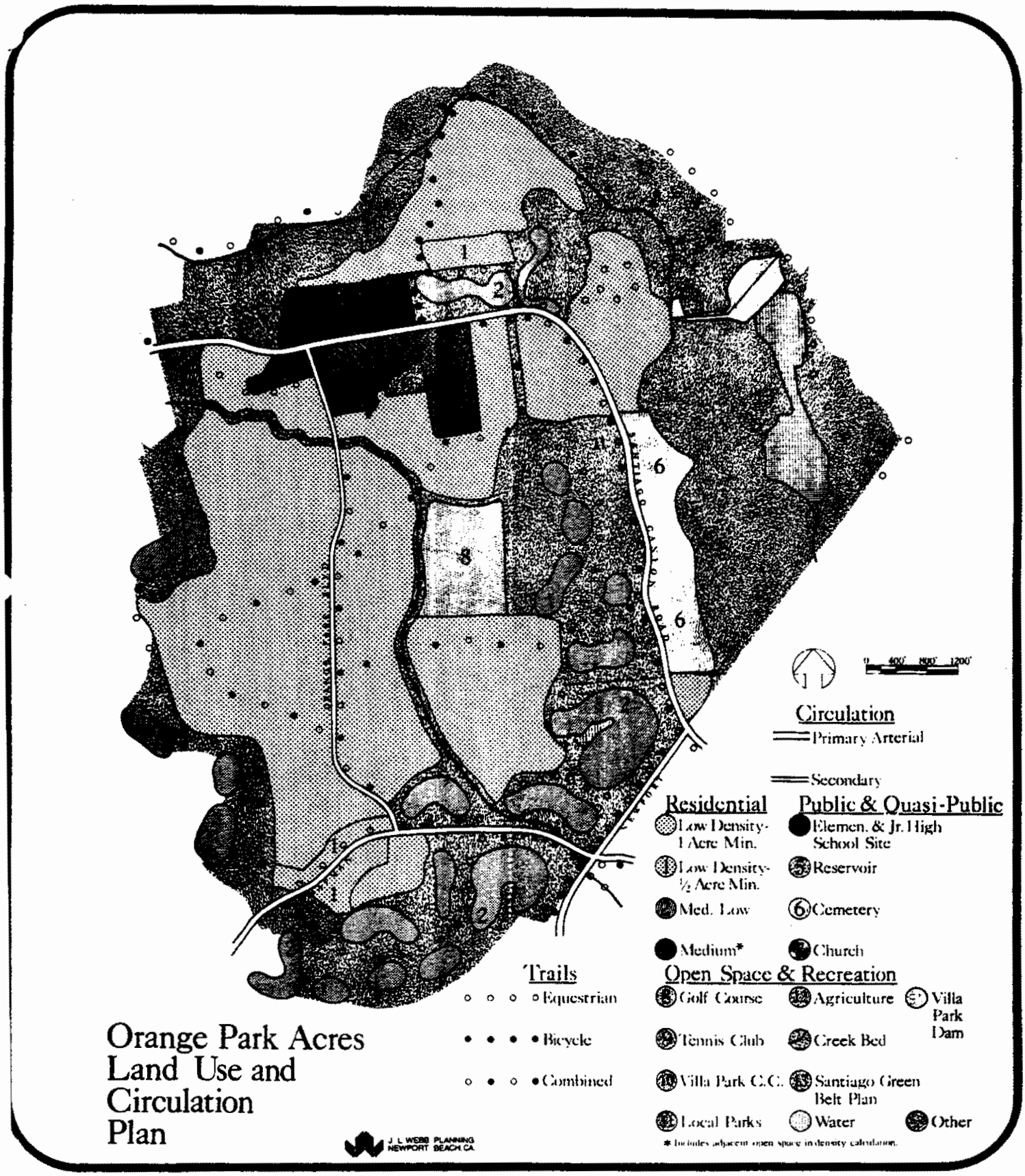
PROPOSED LAND USE - STATISTICS

RESIDENTIAL	Gross Acres	Total D.U.	Avg. D.U./ Acres	Persons/ D.U.	Total Persons
Low Density - 1 Acre	704.8	591	.84	3.9	2305
Low Density - 1/2 Acre	24	47	1.96	3.9	183
Med.-Low Density	430.7	880	2.04	3.4	2992
Medium Density	46	152	3.30	3.5	532
TOTAL	1205.5	1670	1.38	3.6	6012

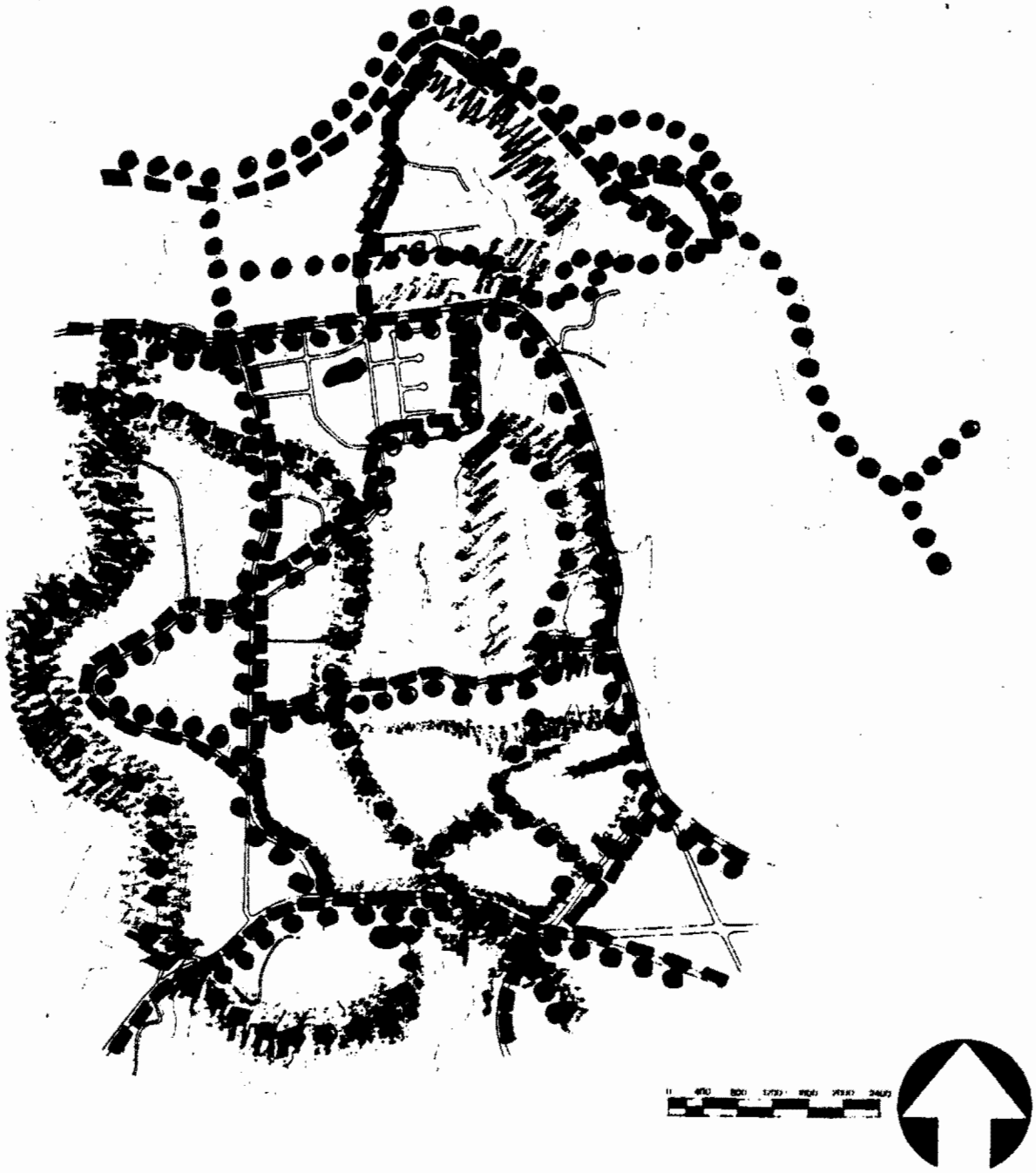
PUBLIC/QUASI-PUBLIC	Gross Acres
Water Tank	.5
Cemetery	41
Church	6
School Sites	29
TOTAL	76.5 acres

OPEN SPACE - RECREATION	
Golf Course	34
Tennis Club	4
Santiago Greenbelt	184
Villa Park Country Club	7
Villa Park Dam Greenbelt	266
Local Parks (4 ac/1000 persons)	17
TOTAL	512 acres

TOTAL GROSS ACRES	1794 Acres



Orange Park Acres Land Use and Circulation Plan



ORANGE PARK ACRES

PARKS - TRAILS - AND OPEN SPACES

EQUESTRIAN

BICYCLE

OTHER

J.L. WEBB PLANNING

CIRCULATION

Traffic Volumes

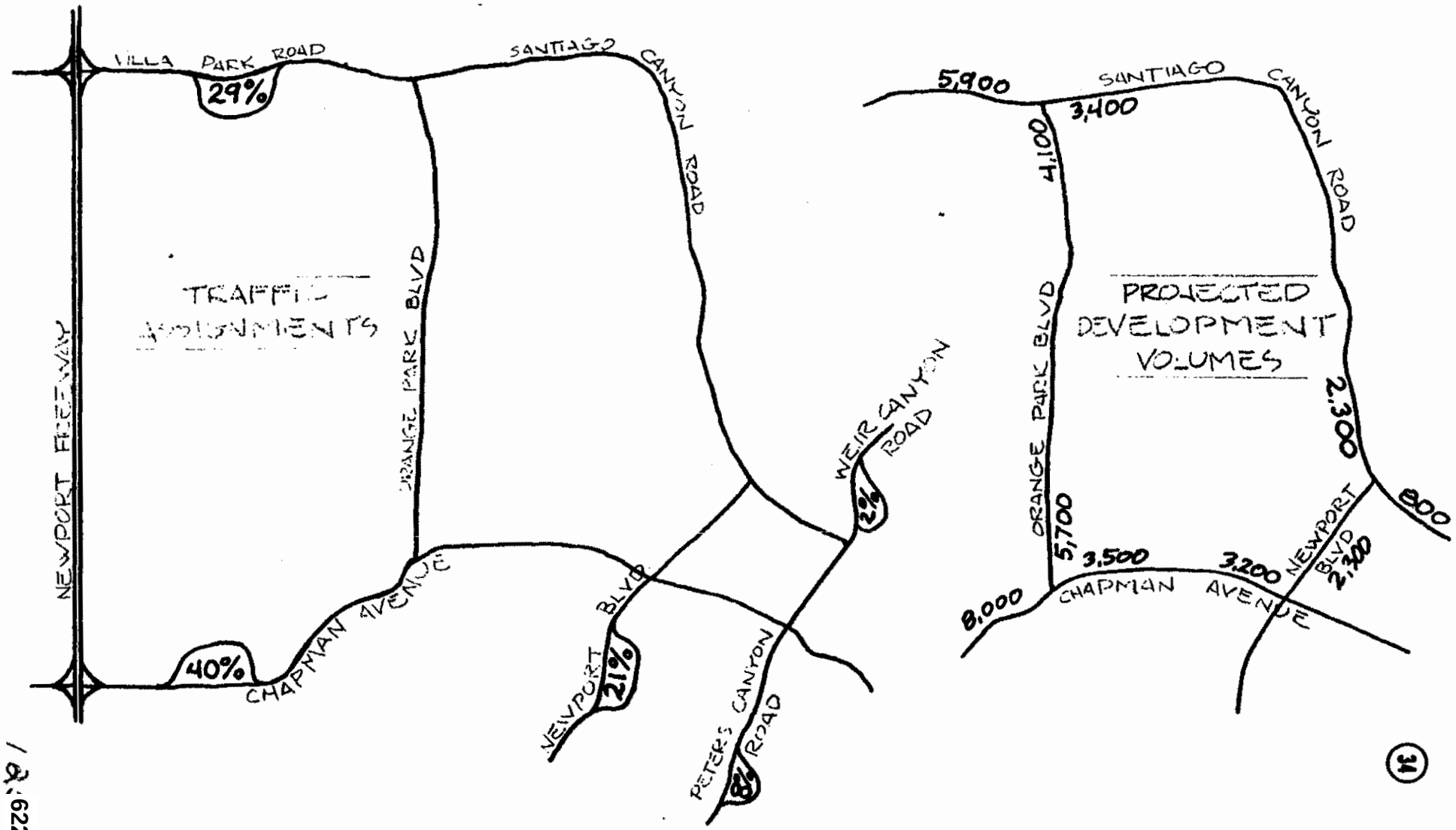
Based on traffic studies of similar type developments, it is anticipated that each single family dwelling unit will generage an estimated 12 vehicles per day to the adjacent streets. Therefore, this proposed development will generate a total of 20,160 vehicles per day to the adjacent streets. Exhibit #34a(Traffic Assignments) indicates the assignment of this traffic to the adjacent streets. Exhibit #34b(Projected Development Volumes) indicates the actual volumes of vehicles on the adjacent streets from the proposed development.

Roadway Sections

One of the concerns in Orange Park Acres is maintaining the existing rural atmosphere. This is one of the reasons for proposing cluster type housing. In accordance with this concern, the Orange County Planning Commission has adopted rural standards for streets within the County. These sections are shown on Exhibit # 35 (Rural Road Sections & Trails).

Exhibit # 35 shows the typical section for local streets. A collector street, such as Amapola or Meads, should have the paved shoulders. On the short cul-de-sac streets, these paved shoulders are not so necessary. It would be best to construct the paved shoulders wherever possible to help prevent erosion of the street edges by water and by vehicles. These shoulders could also serve as a place for bicyclists to ride off the traveled way and still be on a paved surface.

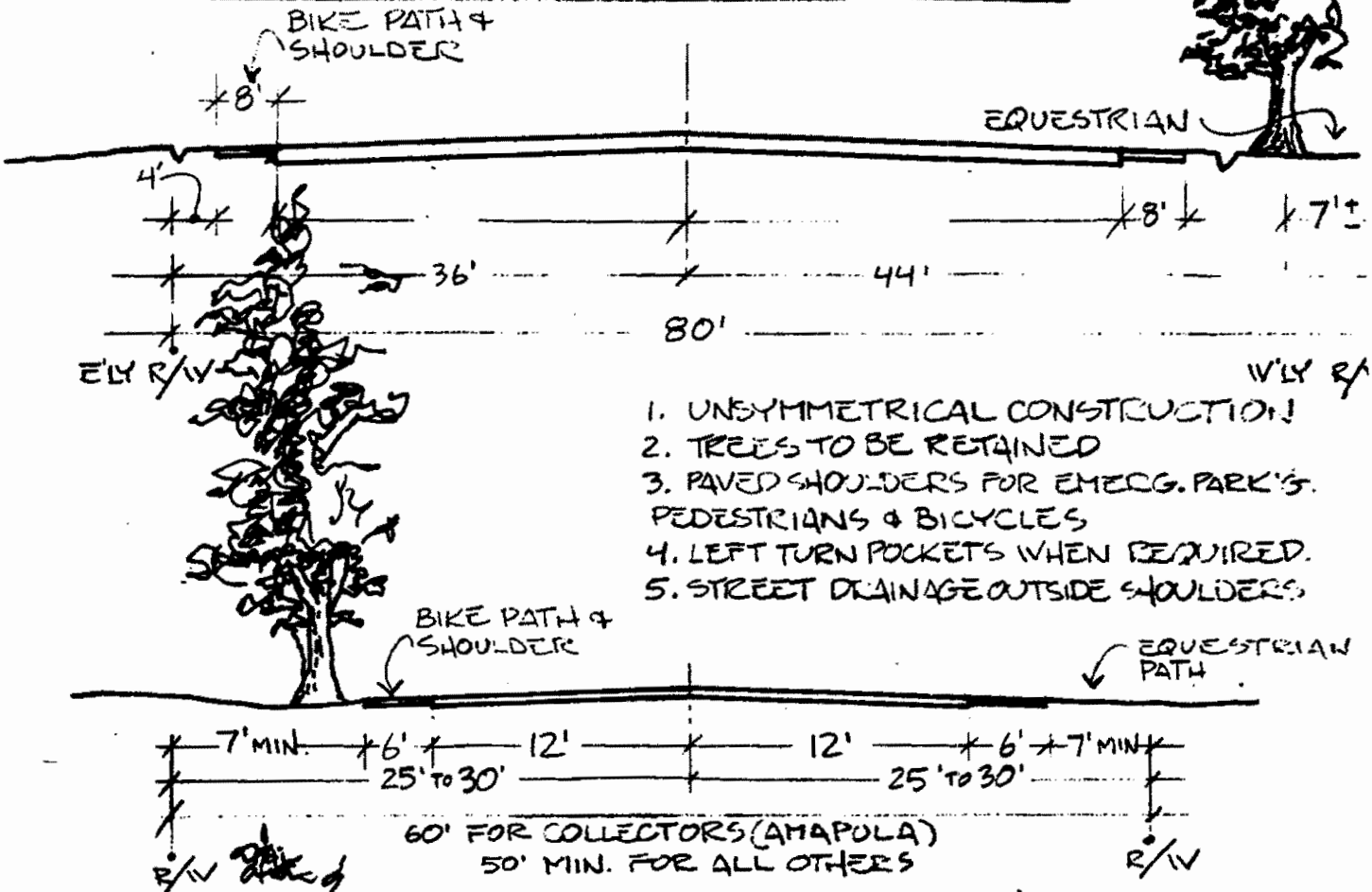
TRAFFIC ASSIGNMENTS & PROJECTED DEVELOPMENT VOLUMES



RURAL ROAD SECTIONS AND TRAILS

- NO SCALE

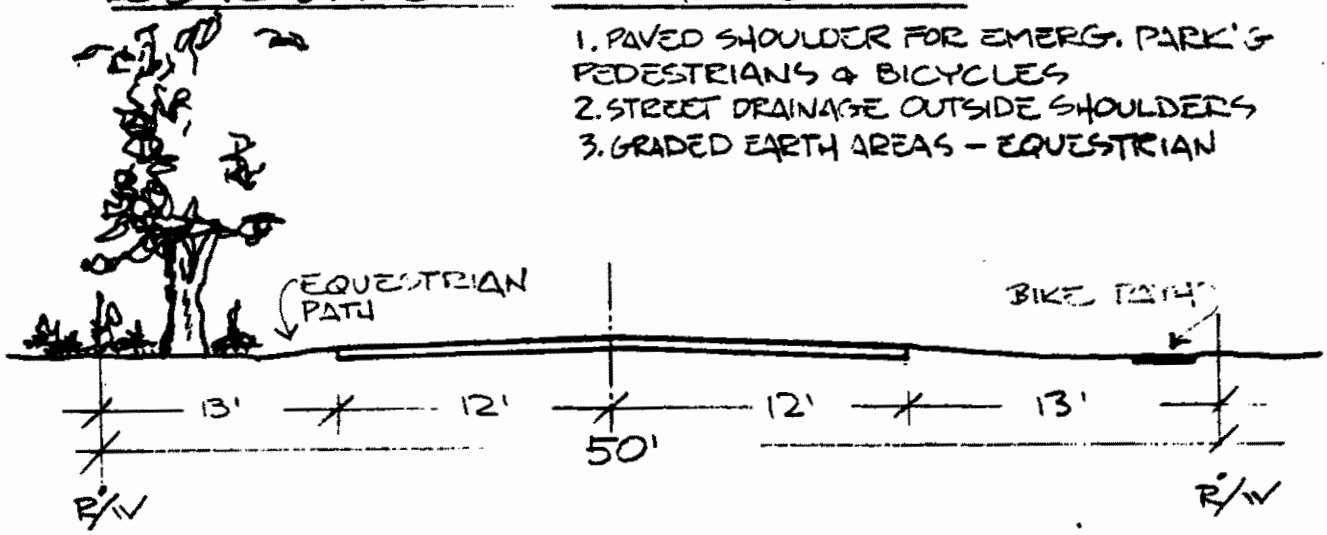
ORANGE PARK BLVD - RURAL SECTION



1. UNSYMMETRICAL CONSTRUCTION
2. TREES TO BE RETAINED
3. PAVED SHOULDERS FOR EMERG. PARK'G. PEDESTRIANS & BICYCLES
4. LEFT TURN POCKETS WHEN REQUIRED.
5. STREET DRAINAGE OUTSIDE SHOULDERS

60' FOR COLLECTORS (AMAPOLA)
50' MIN. FOR ALL OTHERS

LOCAL STREET - RURAL SECTION



1. PAVED SHOULDER FOR EMERG. PARK'G PEDESTRIANS & BICYCLES
2. STREET DRAINAGE OUTSIDE SHOULDERS
3. GRADED EARTH AREAS - EQUESTRIAN

ALTERNATIVE LOCAL STREET - RURAL SECTION

1. GRADED EARTH AREAS - EQUESTRIAN
2. LANDSCAPED SWALES FOR DRAINAGE.

Vehicle Safety

There are several stretches of substandard designed arterial highway within the proposed development area. On Orange Park Boulevard near Santiago Canyon Road there is a "blind" spot due to the vertical alignment. This can and should be eliminated during any reconstruction to widen Orange Park to the proposed four lanes.

Secondly, the intersection of Orange Park Boulevard and Chapman Avenue should be redesigned. Orange Park Boulevard intersects Chapman Avenue at an acute angle in the middle of a horizontal curve. This makes it difficult for southbound traffic on Orange Park Boulevard to see westbound traffic on Chapman Avenue. Orange Park Boulevard should be realigned to intersect Chapman Avenue at right angles easterly of the horizontal curve on Chapman Avenue.

There are also several curves along Santiago Canyon Road that have a substandard radius for the required primary highway design speed. The Orange County Road Department is currently working on an alignment for Santiago Canyon Road that would eliminate or improve these curves.

Conclusions and Recommendations - Circulation

1. The proposed development will generate an estimated 20,160 vehicles per day to the adjacent streets.

2. The arterial highways in the area have sufficient capacity to carry the estimated ultimate traffic volumes of the proposed development.

3. The typical sections for rural streets (Exhibit # 35) are acceptable alternates to the standard typical sections.

4. The intersection of Orange Park Boulevard and Chapman Avenue should be realigned to intersect at right angles easterly of the horizontal curve on Chapman Avenue.

5. An overall traffic study is needed to determine whether Orange Park Boulevard must tie in at the presently proposed location north of Santiago Canyon Road. It is recommended that, if possible, this connection be changed to discourage through traffic within Orange Park Acres.

6. Further study is recommended to determine if an alternate route of Santiago Canyon Road along the cemetery may be obtained to avoid extensive fills of the adjacent canyon to the west.

7. Where feasible, landscaped medians are proposed to be included within Chapman Avenue, Santiago Canyon Road and Newport to enhance the rural nature of the area.

SERVICE SYSTEMS

Water

The additional water facilities can be furnished through either the Orange Park Acres Mutual Water Company or the City of Orange, depending on the jurisdiction.

The Orange Park Acres Mutual Water Company mains would have to be extended into the area to be developed and additional storage and pumping facilities constructed to meet the demands. By using the existing wells and taking more water from the East Orange County Water District, the delivery demands can be met. It is possible that economics would dictate that an additional well should be provided. Expansion of the system would be at the developer's expense.

The City of Orange has a report prepared by Boyle Engineering dated February 1973 which shows several alternative methods of supplying water to this and the surrounding area within the City of Orange sphere of influence. Even though the plans do not directly relate to this Specific Plan, they could be modified for this Plan.

Sewer

To accomplish this Specific Plan the area should annex to County Sanitation District No. 7. Trunk sewers should then be extended into the area and local sewers constructed to serve the new developments and as many of the existing residences as possible. All or a portion of the trunk and local sewers could be included in an improvement district along with other improvements for the area.

If an improvement district is formed to provide for improvements to Handy Creek, the trunk and local sewers and other improvements, such as equestrian trails, it is recommended that the trunk sewer be located adjacent to Handy Creek drainage channel above Meads Avenue. Vehicular access would have to be included in the total plan, but this could be combined with the equestrian trails.

Electrical, Telephone and Gas Utilities

These would all be extended into the development areas by the respective utilities. All utilities should be underground.

DRAINAGE

Handy Creek

This is the main drainage facility in the area and should be developed as a greenbelt with an open earth channel. Some realignment and removing of obstructions will be necessary, including new crossings at the existing and proposed streets. Location of an equestrian trail system and a portion of the trunk sewer within this greenbelt is contemplated.

It is felt that the most practical way to fund the necessary improvements to Handy Creek is by an improvement district with contributions from the developers and the Orange County Flood Control District. Local drainage facilities could also be included in the improvements.

A great deal of attention must be given to the construction of a diversion channel across Santiago Canyon Road to Santiago Creek in order not to conflict with the existing character of the area and the treatment of the flood plain above the point of diversion. Considerable study is also required for the area between Orange Park Acres Boulevard and Meads Avenue. This is the only area which should be considered for actual channel improvement to the extent of purchasing right-of-way realignment and reconstruction. It is possible that an improved channel section from Meads Avenue to Orange Park Acres Boulevard and then continuing to the diversion structure and out into Santiago Creek would be the best solution for this particular area. Additional study is required, however.

Local Drains

Tributary channels to Handy Creek will require closed conduits in most cases. However, where an equestrian trail can be located adjacent to a drainage course, an open earth channel should be considered. Feasibility

will depend on the slope, size, soil conditions, and street crossing conditions. Every attempt should be made to retain the natural channels wherever possible. Tributary drainage facilities could be included in an improvement district.

AIR QUALITY ASSESSMENT

In summary, the overall emissions in Orange County will increase at most by about one percent if the highest development density is followed. This is in comparison to no development; in comparison to continued one-acre minimum development the high density development represents about 0.5 percent increase in emissions. The recommended development density, on the other hand represents about a 0.2 percent increase over the one-acre minimum development. The recommended development, therefore, represents a negligable increase in total pollutants emitted over and above those that would be emitted by the continuation of the one-acre minimum development.

The carbon monoxide concentrations in the development, calculated for the worst-case atmospheric condition and for maximum development density are below the ambient air quality standards applicable in California. The concentration for the recommended development will be even lower.

The calculated carbon monoxide concentrations along major roadways, assuming worst-case meterological conditions, show that the concentration within 100 to 200 feet of major roadways (especially near the Orangepark Boulevard-Chapman Avenue intersection) may reach levels approaching the ambient air quality standards. For the recommended development density about 10 percent of these levels are contributed by development-generated traffic compared to about a 6 percent contribution from development-generated traffic if the one-acre development continues. With the proposed setbacks from the major roadways, however, residential sites are exposed to very low pollutant concentrations from traffic on the major roadways. (See Appendix for complete discussion of Air Quality Impact on the Region and the Project)

NOISE EVALUATION

The principal increase in noise due to the proposed development - that due to increased traffic on local streets generated by the development - even in the worst case of various alternatives considered, does not represent a substantial increase in the projected noise levels that would exist in the absence of the proposed development. That is, the noise impact of the proposed development is negligible relative to the noise impact due to the continuation of present development trends.

The setbacks from major roadways to provide acceptable traffic noise levels for residential sites as shown in the Appendix, can be easily achieved with the proposed development concept. In fact, most of the proposed residential areas, because of a combination of distance from major roadways and terrain elevation differences will be relatively quiet with respect to traffic noise; this is consistent with a quiet residential or rural setting. A report on the noise impact is presented in detail within the Appendix of this report.

SOCIO-ECONOMIC ELEMENTS

The socio-economic elements of the proposed Specific Plan are housing, population, education and cost/revenue. Each element includes projected estimates on housing units and values, population size, density, employment and income. Also, estimates on student population and costs along with overall costs and revenues are projected in order to give a total summation of the socio-economic status of Orange Park Acres at full development if this Specific Plan is implemented.

HOUSING

The proposed Specific Plan projects a total of 1670 units at maximum development, which is estimated to occur by the year 1984. Two types of housing units are proposed. One is the single-family detached units which will total 790 units and the other is the single-family attached or detached cluster, which will total 880 units. The clustered units will have no more than four units attached in one structure. It is recommended that no structure be more than two stories in height. The architectural character is recommended to be of ranch of country style using wood and stone, not stucco. It is important that these factors be maintained if the rural visual image is to be conveyed throughout the area. The acceptance of rural clustering in Orange Park Acres will allow families of moderate incomes to live in the area. The attached units can range in market price from $45,000 to $60,000 and detached units on one acre lots will range in price from $60,000 to $75,000. Property values are estimated to average about $20,000 per acre for detached units and about $30,000 for attached units per acre.

POPULATION

The proposed Specific Plan projects a total estimated population of 6,012 persons by the time full development occurs. At the current rate of population increase, full development is estimated to occur in approximately ten years or by the year 1984. This projection estimates a population increase of approximately 343 % from the existing population of 1755 persons. The number of persons per dwelling unit will drop from the current 3.9 to approximately 3.6 . This is due to the increase in housing density and a decrease in the average unit size of the attached units. Also, the declining birth rate will cause the number of children per family to decrease. This trend is especially reflected in the higher income groups.

The percentage of employed is projected to be 10 to 15% higher than the current 42 % due to the increase in number of women employed. This will especially be necessary for new families since the average income per household will have to be $20,000 to $25,000 in order to qualify for the purchase of a home of over $45,000 in Orange Park Acres.

EDUCATION

It is estimated that the student population will be approximately 2000 by the time the proposed Specific Plan is totally implemented. The elementary and junior high school sites will have to be completed in order to accomodate this 300 % increase in the number of students. Therefore, new bonds must be voted upon to pay for the capital improvements. The The student cost is estimated to remain a deficit due to the above average 1.2 students per household that is projected. The per-student cost was estimated using the 1973-74 projection as a constant. The inflationary

factor affects both cost and revenue concurrently and thus is not utilized in cost/revenue projections.

COST/REVENUE

The proposed Specific Plan projects that there will be a surplus revenue of pproximately $39,679 annualy at full development. Many of the improvements costs for sewers, streets, drainage, etc. will be incorporated in the new housing sales price. Reassessment of property in Orange Park Acres will increase the revenues to offset any operating cost to the City or County of Orange. To determine exact costs, a cost/revenue statement should be required of each new development in the area in order to see that all new costs are absorbed by the development and not by outside residents. However, this proposed Plan does not recommend that the usual urban improvements such as streetlighting, sidewalks, curbs, etc. be utilized and thus, overall costs will be less in capital outlay.

Summary

In summary, the proposed Specific Plan for Orange Park Acres projects that approximately 6012 persons will reside in a total of 1670 dwelling units. The average family of 3.6 persons will have an annual income of $25,000 and will be living in homes with an average value of $60,000. The area will generate a surplus in revenue for public services but continue to have a deficit in costs to the educational system with approximately 2000 students living in the area. It is projected that with this proposed Plan this will be Orange Park Acres by the year 1984.

EVALUATION

The proposed Specific Plan is evaluated in two formats: quantitative and qualitative analyses. The physical and socio-economic elements of the proposed Plan are measured against the existing status along with the alternative plans. The objective of the evaluation of the proposed Specific Plan is to analyze the positive features of the Plan along with problem areas in a comparable format.

QUANTITATIVE ANALYSIS

The proposed Specific Plan is a comprehensive plan utilizing both the cluster and the one-acre concepts. Thus, the total dwelling unit number of 1670 is less than the alternative cluster plan but more than the one-acre alternative plan. This Plan allows for a maximum dwelling unit density of 1.38 for the entire gross developed area of 1206 acres in Orange Park Acres. The number of persons per dwelling unit drops to 3.6 from the present 3.9 due to clustering of units and the average decrease in unit size thus attracting smaller size families.

The value of land and property will increase due to the higher density (more than 1 DU/Ac.) but most of all, the area will have a Plan that limits growth while providing open space. This limits the supply, while the demand is great for a planned preserved rural area. Laguna Beach limited its growth and values increased greatly in two years. This may present the problem of allowing moderate income families to purchase in the area, especially toward the latter years of full development when the growth limit is almost attained.

The costs and revenues generated are estimated to pay for themselves. The revenues from high property taxes due to high property values, along

with the sales tax revenues of high income families, will more than cover costs generated by an area that maintains a rural character. Such things as open space create revenue from property tax but generate almost no costs. See Table #23 (Quantitative Analysis - Proposed Specific Plan) for quantitative tables and factors.

QUALITATIVE ANALYSIS

The proposed Specific Plan achieves the ultimate goal - preservation of the rural environment without destroying the right of a property owner to have a "fair" economic return on his property. The clustering of units allows for economic viability while preserving the open space and further allowing for equestrian activity which is prevalent in the rural lifestyle of Orange Park Acres. Clustering also preserves the natural features of the area such as hillsides, lakes, trees and topography. This in turn adds to the visual image of the area as a rural environment.

Allowing further development of one-acre lots not only comnplies with the wishes of the residents but allows for the continuation of a development characteristic which has given the community its image and most of all - its unique identity. Thus the proposed Plan allows for further development which is compatible in identity with the existing community and does not destroy the rural atmosphere and equestrian lifestyle. (See Table # 24 Qualitative Analysis - Specific Plan)

Summary

Based upon the results found in the examination of the existing status of Orange Park Acres and the results derived from the examination of the proposed alternative plans, the proposed Specific Plan offers the best

feasible solution to the planning problems of Orange Park Acres. First, it provides for the retaining of the rural environment. Second, it provides for the economic appreciation of property values without destroying the environment. Third, it provides the social climate necessary to retain the rural characteristic lifestyle. Fourth, it provides enough revenue, thus, it will not become a burden to any other group of persons not enjoying the benefits of the area. Most of all, it can feasibly be accomplished, for it provides for the needs and desires of the homeowners, property owners, developers and governmental agencies without destroying the goals of any one of them.

TABLE # 23

ORANGE PARK ACRES

PROPOSED SPECIFIC PLAN

QUANTITATIVE ANALYSIS

ITEM	FACTOR	TOTAL
Dwelling Units	1.38/ac	1,670
Population	3.6/DU	6,012
Property Tax Revenue	31.40/capita	188,777
Other Revenue	117.75/capita	707,913
Total Revenue	149.15/capita	896,690
Total Expenditures	142.55/capita	857,011
Surplus Revenue	6.60/capita	39,679
Students	1.2/DU	2,000
Student Deficit Cost	67.00/student	134,000
Total ADT's	12/DU	20,040
Absorption Time	1 - 10 years	1981 - 1984

Persons per acre - 4.99
Average land value per acre - attached units = $30,000
Average land value per acre - detached units = $20,000
Average market value per D.U. - Attached unit = $45,000-$60,000
Average market value per D.U. - detached unit = $60- 75,000

TABLE # 24

ORANGE PARK ACRES

PROPOSED SPECIFIC PLAN

QUALITATIVE ANALYSIS

Compatibility Level
(+) positive
(o) moderate
(−) negative

OBJECTIVE	COMPATIBILITY LEVEL
1. Preserves rural environment	+
2. Provides for compatible development	o
3. Promotes common lifestyle	o
4. Preserves open space	+
5. Preserves natural features	+
6. Provides for equestrian activity	+
7. Provides best visual image	+
8. Promotes increase in land values	+
9. Provides housing for a variety of incomes	o
10. Provides greatest revenues for generated costs	o
11. Economically feasible	+
12. Socially feasible	o

RECOMMENDATIONS

Although specific recommendations are made throughout this report, this section focuses upon those actions suggested for the implementation of this Specific Plan. This Plan will be presented to the County of Orange and the City of Orange and the following items are proposed to be recommendations of the Orange Park Acres Development Committee for the various public hearings on this Plan.

1. Accept the Orange Park Acres Specific Plan Report and adopt it as a general guide for further development in Orange Park Acres including:

    a. Adoption of the Land Use and Circulation Map and statistics proposed for Orange Park Acres

    b. Adoption as guidelines the "Goals, Objectives and Policies" for the Orange Park Acres Specific Plan as implementation tools for subsequent development in Orange Park Acres.

2. Establish an Orange Park Acres Planning Committee composed of representatives from the County and City of Orange, landowners, developers and residents to further interpret the guidelines set down within the Orange Park Acres Specific Plan and to carry out the recommended reviews and proposals such as:

    a. Architectural, site planning, landscape and design review.

    b. Promote additional traffic and circulation studies for the area as needed.

    c. Establish and maintain a cost/revenue model to determine impact on the County, City and the Orange Park Acres area.

d. Establish an assessment district or other means to furnish or develop trunk sewers, landscaping, drainage, roads, equestrian trails and other improvements recommended in the Plan or established by the Planning Committee.

e. Establish specific "theme" elements such as tree types, materials for fencing etc. as necessary for the maintenance of the policies for Orange Park Acres.

f. Include other functions to be carried out by the Planning Committee deemed appropriate for the orderly implementation and communication of the Orange Park Acres Specific Plan and to function as liaison with the County and City Staffs and other agencies on planning matters.

3. Promote the establishment of a master "Planned Community District Regulations" (P.C.) or "Planned Development Unit" (P.U.D.) zoning for the entire area of Orange Park Acres to be coordinated by the Planning Committee for Orange Park Acres.

Appendix

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30. Proposed Master Plan & Hiking Trails for Orange County , 1965, Orange County General Planning Program.

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35. The Scenic Highways Element, General Planning Program Report, June, 1973.

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37. Telephone Directory - Criss Cross (Orange Park Acres), 1973, Orange Park Association, Inc.

38. Tustin Area General Plan, Orange County Planning Dept.

39. Use Districting Map, City of Orange, 1973, Dept. of Development and Community Services.

REFERENCE CONTACTS

COUNTY OF ORANGE:

Auditor-Controller

Planning Research Department

Advance Planning Department

Administration Office

Assessor's Office

Flood Control

Road Department

Fire Department

Sheriff's Department

Harbor, Beaches & Parks

Library

CITY OF ORANGE:

Development & Community Services

Police Department

Finance Department

Public Works

Fire Department

Library

City Manager

Park Department

ORANGE UNIFIED SCHOOL DISTRICT

QUINTON-BUDLONG - ECONOMIC RESEARCH ASSOCIATION

APPENDIX

SUMMARY OF THE PRINCIPAL ENGINEERING PROPERTIES OF THE SOIL AND BEDROCK MATERIALS

Engineering Properties / Map Symbol	Description of Materials	Excavation Characteristics	Foundation Properties
Qal	Sands and silts with gravel and clay. Organic silty topsoil.	No ripping.	Removal and Recompaction Required.
Qt	Sands and silts with some lenses of gravel. Organic topsoil.	No ripping.	Good structural support. Erosic Control required
Tema	Glassy volcanic rocks. Andesite and Breccia.	Heavy ripping. Local use of explosives.	Excellent Structural support.
Temx	Fragmented glassy volcanic rocks (andesite) in sandstone matrix.	Heavy ripping. Local use of explosives.	Excellent structural support.
Temt	Altered glassy volcanic rocks. Highly fractured.	Heavy ripping. Local use of explosives.	Excellent structural support.
Tplv	Thinly bedded shales and siltstones. Some sandstone.	Light to moderate ripping.	Good structural support. Expansive residual soil.
Tt	Well cemented sandstones with conglomerates. Some siltstone.	Heavy ripping.	Excellent structural support.
Ttls	Limy or calcareous siltstones.	Moderate to heavy ripping.	Good structural support. Expansive residual soils.

Engineering Properties / Map Symbol	Description of Materials	Excavation Characteristics	Foundation Properties
Tvs	Siltstones with not well cemented sandstones and conglomerates.	Moderate to heavy ripping.	Good structural support. Expansive residual soils
Af	Variable soil materials.	No ripping.	Variable, depending on placement control.

TABLE A

PREVAILING AIR QUALITY

ANAHEIM AIR MONITORING STATION

1972

Month	Number of Days Level Exceeded: Oxidant 0.08 ppm/1 hr	NO_2 0.25 ppm/1 hr	CO 9ppm/ 8 hrs
January	0	3	15
February	3	0	9
March	9	0	2
April	5	0	0
May	10	0	2
June	8	0	0
July	20	0	0
August	10	0	0
September	10	0	0
October	3	2	0
November	2	0	10
December	0	1	12
TOTAL	80	6	50

Source: California Air Quality Data, Vol. IV, No. 4, California Air Resources Board, 1972

TABLE B

EXISTING AIR QUALITY

1972 (1)

Month	Oxidant(2)	CO(2)	SO(2)	NO(2)	NO(2)	NO(2)	HC(2)
January	.06/.01	34/12	.08/.02	.29/.12	.79/.37	.94/.45	18/11
February	.17/.05	20/10	.06/.03	.23/.10	.64/.27	.73/.33	15/9
March	.16/.06	13/8	.06/.02	.16/.08	.47/.14	.52/.20	11/7
April	.11/.05	11/5	.09/.02	.18/.07	.36/.16	.42/.22	10/6
May	.29/.08	12/6	.06/.01	.13/.06	.30/.11	.37/.16	15/5
June	.19/.06	8/5	.05/.02	.10/.05	.23/.08	.28/.12	11/4
July	.35/.11	10/5	.07/.02	.19/.07	.33/.10	.40/.14	10/5
August	.26/.07	13/5	.05/.01	1.3/.06	.37/.09	.451.13	12/6
September	.25/.07	11/6	.08/.62	.20/.06	.21/.11	.31/.15	15/8
October	.15/.03	15/8	.08/.03	.33/.09	.44/.25	.56/.31	14/9
November	.09/.03	23/9	.03/.03	.21/.09	.34/.35	.98/.42	15/9
December	.06/.02	21/9	.16/.02	.29/.09	.85/.37	1.02/.45	17/8
Applicable 1 hour CA Standard	.10	40	.5	.25	none	none	.24(3)

(1) Orange County APCD Anaheim Station

(2) Max. hourly average/ average of maximum hourly averages, ppm

(3) Federal Primary Standard

Source: California Air Quality Data, California Air Resources Board, Vol IV, Nos. 1,2,3 and 4.

TABLE C

AMBIENT AIR QUALITY STANDARDS APPLICABLE IN CALIFORNIA

POLLUTANT	Averaging Time	California Standards	Federal Standards[3]	
		Concentration	Primary[1]	Secondary[2]
Photochemical Oxidents (corrected for NO_2)	1 Hour	0.10 ppm	0.08 ppm	Same as Primary Standards
Carbon Monoxide	12 Hours	10 ppm	-	Same as Primary Standards
	8 Hours	-	9 ppm	
	1 Hour	40 ppm	35 ppm	
Nitrogen Dioxide	Annual Average	-	0.05 ppm	Same as Primary Standards
	1 Hour	0.25 ppm	-	
Sulfur Dioxide	Annual Average	-	0.03 ppm	0.02 ppm
	24 Hours	0.04 ppm	0.14 ppm	0.10 ppm
	3 Hours	-	-	0.5 ppm
	1 Hour	0.5 ppm	-	-
Suspended Particulate Matter	Annual Geometric Mean	60 $\mu g/m^3$	75 $\mu g/m^3$	60 $\mu g/m^3$
	24 Hours	100 $\mu g/m^3$	260 $\mu g/m^3$	150 $\mu g/m^3$
Lead (Particulate)	30 Day Average	1.5 $\mu g/m^3$	-	-
Hydrogen Sulfide	1 Hour	0.03 ppm	-	-
Hydrocarbons (Corrected for Methane)	3 Hours (6-9 a.m.)	-	0.24 ppm	Same as Primary Standards
Visibility Reducing Particles	1 Observation	Visibility to 10 miles when the relative humidity is less than 70%	-	-

NOTES:

1. National Primary Standards: The levels of air quality necessary, with an adequate margin of safety, to protect the public health. Each state must attain the primary standards no later than three years after that state's implementation plan is approved by the Environmental Protection Agency (EPA).

2. National Secondary Standards: The levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant. Each state must attain the secondary standards within a "reasonable time" after implementation plan is approved by the EPA.

3. Federal standards, other than those based on annual averages or annual geometric means, are not to be exceeded more than once per year.

SOURCE: Air Resource Board, Control of Air Pollution in California, 1971, p. 21.

ORANGE PARK ACRES

AIR QUALITY

The impact of the project on regional air quality is described in Tables "D", "E", and "F". The air emissions inventory for stationary sources is presented in Table "D", and emission inventory for mobile sources is presented in Table "E". Table "F" summarizes the contribution from stationary and mobile sources and compares the results to the Orange County emission inventory for Orange County as a whole.

Two cases are considered for calculation of the emissions inventory for the development.

Case I: one-acre lot development of over 1100 dwelling units

CaseII: higher density development of 2700 dwelling units (worst case)

Table "F" indicates that, for the worst case (Case II) emissions will increase only by about 1% in Orange County as a result of the project. It should be noted that emission factors for 1973 were used in compiling Tables "E" and "F" for mobile sources. By 1986, it is estimated that emission factors will be reduced by 90%* Although this will not affect the fractional contribution of the development to the air pollution burden in Orange County, the overall air quality in the county should improve as discussed in the "Existing Physical Environment - Air Quality" Section of this report.

A second impact to be considered under regional air quality is the increase in pollutant concentration produced within the first few miles downwind of the development as a result of activities at the development. The modelling

*Air Quality Manual, appendix, Mathe atical Approach to Estimating Highway Impact on Air Quality, July 1973, Pages 88 7 98.

Table D

Estimate of Peak Incremental Increase in Emissions - Stationary Sources

Source	Pollutant	Emission[1] Factor lb/10^6 ft^3[3]	Usage Rate[2] Case I	Usage Rate[2] Case II	Total Tons per day Case I	Total Tons per day Case II
Natural gas combustion	Particulates	19	366,900 ft^3/day	811,200 ft^3/day	.003477	.007714
Space heating	Oxides of sulfur	0.6	"	"	.000110	.000243
Water Heating	Carbon monoxide	20	"	"	.0003660	.008120
	Hydrocarbons	8	"	"	.001464	.003248
	Oxides of nitrogen	80	"	"	.014640	.032480

[1]Compilation of Air Pollutant Emission Factors (Revised), EPA, Feb. 1972, pp. 1-9.

[2]Considered by taking 300 ft^3/day (So. Calif. Gas Co.) times the number of residences

[3]Pounds of pollutant per millio n cubic feet of gas

Table E

Estimate of Incremental Increase in Emissions - Mobile Sources

Pollutant	1973 1973 Emission Factor[1] (Urban) gm/mi	Usage Rate Per Vehicle[2] Miles/Day	Miles Generated Per Day[3] Case I	Miles Generated Per Day[3] Case II	Case I Total Tons/Day	Case II Total Tons/Day
Carbon monoxide	62	10.2	134,725	297,872	9.176	20.336
Hydrocarbons	8.5	10.2			1.258	2.788
Nitrogen oxides	5.4	10.2	"	"	.799	1.771
Particulates	.58	10.2	"	"	.086	.190
Oxides of sulfur	.2	10.2	"	"	.030	.066

[1]Compilation of Air Pollutant Emission Factors (Revised), EPA, April, 1973.

[2]Taken from "1967 Origin - Destination Survey" from LARTS BASE YEAR REPORT.

[3]10.8 vehicle trips per dwelling unit

Table F

Total Estimated Increased Incremental Emissions - All Sources

Pollutant	Orange County 1971 (Tons/Day)	Proposed Development (Tons/Day)						Incremental Increase Relative to Orange County (Percent)	
		Stationary		Mobile		Total			
		Case I	Case II	Case I	Case II	Case I	Case II	Case I	Case II
Carbon monoxide	1796	.0036	.008	9.176	20.336	9.181	20.344	.5	1.1
Organics (including aldehydes and hydro-carbons)	370	.0015	.003	1.258	2.788	1.260	2.791	.3	.75
Nitrogen oxides	188	.014	.032	.799	1.771	.815	1.803	.4	.95
Particulares	22	.0035	.008	.086	.190	.090	.198	.4	.9
Oxides of sulfur	24	.0001	.0002	.030	.066	.030	.066	.1	.27
Totals	2400					11.376	25.202	.47	1.05

[1]OCAPCD - 1971.

technique employed here to assess this impact is the "box" model where, the concentration of a pollutant is given by the equation:

$$C = \frac{Q}{uWD}$$

where

C = concentration of pollutants

Q = emissions from automobiles

u = wind speed

W = width of box

D = mixing layer depth

The following assumptions were made in order to calculate pollutant concentrations using this model:

1. The box is oriented to represent worst case (i.e. maximum vehicle miles emitting pollutants directed at residential areas at near-calm wind speed of 2 mph

2. Box is 5000 feet wide over the entire portion of Orange Park Acres, east to west

3. Maximum vehicular density for the two cases below are used:
   a. Highest density development with development of golf course & cemetery (pollutants due to development traffic only)

   b. Pollutant levels due to estimated full development traffic

4. Mixing layer is typically 300 feet deep

5. Urban emission factors were used

6. Carbon monoxide concentration was calculated

7. A completely mixed ground layer was assumed

8. No dispersion was allowed outside the 5000 foot width or 300 foot height of the box

The results of the calculation are as follow:

Case	CO ppm*
(a)	0.4
(b)	6.7

Nineteen hundred seventy-three (1973) emission factors were used for the box model calculation. As noted previously, emission factors are estimated to be reduced by a factor of 90% by 1986. The CO concentrations shown above are reduced in proportion to emission factor reductions.

Convective mixing outside of the box caused by vertical and horizontal wind currents allow pollutants to disperse and will substantially reduce the above levels. This can be appreciated by comparing the box model results to the Gaussion plume modelling described in the following section.

Impact on Local Air Quality

Local air quality near major roadways will be affected by emissions from the heavily traveled roadways in the development area. The impact is assessed by applying Gaussion plume modelling methods for each of the above cases (a), traffic from development with higher density land use (with golf course and cemetery) and Case (b), estimated ultimate traffic volumes. Results of the analysis are presented in Figures 1 (Case a) and 2 (Case b).**

*Concentration in parts per million

**Assumptions: Stability Class F (stable atmosphere), 1973 emission factors, peak hourly traffic volumes ten (10) percent of ADT

The wind is representative of calm conditions, 2 mph. The wind is directed parallel to the more heavily travelled roadways as a worst case condition. Here, the pollutants can accumulate in higher concentrations as the winds sweep along the roadway.

The pollutant concentrations fall off rapidly normally to the west-east roadway (hence, normal to the wind direction). The gradient is best described by way of the following table:

Feet From Roadway	Concentration (%of roadway centerline)
50	85
100	6
200	0.2
600	0.00004

The major impact is then within the first hundred feet or so of the roadway. The impact of winds directed normal to the roadway (crosswind) is also illustrated in Figures 1 and 2. Note Orangepark Boulevard; the concentration of carbon monoxide is substantially lower adjacent to the roadway than along Chapman Avenue (for comparable traffic densities)

The plots were generated using 1973 emission factors. Again, emission factors for mobile sources should decrease 70 % by 1986. The concentrations shown in Figures 1 and 2 would then be 10 % of those values shown. For other development options, the concentrations shown in Figure 1 should be simply reduced by the percent reduction in traffic volume

A worse case than that shown could be the situation posed by winds directed at a small angle to a major roadway, say Santiago Canyon Road. Such a wind would decrease the peak concentration at the roadway but

CO CONCENTRATION PROFILES, PPM, PEAK HOURLY

FIG. 1

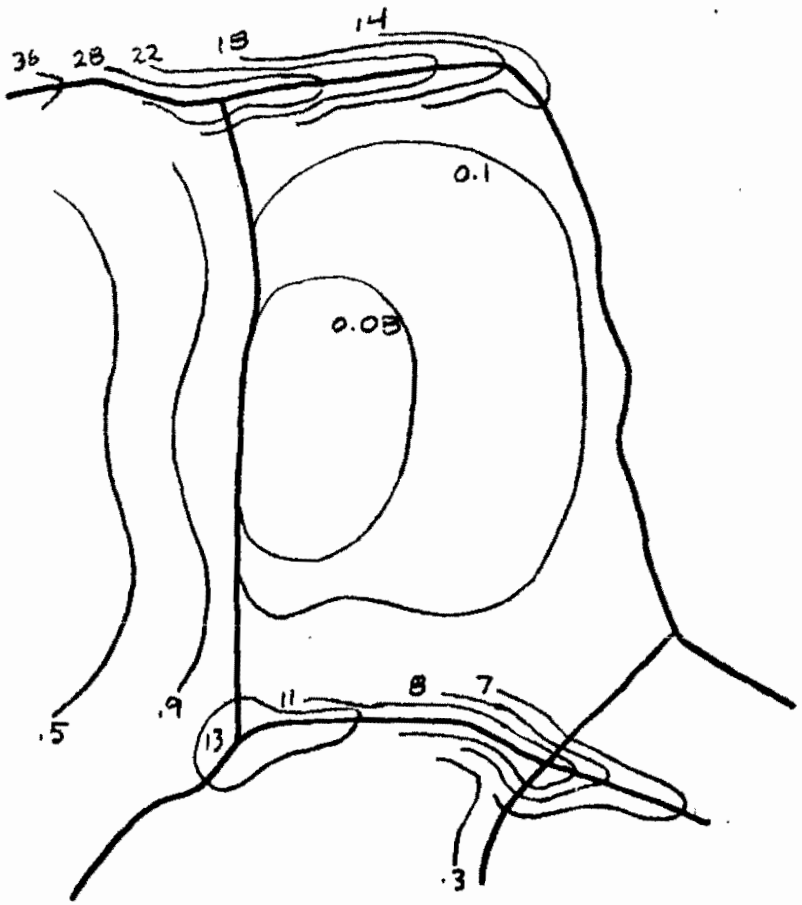
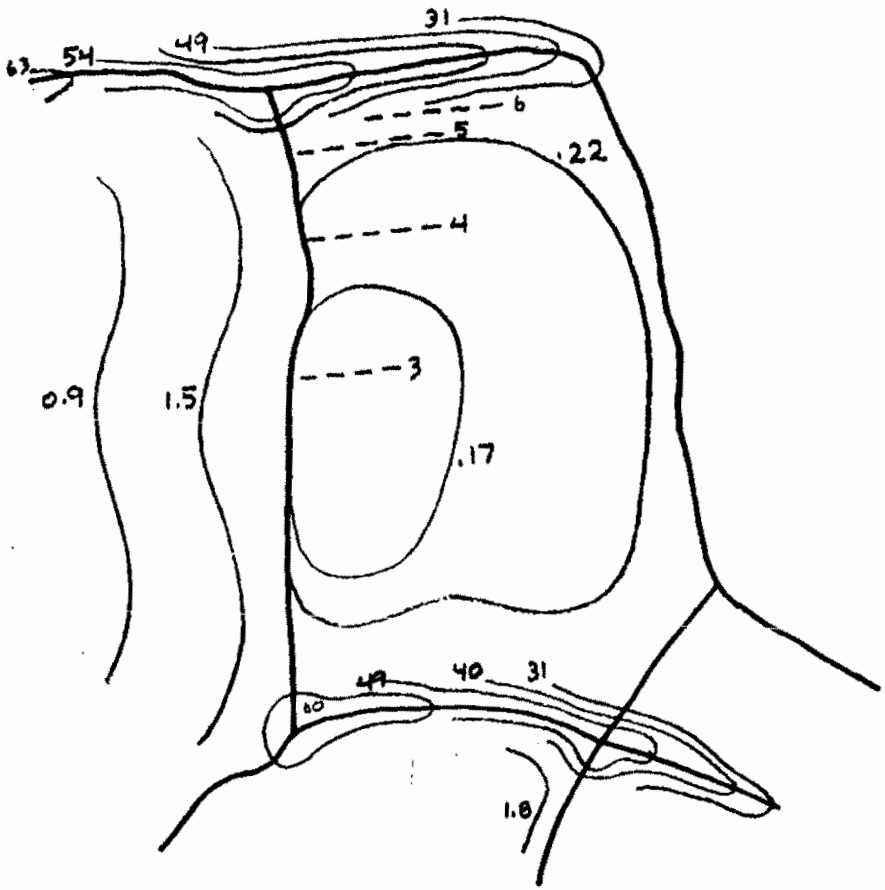


FIG. 2



659 191

spread the pollutants over adjacent homesites. The impact would be more adverse than for a crosswind because the accumulative effect of the wind sweep.

An example of wind angled to Santiago is shown in Figure 2 by the dashed lines. Concentrations are less than 10 ppm.

The development option that would produce the lowest impact on air quality is that for which the number of dwelling units (hence traffic generated) is the least. This would correspond to the one-acre sites with golf course and cemetery not developed.

If, as time progresses, the number of dwelling units or traffic density estimates change the air pollutant emissions and concentrations will change correspondingly.

That change is linear and can be calculated by ratioing the emission inventory results given herein. However, for the Gaussian model the change is not linear but dependent on the traffic densities on each roadway. As a first approximation, however, the change can be assumed to be linear, keeping in mind that the results are sensitive to changes on major roadways and insensitive to changes on small roadways.

TABLE G

ORANGE PARK ACRES

EXISTING NOISE ENVIRONMENT

(Near Roadways)

	Present Traffic (ADT)	* Dist. to Acceptable (ft.)
Santiago Canyon Road		
E. of Orangepark Blvd.	3600	50
N. of Chapman Ave.	1600	18
Orangepark Blvd.		
N. of Chapman Ave.	1300	12
S. of Santiago Canyon Road	1100	11
Chapman Ave.		
E. of Orangepark Blvd.	3200	45
W. of Orangepark Blvd.	3500	49
W. of Newport Blvd.	3400	47
Newport Blvd.		
S. of Chapman Ave.	800	10

* Distance from road & to HUD "Normally Acceptable" noise levels

ORANGE PARK ACRES

NOISE ASSESSMENT

Noise Impact of Development

The assessment of the noise impact due to the proposed development shoul be examined from two standpoints. First, since this is a residential d - velopment, an assessment should be made of the future noise exposure; this is the noise to which future residents of the development will be exposed. (Since there are no industrial sites or airports located in the vicinity of the proposed development, the noise source of greatest significance is roadway traffic). The second aspect of environmental noise related to the proposed development is the noise increase in the community that may be attributed to the development itself. Noise sources in this category include traffic noise from traffic generated by the development, and community noise sources associated with human habitation, the most significant of which are air-conditioning and other power equipment noises. Both of these aspects of noise relative to the proposed Orange Park Acres development plan are discussed in the following.

Traffic Noise Increase Due to Development

In the absence of nearby airports or industrial activities, the dominant source of noise in the Orange Park Acres community will be the traffic noise on local roads. Although there will be the usual noise increases associated with residential developmet such as barking dogs, air conditioning equipment, etc., and these noise increases may cause annoyance of nearby residents, the dominant factor contributing to the background or ambient noise levels will be traffic on streets in the development area. The increase in traffic noise due to traffic generated by the proposed development can be calculated. The increase in noise levels, calculated relative to full development traffic volumes are shown in Table "H" for the highest development density alternative. This increase is the

TABLE H

Increase in Full-Development Traffic Noise
Due to Traffic Generated by Highest
Development Density Alternative

Road Segment	Increase in Median Noise Level (dBA)
Santiago Canyon Road	
E. of Orangepark Boulevard	1.4
N. of Chapman Avenue	0.2
Orangepark Boulevard	
N. of Chapman Avenue	2.5
S. of Santiago Canyon Road	1.7
Chapman Avenue	
E. Of Orangepark Boulevard	2.5
W. of Orangepark Boulevard	0.9
E. of Newport Boulevard	0.4
W. of Newport Boulevard	0.2
Newport Boulevard	
S. of Champan Avenue	0.5

additional noise exposure due to development-generated traffic that will be experienced within 500 to 1000 feet of the various major roads in the development.

For most of the road segments shown, the increase in noise levels is less than 1 dBA (A-weighted decibels). Even the greater increases are barely noticeable, however, since a 2 to 3 dBA increase in noise is the minimum increase that can be detected by humans with good hearing. It is therefore concluded that traffic noise increases due to development-generation will not cause a significant increase in the noise environment of the Orange park Acres area.

Traffic Noise Considerations for Residential Development

Although California limits the noise levels from motor vehicles, including motorcycles, buses, and trucks (Vehicle Code, Section 23130), at the present time there are no State or local guidelines concerning the acceptability of traffic noise in residential areas. In addition, the noise ordinance presently under consideration by Orange County specifically excludes noise from licensed motor vehicles operating on public streets. In the absence of State and local guidelines, therefore, the U.S. Department of Housing and Urban Development (HUD) assessment guidelines for traffic noise will be used here.*

According to the HUD noise evaluation criteria for residential sites, the traffic noise is classified as clearly acceptable, normally acceptable, normally unacceptable, and clearly unacceptable.** These classifications are defined as follows:

> Clearly Acceptable - The noise is such that both the indoor and outdoor environments are pleasant.

*U.S. Department of Housing and Urban Development, Noise Assessment Guidelines, HUD Report No. TE/NA-171 (1971)

**Ibid.

Normally Acceptable – The noise exposure is great enough to be of some concern but common building constructions will make indoor environment acceptable, even for sleeping quarters, and the outdoor environment will be reasonably pleasant for recreation and play.

Normally Unacceptable – The noise exposure is significantly more severe so that unusual and costly building constructions are necessary to ensure some tranquillity indoors, and barriers must be erected between the site and prominent noise sources to make the outdoor environment tolerable.

Clearly Unacceptable – The noise exposure at the site is so severe that the construction costs to make the indoor environment acceptable would be prohibitive and the outdoor environment would still be intolerable.

The estimated ultimate traffic volumes on the major roadways in the Orange Park Acres Development were used to assess the minimum setbacks required to remain in the HUD "normally acceptable" noise category. The required setbacks for each road segment are shown in Table "I". The assumptions used in these calculations were: (1) the peak-hour traffic volume is 10% of the ADT, (2) the mean traffic speed is 45 mph at peak hour, (3) there are no sound barriers or sound attenuating effects due to terrain, and (4) vehicles operating in the future when full development is reached will produce as much noise as present vehicles. These assumptions are certainly worst-case assumptions and so the setbacks shown in Table "I" are conservative distances that should provide residential sites that fall well within the "normally acceptable" noise category. For example, an elevation difference between a roadway and an adjacent residential site may serve as an effective barrier to roadway noise. A depressed elevation of a site relative to the roadway may also offer a shielding effect. The amount of shielding depends upon the relative location of the site and roadway as well as the elevation difference. The use of natural terrain to achieve elevation difference therefore offers a useful method of reducing the impact of roadway traffic noise upon adjacent residential sites.

TABLE I

SETBACKS REQUIRED FOR ACCEPTABLE TRAFFIC NOISE LEVELS ACCORDING TO HUD STANDARDS

	Estimated Ultimate Traffic (ADT)	Distance To* HUD Normally Acceptable Category (ft)
Santiago Canyon Road		
East of Orangepark Blvd.	22,000	220'
North of Chapman Avenue	20,000	215'
Orangepark Boulevard	12,000	145'
Chapman Avenue		
East of Orangepark Blvd.	17,000	190'
West of Orangepark Blvd.	25,000	250'
East of Newport Blvd.	18,000	200'
West of Newport Blvd.	17,000	190'
Newport Boulevard		
South of Chapman Avenue	16,000	180'

* Distance from Road to "Normally Acceptable" noise levels.

With reference to assumption (4) above, an important factor that should be considered in traffic noise projections for the future is the fact that the noise from automobiles and trucks is likely to decrease substantially over the next 10 to 20 years. The noise reduction potential deemed achievable in the near future for existing vehicle concepts with current technology, and the potentials which should result from further research and development efforts were outlined in a recent Environmental Protection Agency sponsored study.* Short-term noise reduction of about 5 dBA and longer-term potential reduction of 10 to 15 dBA are projected in this study. The Office of Noise Abatement and Control within the Environmental Protection Agency has been given far-reaching responsibility for noise control at the Federal level, especially by the recent passage of the Noise Pollution Control Act of 1972 (Senate Bill S-3342).

Because of increasing emphasis on traffic noise reduction by the Office of Noise Abatement and Control, and because of the technical potential of vehicle noise reduction that is believed possible, an overall traffic noise reduction of 10 to 15 dBA may take place over the next 10 to 15 years. A noise reduction of this magnitude has the effect of moving the HUD noise category to the next more acceptable level. That is, a 15 dBA noise reduction would change a "normally acceptable" site to a "clearly acceptable" site.

In summary, the acceptability of a homesite relative to roadway noise depends upon several factors. These include traffic volume, distance from the roadway, traffic speed, percent of truck traffic, road grade, the possible presence of nearby stop signals, and the presence of barriers such as an acoustical wall or differences in elevation between the site and the roadway. Each of these factors offer a means of controlling the noise

*"Transportation Noise and Noise from Equipment Powered by Internal Combustion Engines", U.S. E.P.A., NTID 300.13 (Dec. 31, 1971).

exposure of a residential site to roadway noise.

For a given traffic volume and speed, the most direct method of assuring that a homesite is in the acceptable category relative to traffic noise is to locate the structure as far away from the road as possible. This may require setbacks, in some cases, of up to 250 feet from the road centerline to place a site in the acceptable noise category for full development traffic volumes. If such setbacks are not economically practical, the desired noise reduction may be achieved by utilizing natural terrain in such a way that an elevation difference between the roadway and the site provides a natural noise barrier. A third alternative would be to build a wall to serve as a noise barrier between the roadway and the site. The degree of noise reduction that can be achieved by an elevation difference of wall depends upon the distance of the site from the roadway, the location of the barrier, the elevation difference and the height of the barrier. Each situation in which these parameters differ must be assessed separately to determine whether the noise environment at a given site will be acceptable.

TRACT № 818
ORANGE PARK ACRES
Original 1929 Map of Portion
of Orange Park Acres
House additional. Price to be agreed upon
These three lots must be sold together $2700
These lots are approximately 1 acre. Terms 10% cash. 2% of purchase price per month. Water delivered to reservoir only. Buyers must boost at their expense.
These lots are approximately 1-2 acre. Terms 10% cash. 2% of purchase price per mo.
All acreage 25% cash or monthly payments within the first year. Balance 5 annual payments or 10 equal annual payments, if improved in 1929. All acreage prices per acre.

GRADING FOR HILLSIDE DEVELOPMENT

1. OBJECTIVES: The following is a listing of objectives and specific requirements to be reflected in the Whiting Ranch Development Plan in order that the development respects and reinforces the existing environment providing a positive adaptation to the hillsides.

   a. Development is to be done in such a way that it will preserve the natural character of the hills. Outstanding natural features such as major ridgelines, rock outcroppings, oak woodlands etc., should be retained and incorporated in the development plan.

   b. Create a hillside development which encourages a clustering of dwelling units to retain expanses of open space in natural areas not emulating development of level terrain.

   c. All cut and fill banks shall be finished to harmonize with the existing topography and geology. This includes maintaining a percentage slope of cut and fill similar to the areas within which the slope occurs if geologically stable. Abrupt changes of graded areas are to be avoided, rounding all edges into the natural topography and planting with compatible vegetation.

   d. All cut and fill banks shall be planted with appropriate erosion retardant cover where geological and soil conditions permit, and native fire resistant plants should be used near structures or along fire break areas where appropriate.

   e. Hillside land should not be classified as unbuildable solely on the basis of the percentage of natural slope; rather, the geological and soil conditions should be evaluated and recommendations made based on these conditions and the ability to adhere to the recommendations of this section.

f. The extent of cut or fill should be based upon good engineering practices, the recommendations of a geologist and foundation engineer, not an arbitrary limit. However, the amount and treatment of slope banks should adhere to the recommendations in this section.

g. Maintain prominent views of and from hill areas which will reinforce the image and quality of the natural environment.

h. Roads should be located and sized to minimize the amount of grading required following the natural contours where possible.

2. Grading For Housing And Other Structures

a. For single-family detached lots (minimum 10,000 sq.ft.), which are located on an average natural slope of greater than 20 percent, the maximum land coverage shall be determined by the following chart unless a portion of the lot requires cut or fill from the development of roads. In such cases, grading may exceed the percentage shown in an area only with respect to grading not contributing to the usable site area for the lot caused by road grading.

GRADING FOR HILLSIDE DEVELOPMENT (Continued)

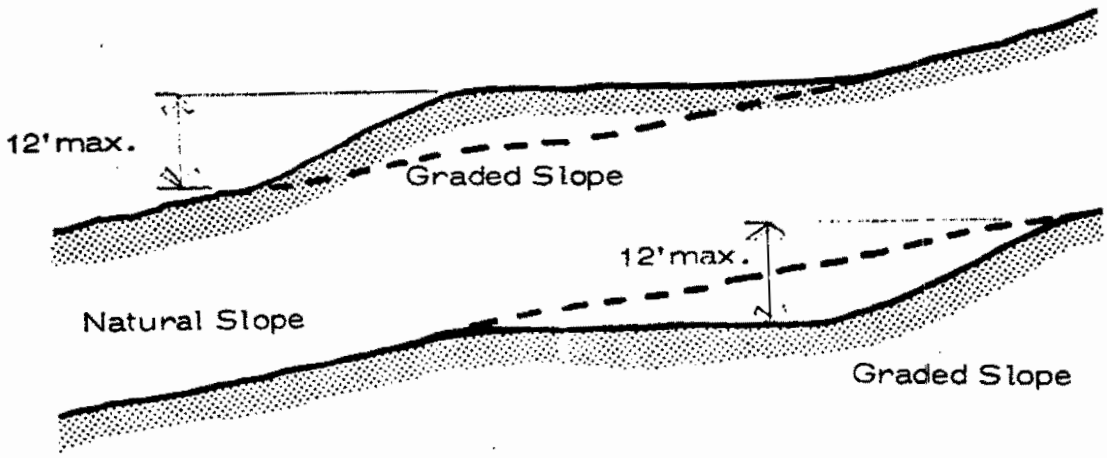
Maximum Land Coverage – Over 20 % Slope
(for min. 10,000 sq.ft. lots)

Average Slope (%)	Maximum Land Coverage (% of Parcel)
20–25	40
25–30	35
30–35	30
35–40	25
40–45	20
45–50	10
Over 50	5

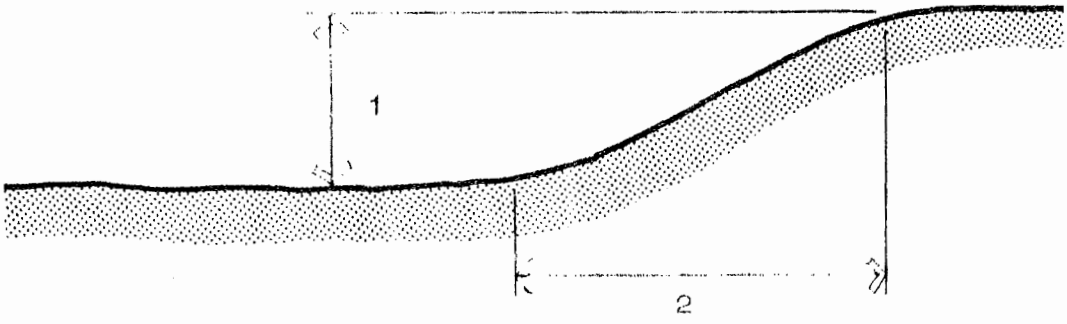
b. Grading for the attached unit areas shall only be done to accomodate the roads, parking, private patios and the structure itself for areas where the average slope is over 20 percent and shall conform to the criteria listed below.

c. In order to provide grading which is sensitive to the natural topography and to produce a slope which is manageable in scale, the following criteria shall apply to grading all residential lots and other structures within the Whiting Ranch.

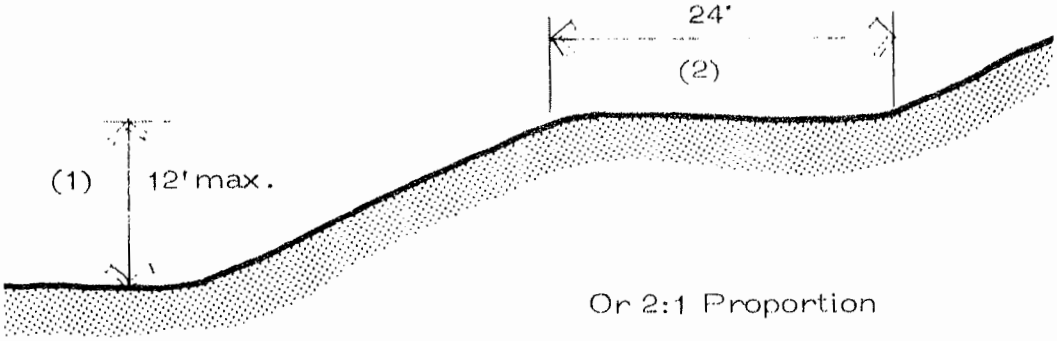
i. From any graded pad, no distance of graded slope shall exceed twelve (12) feet in elevation above or below the pad as shown in the following diagram.



ii. The percentage slope for the fill or cut shall be subject to good engineering practices and is recommended not to exceed 2 to 1. All edges or corners shall be rounded to a minimum radius consistent with the surrounding natural area or a radius not less than the height of the cut or fill slope.



iii. The pad depth on any given lot shall average at least 24 feet in depth before an additional slope bank will be allowed with a 12 feet maximum cut or fill height. If the slope height is less than 12 feet, the pad depth average shall be at least twice the vertical height of the cut or fill slope.



Or 2:1 Proportion

iv. For side slopes, wherever possible, a cut and fill balance will be utilized to minimize the amount of grading required (see Sec. V-E,3-b).

v. A landscape palette shall be extablished compatible with natural vegetation in the area and shall be planted to retard erosion and to screen unsightly graded areas.

Incorporating the above specific guidelines for grading, it is felt that a most sensitive adaptation of housing to the rolling hills of the Whiting Ranch can be accomplished. It is also the expressed intent to vary the house type to best suit the topography. In some cases where steep topography exists, the grading criteria as outlined is not possible to be met. Therefore, special foundation designs and house types will be incorporated to provide development which can fit onto steeper topography adapting the house to the natural contour of the land.

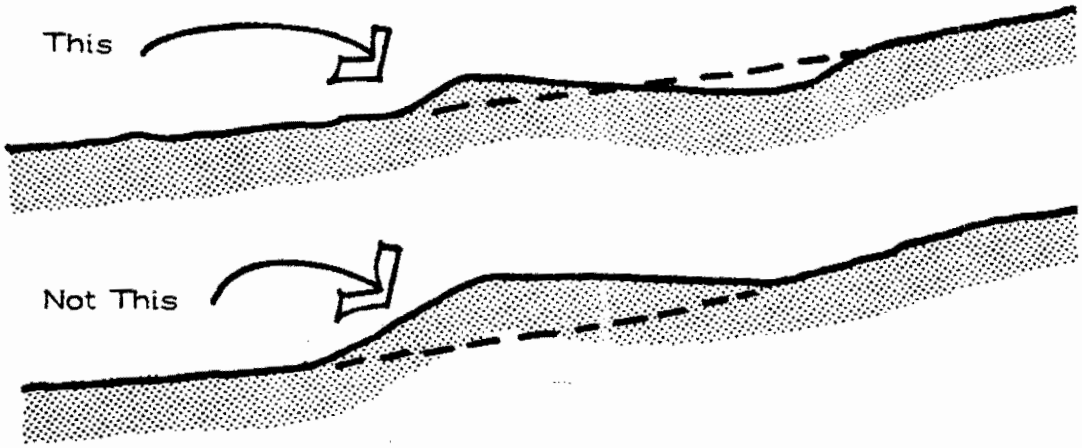
3. Grading For Roads

Because of limitations on percentage grade and radius of curvature for various roads, it may be necessary for the cut and fills to exceed the maximums listed for lot grading. However, the following criteria shall be utilized for road grading throughout the Whiting Ranch in order to provide the most sensitive adaptation of roads to the topography.

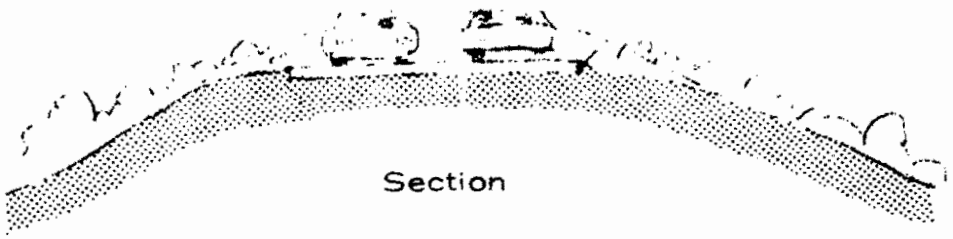
GRADING FOR HILLSIDE DEVELOPMENT (Continued)

a. The percentage slope of cut or fill shall be compatible with the geological and structural capabilities of the soils in the area.

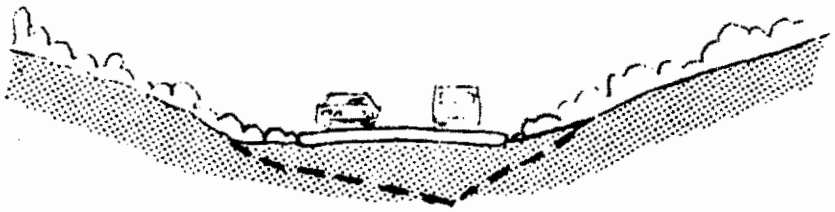
b. Where road is cut into a side slope to the maximum extent possible, there shall be a balance of cut and fill in order to minimize the overall amount of grading required.



c. For roads that are located along ridgelines or hilltops the grading which is done must be daylighted below the elevation of the center line of the road and is to be rounded into the natural topography and planted with appropriate vegetation.

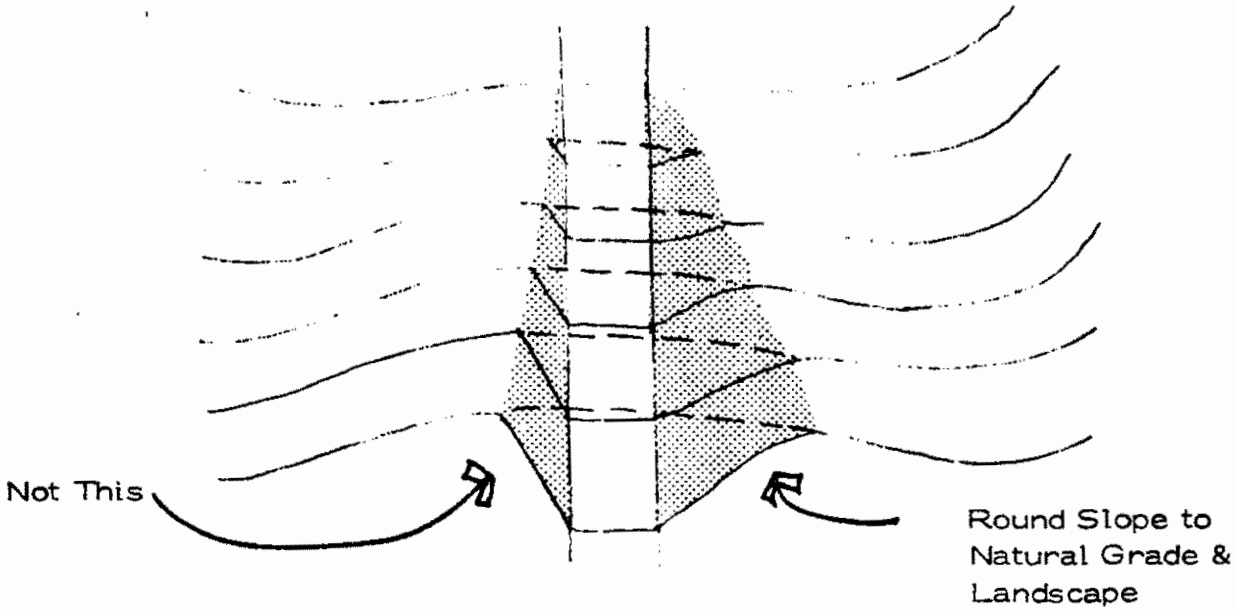


d. For road alignments in the valley, except where drainage channel is adjacent to the road, the grading shall be rounded into the natural slope bank at a location above the center–line of the road again incorporating vegetation native to the area or compatible to the natural conditions.



Section

e. Roads across ridges or valleys are to be minimized, however, when utilized, the following criteria shall apply to grading. Cut and fill slopes are to transition into the same percentage slope as the natural topography and are to be rounded into the natural topography to give a "natural" appearance

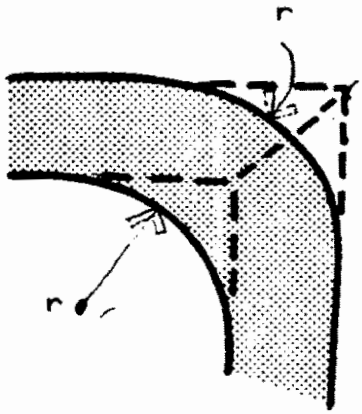


f. Where benches are required, they shall be designed so as to fit with the natural character of the area giving a variation in elevation compatible with the natural topography and the drainage requirement and, to the extent possible, shielded with vegetation compatible to the natural vegetation of the area.

Where practical from a geological and soils standpoint, where grading occurs, an appropriate cover of topsoil shall be applied in order to sustain the plantlife which will then be utilized to prevent erosion and to provide a visual compatibility with the surrounding area.

Where the edge of any cut or fill slope meets or intersects, the corners shall be rounded to a minimum radius of the vertical height of the cut or fill slope or that radius which is typical within the surrounding natural environment.

Radius of Curve =
Height of Slope



g. Where the natural grade and a cut and fill slope meet, there shall be a gradual transition from the graded slope to the natural configuration consistent to the topography within the area. The minimum radius required as the slope bank cut or fill blends into the natural topography shall be the minimum radius existing within the natural topography. Ovvious exceptions to this would include areas where erosion has occured or stream bed areas or specific slide areas or other unstable or irregular areas unique to a specific locality.

J L WEBB PLANNING

220 NEWPORT CENTER DRIVE, SUITE 22 • NEWPORT BEACH, CALIFORNIA 92660 • (714) 644-7355

August 6, 1973

Dear Orange Park Acres Resident and Property Owner,

As you may have been advised by the Orange Park Association, Inc., my firm has been selected to prepare a "Specific Plan" for Orange Park Acres. The selection was made by the Orange Park Acres Development Committee which is composed of representatives of the County of Orange, City of Orange, landowners, developers and residents in Orange Park Acres. The purpose of the "Specific Plan" is to guide the future zoning and development for Orange Park Acres.

As a resident or property owner in Orange Park Acres, your assessment of the physical, economic and social environment along with an indication of your needs and goals will be a great value in the preparation of this Plan.

Enclosed you will find a Questionnaire designed to acquire the needed planning input. Your answers are anonymous and will be individually held in strict confidence.

Since we have limited time in which to complete this Plan, we would appreciate your response within one week. Enclosed is a self-addressed, postage-paid envelope to facilitate a prompt return of the Questionnaire. Your early response will allow us to incorporate your reflections of the problems, needs and goals for the area in the formative stages of our planning process.

Your cooperation is greatly appreciated by us and by the Orange Park Acres Development Committee.

Respectfully yours,

J. Larry Webb

Enc.

ORANGE PARK ACRES
RESIDENT AND PROPERTY OWNER QUESTIONNAIRE

1. Please indicate the number and age of persons residing in your home

	Men	Women	Boys	Girls
Number				
Age				

2. List the clubs and/or organizations you and your family are most active in (such as 4H, FFA, Scouts, church, etc.)

_____

3. How many animals do you have on your property during a typical year?

____ Horses	____ Goats	____ Dogs
____ Cattle	____ Rabbits	____ Cats
____ Swine	____ Chickens	____ Other

4. How long have you lived in Orange Park Acres? _____years _____months

5. Why did you choose to live in O.P.A. rather than some other area?

_____

6. Are you a: ____resident owner, ____non-resident owner or ____renter?

7. Where did you live before you moved to O.P.A.? _____
city state

8. What is the approximate size of your property? _____
Sq.Ft. or Acres

9. What is the estimated size of your house? _____
Sq.Ft.

10. What is the estimated market value of your home and/or property today?
$_____

11. Is your home: ____one story, ____two story or ____split level?

12. What are the numbers of rooms in your home?
____bedrooms ____baths ____car garage ____ total number of rooms

13. What is the age of your home? _____

14. What other improvements are included on your property in addition to your residence?

____ Guest House	____ Patio	____ Corral
____ Stables	____ Barn	____ Swimming Pool
____ Shed	____ Stalls	Other _____

15. What are the prime uses of your land? (check all applicable spaces)

____ Vacant	____ Agricultural	____ Raising and keeping
____ Residential	____ Commercial	of animals

16. What are the occupations of: Man _____ Woman _____

17. In what area is your work located? _____

(over)

ORANGE PARK ACRES QUESTIONNAIRE - CONT.

18. Please indicate the total annual family income

____ 0 - $10,000	____ $25,000 - $30,000	____ $45,000 - $50,000
____ $10,000 - $15,000	____ $30,000 - $35,000	____ $50,000 - $55,000
____ $15,000 - $20,000	____ $35,000 - $40,000	____ $55,000 - $60,000
____ $20,000 - $25,000	____ $40,000 - $45,000	____ $60,000 and above

19. Please indicate which major items your family owns:

____ Cars	____ Camper	____ Bicycles	____ Airplane
____ Truck	____ Motorcycle	____ Boat	Others _____

20. Please circle the types of activities your family engages in and the approximate number of hours/week spent in each.

Shopping	___hrs	Bicycling	___hrs	Club activities	___hrs
Boating	___hrs	Hiking	___hrs	Horseback riding	___hrs
Swimming	___hrs	Visiting friends	___hrs	Civic activities	___hrs
		Sightseeing	___hrs	Other_____	___hrs

21. What percentage of your free time in a typical week does your family spend:

_____% in the Orange Park Acres area

_____% outside of the Orange Park Acres area

22. Where do you spend your vacations and long weekends?

_____

23. In your own terms, state what you believe to be the most positive aspects of Orange Park Acres. _____

_____

_____

_____

_____

_____

24. In your own terms. state what you believe to be the most negative aspects of Orange Park Acres. _____

_____

_____

_____

_____

_____

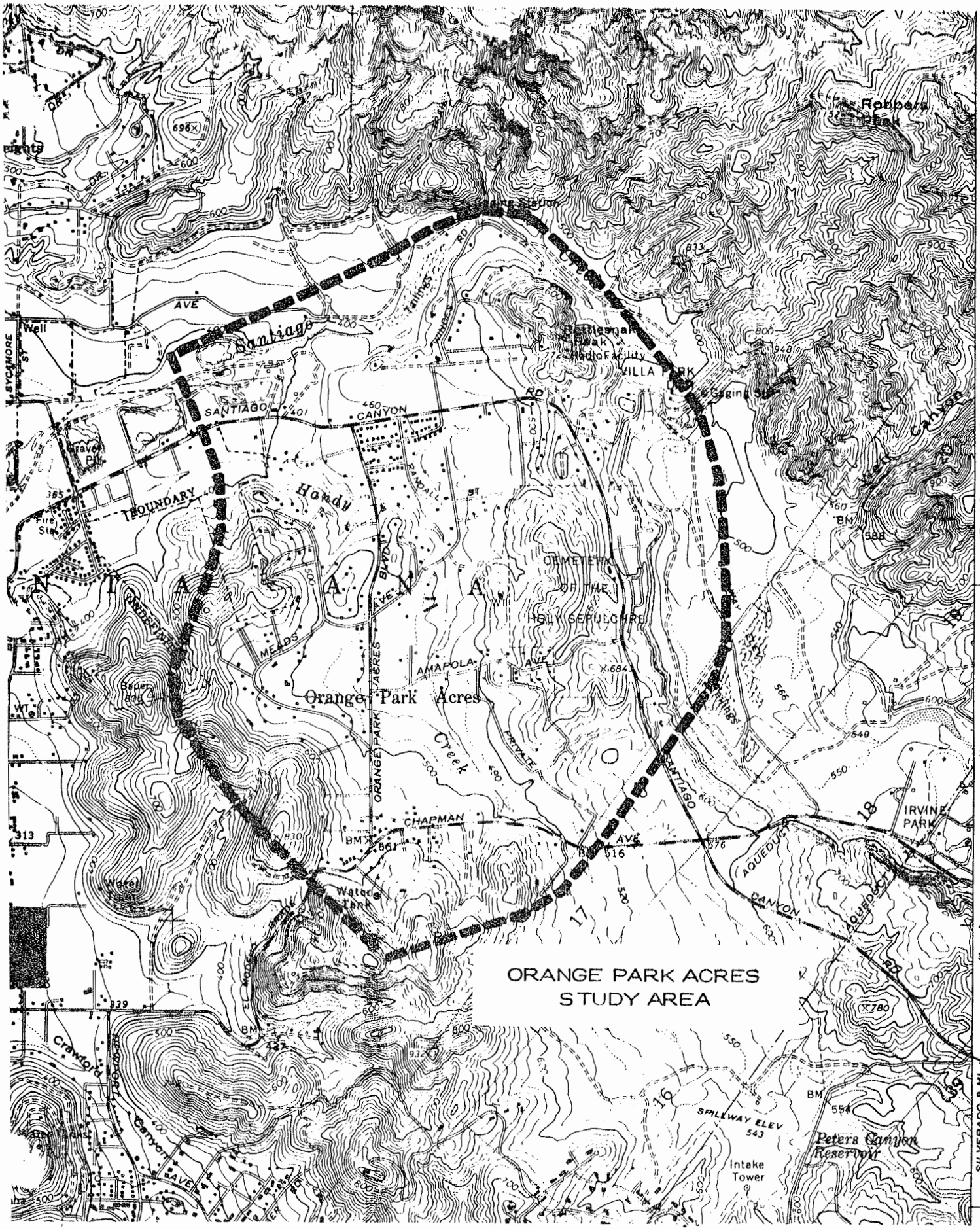
25. On the back of the following page is a map of the Orange Park Acres study area. Please draw a line around the areas which you believe are the most desirable and identify them with a (+). Also, draw a line around the areas you consider least desirable and identify them with a (-).

6. Please indicate the level of quality for each of the following community characteristics as they exist today in Orange Park Acres. Also indicate whether this item is very important, important or not important to you.

	Good	Adequate	Poor	Very Important	Important	Not Important
Schools	___	___	___	___	___	___
School Transportation	___	___	___	___	___	___
Public Transportation	___	___	___	___	___	___
Traffic Conditions	___	___	___	___	___	___
Road Conditions	___	___	___	___	___	___
Storm Drainage	___	___	___	___	___	___
Trash Pick-up	___	___	___	___	___	___
Sewerage Disposal	___	___	___	___	___	___
Septic Tank Systems	___	___	___	___	___	___
Street Cleaning	___	___	___	___	___	___
Postal Service	___	___	___	___	___	___
Water - Drinking	___	___	___	___	___	___
Police Protection	___	___	___	___	___	___
Fire Protection	___	___	___	___	___	___
Hospital Facilities	___	___	___	___	___	___
Medical Services	___	___	___	___	___	___
Neighborhood Parks	___	___	___	___	___	___
Regional Parks	___	___	___	___	___	___
Recreational Facilities	___	___	___	___	___	___
Library Service	___	___	___	___	___	___
Shopping Facilities	___	___	___	___	___	___
Community News	___	___	___	___	___	___
Social Activities	___	___	___	___	___	___
Churches	___	___	___	___	___	___
Visual Image	___	___	___	___	___	___
Architecture	___	___	___	___	___	___
Landscaping	___	___	___	___	___	___
Property Maintenance	___	___	___	___	___	___
Noise	___	___	___	___	___	___
Natural Features	___	___	___	___	___	___
Hillside Development	___	___	___	___	___	___
Open Space	___	___	___	___	___	___
Air Quality	___	___	___	___	___	___
Housing Conditions	___	___	___	___	___	___
Housing Density	___	___	___	___	___	___
Local Government	___	___	___	___	___	___
Community Identity	___	___	___	___	___	___
Animal waste clean-up	___	___	___	___	___	___

Please feel free to enclose any additional comments that you feel would be valuable in the preparation of a "Specific Plan" for Orange Park Acres.

(over)


ORANGE PARK ACRES
STUDY AREA
Orange Park Acres
Santiago
Handy
Creek
Peters Canyon
Reservoir
Intake
Tower
SPILLWAY ELEV
543
Irvine
Park
Villa Park
Orange Park
Acres
Mesa
Water
Tank
Water
Tank
Gravel
Pit
Fire
Sta.
Well
Robbers
Peak
Modjeska
Peak
Radio Facility
Santiago
Station
Cemetery
of the
Holy Sepulchre
Aqueduct
Canyon
Aqueduct
Canyon
Silverado 8 Mi.
(Black Star Canyon)
24511 SW

ORANGE PARK ACRES

ESTIMATED DWELLING UNITS

BY PARCEL

Sector	Owner	D.U. 1 Ac.	D.U. Cluster	D.U. Total	Total Ac.	D.U./Ac.
A_3	Mead Ranch	45	202	247	117	2.11
A_3	Leadership	45	48	93	60	1.55
A_2	F. Mead	5	46	51	24	2.13
A_2	La Vene	4	177	181	72	2.51
A_2	Renacer Inc.	-	49	49	16.5	2.97
A_2	C.E.C.	-	24	24	8.2	2.93
A_2	B. Boone	-	4	4	1.43	2.8
A_1 & B	W. Dworman	-	72	72	40	1.80
C	Cemetery	-	150	150	117	1.28
D	P. Howard	-	14	14	8.2	1.71
D	Sully-Miller	-	26	26	16.6	1.57
J	J.W. Klug	-	56	56	30	1.87
J	L. Collins	-	12	12	7.2	1.67
	TOTALS	99	880	979	518	1.89

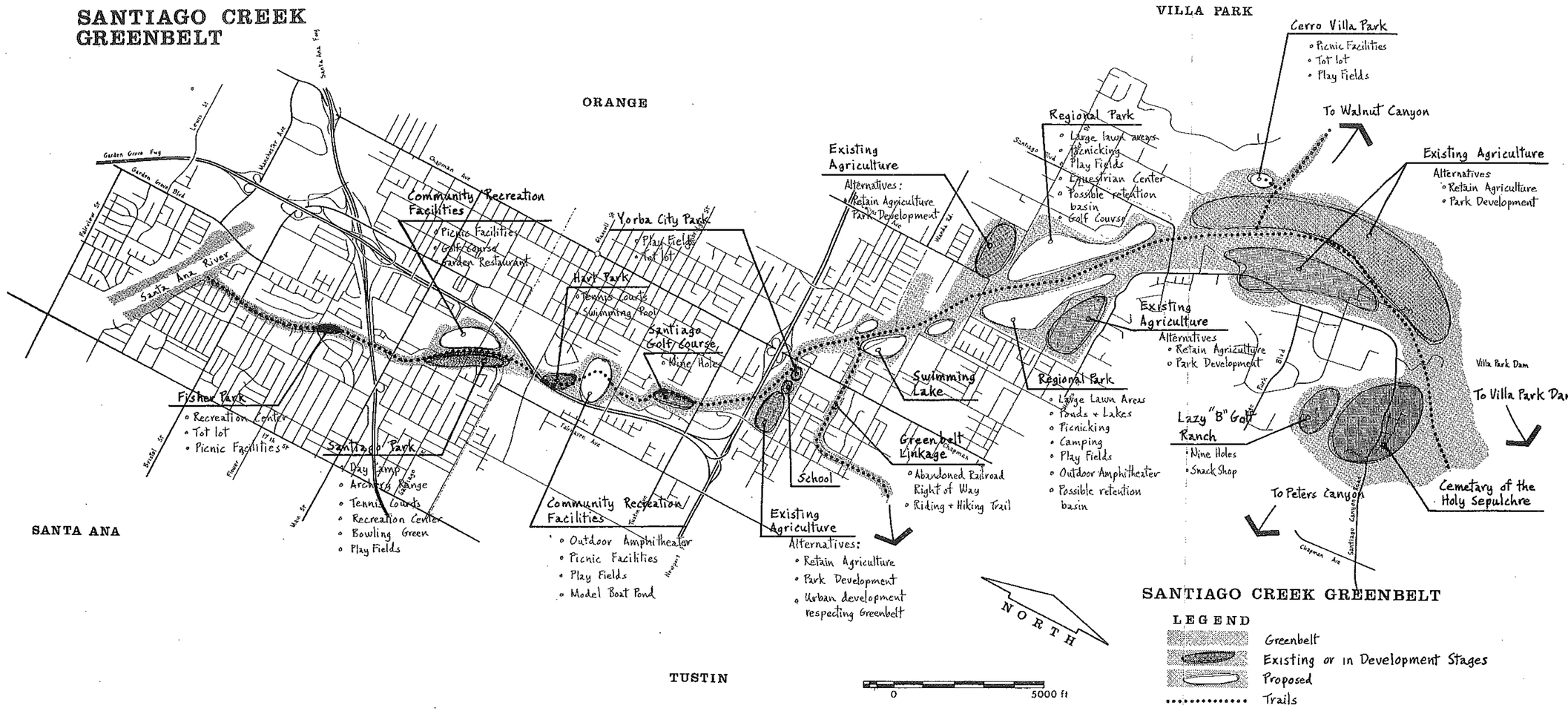
All other vacant property over one acre in size shall have a maximum density of one dwelling unit per acre.

10-10-73

Revised 10-17-73

Santa Ana River - Santiago Creek Greenbelt Plan (1971)

ATTACHMENT 5



Agenda Item

Orange City Council

Item #: 9.2. 8/25/2026 **File #:** 26-0478

TO: **Honorable Mayor and Members of the City Council**

FROM: **Jarad Hildenbrand, City Manager**

1. SUBJECT

County of Orange Unincorporated Island Annexation Study and Policy Direction (Continued from August 11, 2026)

2. SUMMARY

During the February 5, 2026 Strategic Planning Session, the City Council expressed interest in evaluating whether the remaining unincorporated County islands within the City's Sphere of Influence should be annexed into the City of Orange. Annexation has the potential to create a more unified community, improve service consistency, and eliminate jurisdictional boundaries that currently divide neighborhoods surrounded by the City. At the same time, annexation would transfer ongoing service responsibilities, infrastructure obligations, and Regional Housing Needs Assessment (RHNA) allocations to the City. This report provides an overview of the annexation process, summarizes the potential fiscal and policy considerations, and seeks City Council direction regarding whether staff should pursue annexation of some or all of the remaining County islands.

3. RECOMMENDED ACTION

1. Receive and file the presentation regarding the potential annexation of the remaining County islands within the City of Orange's Sphere of Influence.
2. Provide policy direction regarding whether staff should pursue annexation of all, some, or none of the remaining County islands, and identify any additional analysis desired before initiating formal proceedings.

4. FISCAL IMPACT

There is no immediate fiscal impact associated with this report. Should the City Council direct staff to initiate annexation proceedings, additional staff time and consultant resources may be required to prepare fiscal analyses, service plans, environmental documentation, and annexation applications. Preliminary estimates indicate that annexation of one or more County islands could result in ongoing net costs to the City unless additional revenue-sharing agreements are negotiated with the County of Orange.

5. STRATEGIC PLAN GOALS

Goal 3: Enhance Quality of Life Through City Services.

Objective 3.2: County Island Annexation

6. DISCUSSION AND BACKGROUND

History of County Island Annexation

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act) was enacted to

streamline local government organization and encourage logical municipal boundaries that promote efficient and effective service delivery. One of the Act's primary objectives is to facilitate the annexation of unincorporated "County islands" that are substantially surrounded by incorporated cities.

Following adoption of the Act, the City of Orange partnered with the County of Orange and the Orange County Local Agency Formation Commission (OC LAFCO) to evaluate the City's remaining unincorporated islands. As a result of that effort, the City successfully annexed 11 County islands in 2003, eliminating numerous jurisdictional boundaries and expanding municipal services to those neighborhoods.

At that time, six additional County islands were also evaluated for annexation; however, annexation did not proceed due to a combination of fiscal, procedural, and community considerations. Those six remaining County islands continue to exist today and collectively encompass approximately 850 acres and are home to nearly 5,000 residents.

The remaining County islands are summarized below.

County Island Name	**Location**	**Acreage**
El Modena	North of Chapman Avenue and south of east Silverleaf Avenue.	101.67
North El Modena	South of East Bond Avenue and north of East Walnut Avenue, encompassing Hewes Street	31.59
Lincoln/Glassell	North of West Lincoln Avenue and Adjacent to the Santa Ana River.	103.03
Olive Heights	North and south of East Buena Vista Avenue, north of Lincoln Avenue and south of East Bixby Avenue.	32.47
Orange Park Acres	South of East Santiago Canyon Road and north of East Chapman Avenue, encompassing Orange Park Boulevard.	394.02
Santiago Creek (Bond Pits)	North and south of Villa Park Road and west of Hewes Street.	187.25

Potential Benefits of Annexation

Annexation of the remaining County islands has the potential to provide several long-term community and operational benefits. Because these neighborhoods are already surrounded by or closely connected to the City of Orange, annexation would create more logical municipal boundaries while allowing the City to provide consistent municipal services throughout the community.

Potential benefits include:

- Elimination of fragmented City and County jurisdictional boundaries.
- More consistent police, fire, code enforcement, planning, and public works services.
- Improved coordination of infrastructure maintenance and capital improvements.

- Greater consistency in land use planning and development standards.
- Enhanced emergency response coordination.
- Increased local representation through the Orange City Council.
- Creation of a more unified community by incorporating neighborhoods that already identify closely with the City of Orange.

Annexation Process

California law establishes two different annexation procedures depending upon the size of the territory proposed for annexation. County islands that are 150 acres or smaller qualify for a streamlined annexation process, while larger territories require additional procedural steps, including protest proceedings and, under certain circumstances, an election.

I. Annexation Process for County Islands with 150 Acres or Less

When a County island is 150 acres or less (all but Orange Park Acres and the Bond Pits), California Government Code Section 56375.3 authorizes a streamlined approach that is further described below:

Step 1 - Preliminary Discussions: City staff meet with OC LAFCO, the County Executive Office, service providers/special districts, and residents/property owners to express the City's interest and intent of annexing the County island(s).

Step 2 - Negotiate Revenue Shares: As further described below, the City and County will negotiate one-time and ongoing revenue exchanges. As a part of this process, the City and County will finalize the property tax share. In Orange County, this has already been established through a 1980 City/County Master Property Tax Exchange Agreement. The property tax revenue split is 51% to the City and 49% to the County.

Step 3 - City Council Resolution and OC LAFCO Application Submission: The City Council adopts a resolution confirming findings pursuant to California Government Code Section 56375.3, and submits all the required materials (e.g., boundary map(s), vicinity maps, plan for service, property tax exchange resolution) to OC LAFCO.

Step 4 - County Board of Supervisors: The County Board of Supervisors considers adopting an annexation agreement and a property tax exchange resolution.

Step 5 - OC LAFCO Review and Public Hearing: OC LAFCO ensures the proposal is complete, prepares the report, and schedules a public hearing. In accordance with the Act, OC LAFCO notifies parties of the proposal and waiver of protest proceedings, and the OC LAFCO Commission shall approve the proposed annexation.

The approximate timeline for annexations that are 150 Acres or less is generally 6-12 months.

II. Annexation Process for County Islands with 150 Acres or More

Step 1 - Preliminary Feasibility Analysis: In collaboration with OC LAFCO and the County of Orange, City staff evaluates the fiscal impacts, service costs, and existing infrastructure.

Step 2 - Outreach to Residents: Although not legally required at initiation, staff recommends conducting community meetings, mailers, or informational workshops to better understand the

community's perspective on potentially being annexed into the City of Orange.

Step 3 - Negotiate Revenue Shares: As further described below, the City and County will negotiate one-time and ongoing revenue shares to support City services. As a part of this process, the City and County will finalize the property tax share. In Orange County, this has already been established through a 1980 City/County Master Property Tax Exchange Agreement. The property tax revenue split is 51% to the City and 49% to the County.

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Step 6 - Submit Application to OC LAFCO: Application materials include plan for services, fiscal analyses, CEQA compliance, maps, and legal descriptions.

Step 7 - OC LAFCO Hearing: OC LAFCO holds a public hearing and determines whether to approve the annexation. Approval does not complete the annexation. Instead, it authorizes commencement of protest proceedings.

Step 8 - Protest Proceedings: OC LAFCO schedules a protest hearing and accepts written protests for a period generally ranging from 21 to 60 days. The outcome depends on whether the territory is inhabited. Provided below are the processes for inhabited vs. uninhabited territories.

Inhabited Territory (12 or More Registered Voters)

Protest Level	**Result**
Less than 25% protest	Annexation Ordered
25% to less than 50% protest submitted by registered voters within the territory; or protest submitted by 25% of the owners of the land who also own at least 25% of the assessed value of land within the territory	Election required
50% or more protest	Proceedings terminated

Uninhabited Territory (Fewer than 12 Registered Voters)

Protest LevelResult	
Less than 50% of assessed value protesting	Annexation Ordered
50% or more of assessed value protesting	Proceedings terminated

If protests fall within the election range, OC LAFCO calls an election among voters residing within the annexation territory. A majority vote is required for annexation to proceed.

Step 9 - Completion: If there is no majority protest or the election succeeds, then OC LAFCO issues a Certificate of Completion, the annexation becomes effective, and the County service

responsibilities transfer to the City.

This process may last 12-18 months, or longer if an election is required.

Financial Considerations

In early 2025, City staff requested preliminary fiscal information from the County of Orange and OC LAFCO to better understand the financial implications associated with annexing the remaining County islands. Based on the County's estimates, annexation of all remaining County islands would likely result in an ongoing net fiscal impact to the City under the existing revenue allocation structure.

Should the City Council direct staff to proceed, staff would negotiate with the County regarding one-time and ongoing revenue-sharing agreements intended to offset municipal service costs associated with annexation. Generally, the following revenue categories would be addressed in those discussions:

- City Share of Property Taxes (51% to the City / 49% to the County)
- City Share of Orange County Street Light Assessment District Dissolution Fund
- City Share of the Orange County Structural Fire Fund
- City Share of the Orange County Public Library Fund

Prior to initiating annexation proceedings, staff recommends conducting additional due diligence regarding the condition of public infrastructure within each County island, including streets, sidewalks, storm drains, street lighting, parks, and other public improvements. Understanding existing infrastructure conditions will help the City better estimate future maintenance obligations and long-term capital replacement needs.

Regional Housing Needs Assessment (RHNA)

Annexation of County islands would also transfer responsibility for the County's remaining Regional Housing Needs Assessment (RHNA) allocations within those territories to the City. In total, the remaining County islands currently contain an allocation of 1,383 RHNA units. Although annexation would not require immediate residential development, the City would assume responsibility for planning for those housing units in accordance with State housing law.

Island	**RHNA Units**
El Modena	328
Lincoln Glassell	624
North El Modena	0
Olive Heights	431
Orange Park Acres	0
Santiago Creek (Bond Pits)	0
Total	1,383

In determining whether to pursue annexation, the City Council may wish to consider several policy factors, including the long-term fiscal impacts to the City, opportunities to negotiate additional

revenue sharing with the County, the transfer of RHNA obligations, the condition of existing public infrastructure, community support, and the benefits of creating more unified municipal boundaries and service delivery.

Summary Comparison of Remaining County Islands

County Island	Acres	Estimated Population	RHNA Units	Annexation Process
El Modena	101.67	2,797	328	Streamlined
North El Modena	31.59	520	0	Streamlined
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Orange Park Acres	394.02	1,074	0	Standard
Santiago Creek	187.25	0	0	Standard

Conclusion

Annexation of the remaining County islands presents an opportunity to eliminate jurisdictional inconsistencies and provide more unified municipal services to neighborhoods that are closely connected to the City of Orange. However, annexation would also transfer ongoing service responsibilities, infrastructure maintenance obligations, and applicable RHNA allocations to the City. Because the financial impacts vary by island and additional negotiations with the County would be necessary regarding revenue sharing, staff is seeking policy direction from the City Council regarding whether to proceed with annexation of all, some, or none of the remaining County islands and the level of additional analysis desired before initiating formal proceedings.

7. ATTACHMENTS

- County Island Profiles (OC LAFCO)
- 1980 Property Tax Agreement

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7. ATTACHMENTS

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OC LAFCO Unincorporated Areas Program
Orange Islands (ID#17-19, #21-23)
Sphere of Influence – City of Orange

Strategic Opportunities for County Unincorporated Areas

Since 2000, OC LAFCO has successfully annexed several unincorporated county areas to adjacent cities. Today the collaboration with the County and cities adjacent to these areas continues with the remaining unincorporated areas involving a combination of challenges (e.g., historical resident and agency opposition, lack of infrastructure financing, differences in city/county development standards) that requires a strategic partnership facilitated by OC LAFCO. Current demographic and fiscal data are critical to this effort and a better understanding of issues related to municipal service delivery to unincorporated communities.

The information below provides an overview of current service related costs and revenues as well as potential opportunities for islands.

Overview of the Orange Islands (ID#17 – 19, #21-23)

The Orange Islands include six separate islands consisting of a total of approximately 850 acres of unincorporated territory surrounded by the City of Orange. The islands are generally located in the western part of the sphere of influence of the City of Orange and include 1,362 single-family detached units and 447 other dwelling units, a population of 4,891 residents, and 2,375 registered voters. The chart below depicts the acreage for each island.

Island Name	Island ID #	Location	Acreage
El Modena	ID#17	North of Chapman Avenue and south of East Silverleaf Avenue.	101.67
Lincoln/Glassell	ID#18	North of West Lincoln Avenue and adjacent to Santa Ana River.	103.03
North El Modena	ID#19	North and south of the intersection of Hewes St. and East Bond Avenue.	31.59
Olive Heights	ID#21	North and south of East Buena Vista Avenue, south of East Bixby Avenue	32.47
Orange Parks Acres	ID#22	South of East Santiago Canyon Road and north of East Chapman Avenue, encompassing Orange Park Boulevard.	394.02
Santiago Creek	ID#23	South of Villa Park Road and west of Hewes Street.	187.25

The chart below highlights current municipal service provisions to the area.

Service Category	Current Service Provider
Sewer	City of Orange
Fire Protection & Prevention	Orange County Fire Authority
Law Enforcement	Orange County Sheriff
Solid Waste Collection	Ware Disposal/CR&R Inc./Waste Management
Street Sweeping	County of Orange
Library	County of Orange
Animal Control	County of Orange
Planning	County of Orange
Code Enforcement	County of Orange
Parks & Recreation	OC Parks (Regional)
Education	Orange Unified School District (K-12)

County Costs/Revenues

The County has worked with various departments to develop an annual accounting of County General Fund municipal service revenues and expenditures for each of the unincorporated areas. This profile includes a snapshot of the costs to the County to provide municipal services and the revenue generated for the Orange Islands for fiscal year 2023-24. Currently, the Orange Islands result in a yearly negative impact to the County General Fund of approximately $2,099,692 (excluding capital project expenditures). Primary service expenses for the islands include animal control, law enforcement, and infrastructure maintenance. Property tax revenue allocated to the County general fund is the major revenue source generated within the islands, consisting of approximately $360,535 each fiscal year.

Annexation Opportunity

Approval of the annexation of the islands to the City by OC LAFCO could result in several benefits to the residents and the commercial area related to City service levels and the proximity of City service providers and emergency responders. The Orange Islands consist of built-out residential neighborhoods, small commercial areas, and recreational areas with opportunities for additional revenues. Unincorporated islands that are less than 150 acres may be processed by OC LAFCO under the streamlined "small island" provisions of State law which require OC LAFCO to approve the annexation and waive protest proceedings[2]. Currently, OC LAFCO is waiving the application fee for cities and providing resources that bridge information gaps and align the efforts of local stakeholders. In part to this, OC LAFCO staff is available to facilitate discussions among stakeholders and participate in community workshops, when requested, to ensure that the residents and landowners are informed on the annexation process. Additionally, the State Board of Equalization currently supports the streamlining of small island annexations (less than 150 acres) through its waiver of the requirement for a map and legal description of the annexation territory.

[2]Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Section 56375.3 (a)

Orange County Revenue & Expenditure Data
Orange Unincorporated Islands (ID#17-19, #21-23)

County Revenue (FY 2023-24)

Island	Island ID#	Sales Tax	Property Tax	Total Taxes
El Modena	ID# 17	$31,109	$19,081	$50,190
Lincoln/Glassell	ID# 18	n/a	$23,331	$23,331
North El Modena	ID# 19	n/a	$ 3,017	$3,017
Olive Heights	ID# 21	$525,160	$5,014	$530,174
Orange Park Acres	ID# 22	$5,755	$309,318	$315,073
Santiago Creek	ID# 23	n/a	$774	$774
Total Revenue:		**$562,024**	**$360,535**	**$922,559**

Potential Property Tax Revenue upon annexation (based on the City/County Master Property Tax Exchange Agreement adopted on October 28, 1980):

Island	Island ID#	City Tax %	County Tax %	City Revenue	County Revenue
El Modena	ID# 17	51%	49%	$9,731	$9,350
Lincoln/Glassell	ID# 18	51%	49%	$11,899	$11,432
North El Modena	ID# 19	51%	49%	$1,539	$1,478
Olive Heights	ID# 21	51%	49%	$2,557	$2,456
Orange Park Acres	ID# 22	51%	49%	$157,752	$151,565
Santiago Creek	ID# 23	51%	49%	$395	$317

County Expenditures (FY 2023-24)

	Operations and Maintenance					
	OC Waste & Recycling	Animal Care Services	Sheriff	OCPW Road Maint.	OCPW Infra. Maint.	Code Enf.
El Modena	$4,373	$8,784	$844,007			
Lincoln/ Glassell	$1,782	$0	$0			
North El Modena	$415	$715	$156,912	$109,286[1]	$189,497[2]	$73,333[3]
Olive Heights	$403	$117	$150,877			
Santiago Creek	$0	$0	$0			
Orange Parks Acres	$18,440	$10,927	$324,084	$70,428	$90,529	$44,783
Total Expenditures	$25,413	$20,543	$1,475,880	$179,714	$280,026	$118,116
Total Operation and Maintenance Expenditures: $2,099,692						

[1] Includes the total cost of OCPWD Road Maintenance for the following islands: El Modena, Lincoln Glassel, North El Modena, Olive Heights and Santiago Creek.

[2] Includes the total cost of OCPWD Infrastructure Maintenance for the following islands: El Modena, Lincoln Glassel, North El Modena, Olive Heights and Santiago Creek.

[3] Includes the total cost of Code Enforcement for the following islands: El Modena, Lincoln Glassel, North El Modena, Olive Heights and Santiago Creek.

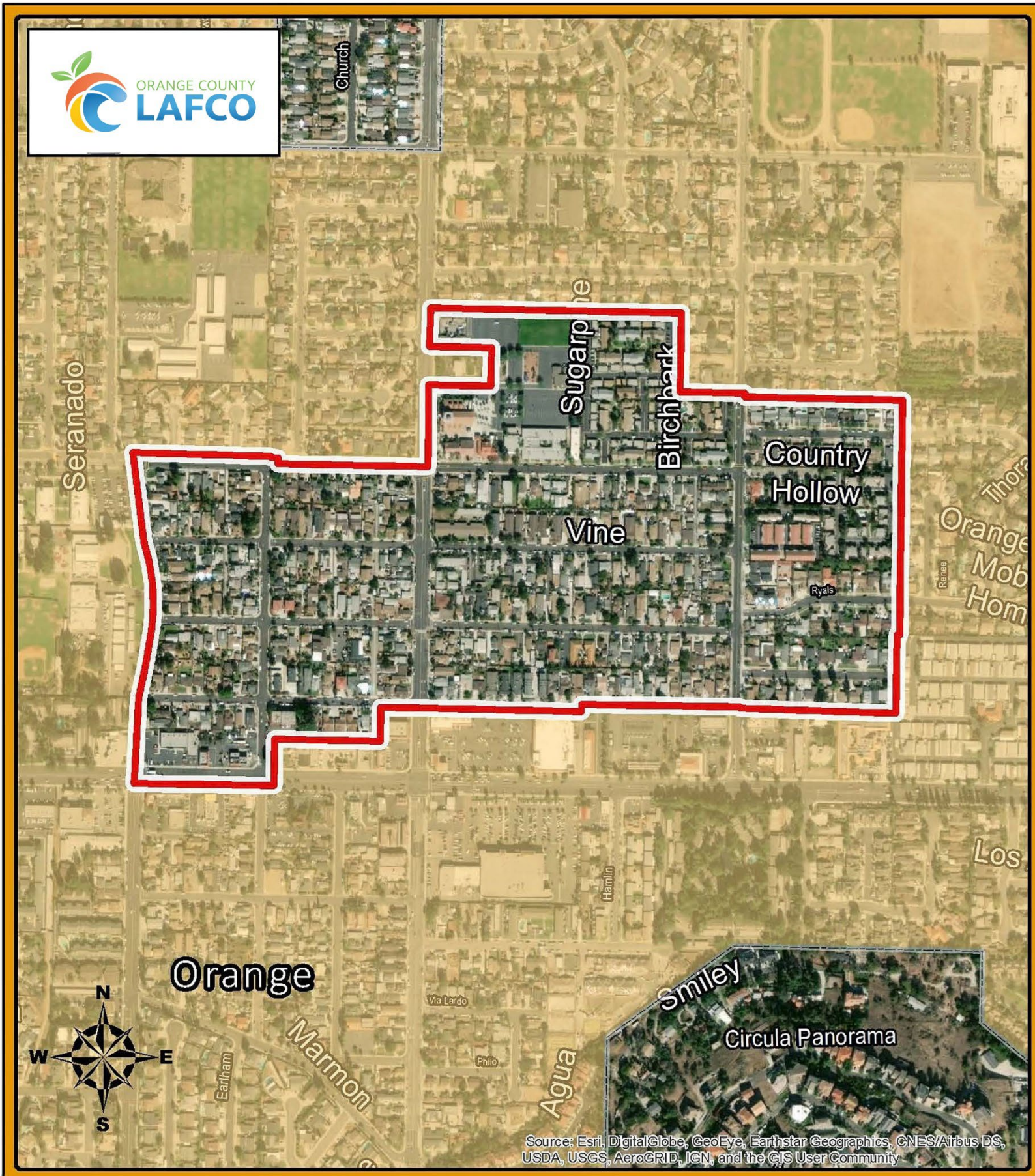
El Modena Island (ID #17)

General Information

Sphere of Influence	City of Orange
Supervisorial District	2nd
Acreage	101.67
Within City of Orange's General Plan?	Yes
City of Orange's Pre-zoning Designation	Low and Low Medium Density Residential
Fire Stations (within 1-mile radius)	Orange Fire Station #2 and #4
Parks (within ½ mile radius)	El Modena (Orange), La Veta (Orange)
Flood Control Channels (miles)	.82

Demographics

Population	2,797
Housing Units	684



City of Orange
El Modena Island

0 0.2 Miles

Legend

El Modena Island

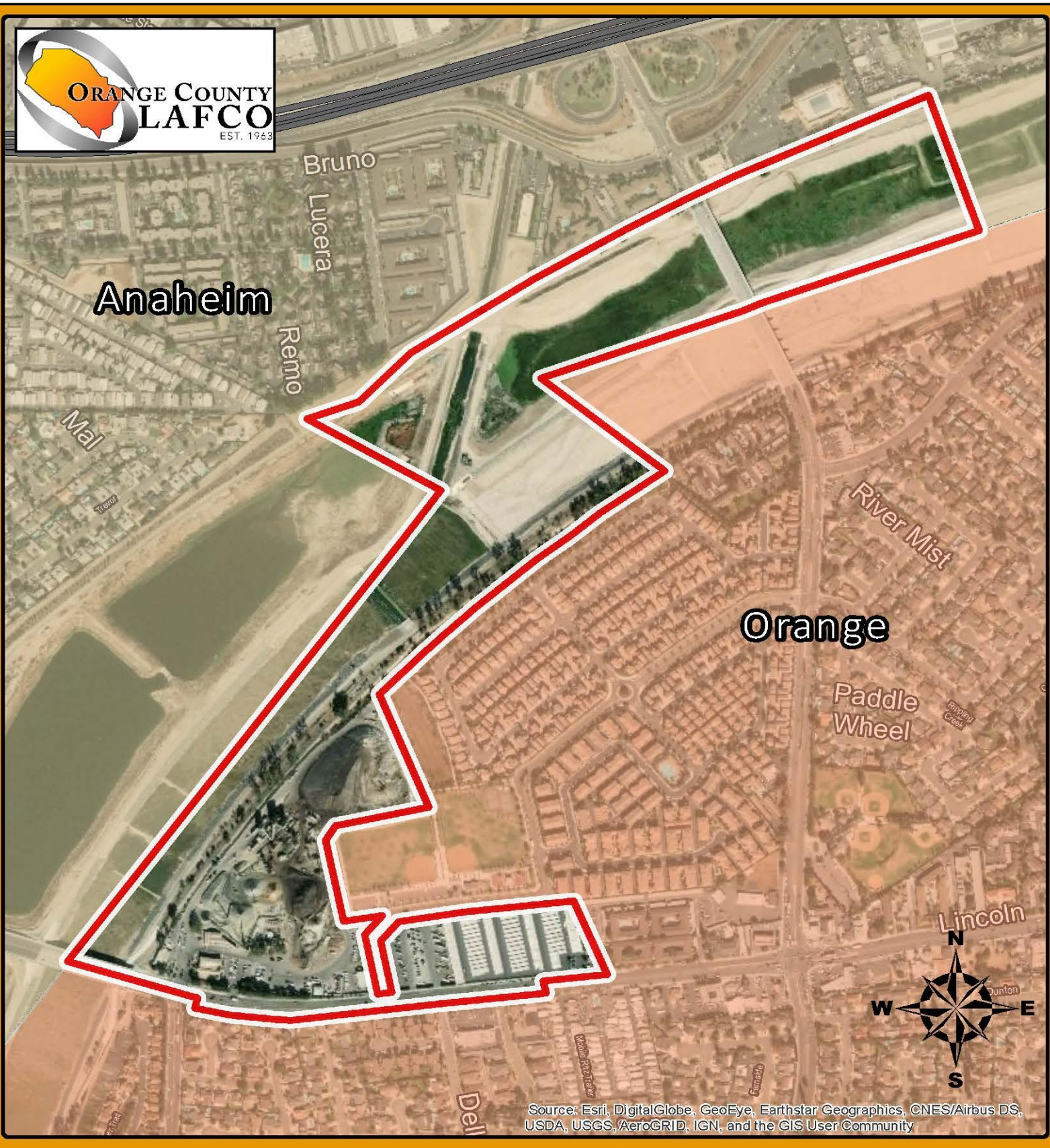
Lincoln/Glassell Island (ID #18)

General Information

Sphere of Influence	City of Orange
Supervisorial District	2nd and 4th
Acreage	103.03
Within City of Orange's General Plan?	Yes
City of Orange's Pre-zoning Designation	Resource area / Open Space
Fire Stations (within 1-mile radius)	Anaheim Fire Station #5
Parks (within ½ mile radius)	Olive, Steve Ambriz Memorial (Orange), Rio Vista (Anaheim)
Flood Control Channels (miles)	1.01

Demographics

Population	0
Housing Units	0



City of Orange
Lincoln / Glassell Island

0 0.2 Miles

Legend

Licoln/Glassell Island

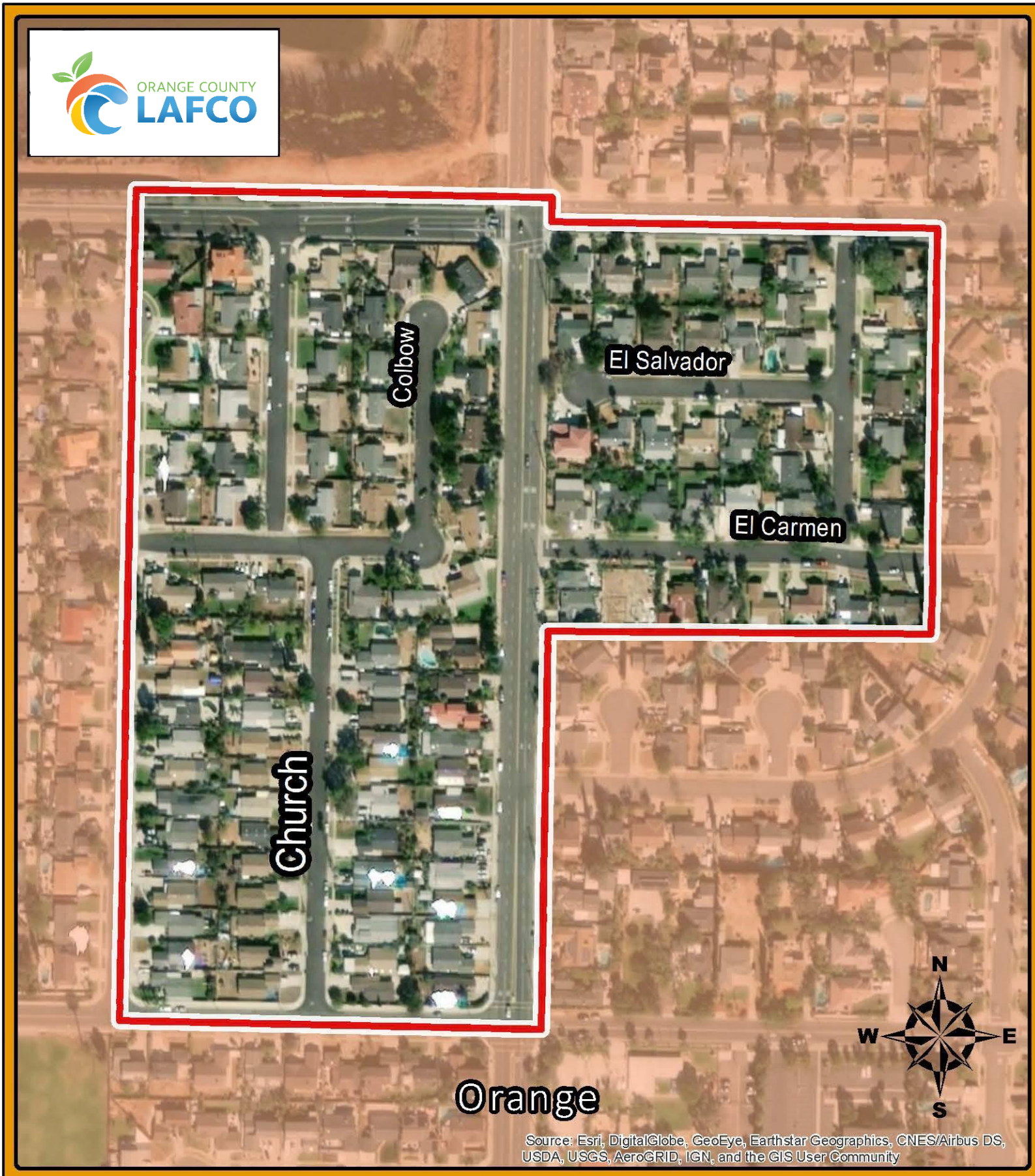
North El Modena Island (ID #19)

General Information

Sphere of Influence	City of Orange
Supervisorial District	2nd
Acreage	31.59
Within City of Orange's General Plan?	Yes
City of Orange's Pre-zoning Designation	Low Density Residential
Fire Stations (within 1-mile radius)	OCFA Fire Station #23 and Orange Fire Stations #2 and #4
Parks (within ½ mile radius)	None
Flood Control Channels (miles)	.243

Demographics

Population	520
Housing Units	126



City of Orange
North El Modena Island

Legend

North El Modena Island

0 0.09 Miles

708

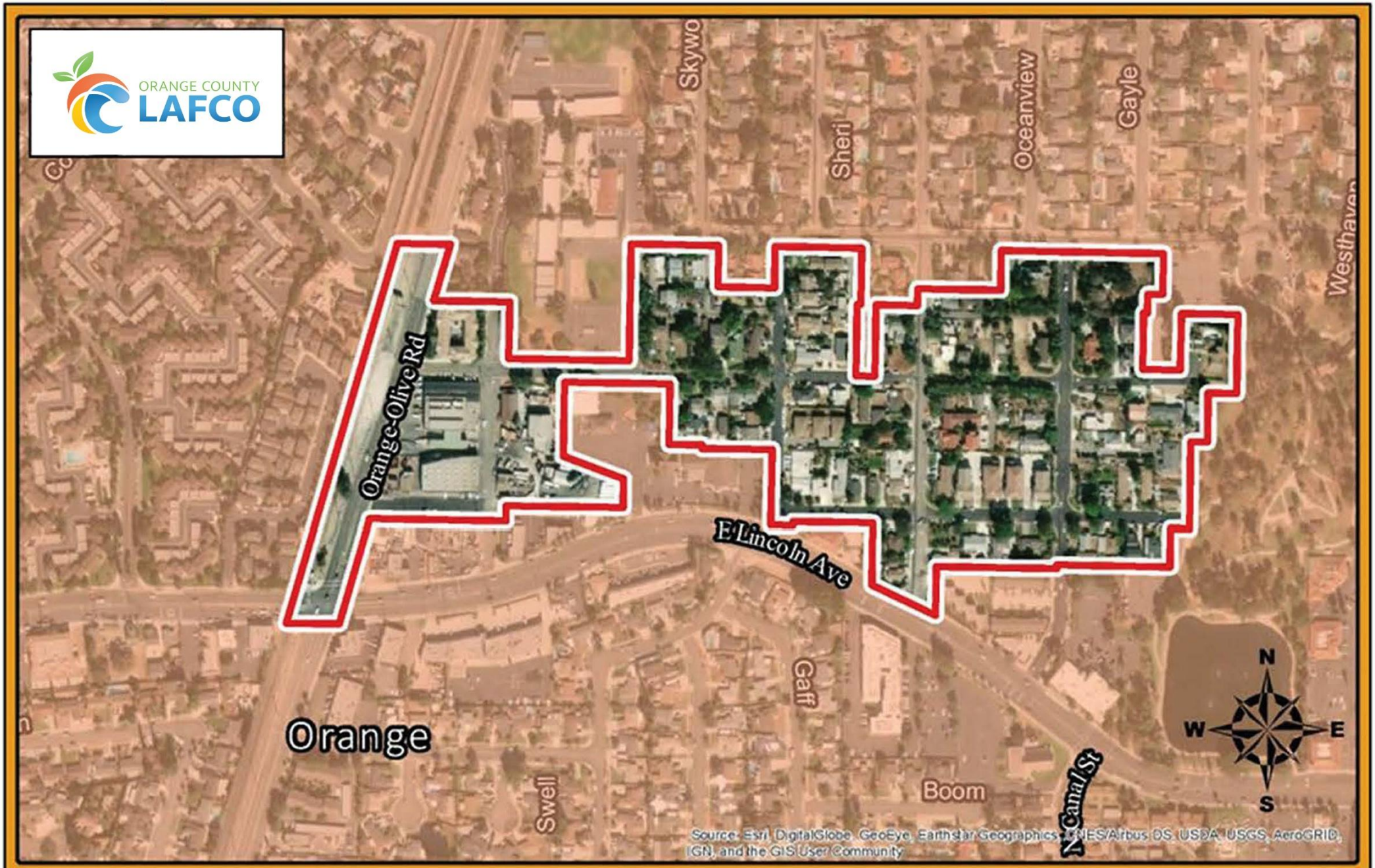
Olive Heights Island (ID #21)

General Information

Sphere of Influence	City of Orange
Supervisorial District	2nd
Acreage	32.47
Within City of Orange's General Plan?	Yes
City of Orange's Pre-zoning Designation	Low Medium Residential
Fire Stations (within 1-mile radius)	None
Parks (within ½ mile radius)	Eisenhower (Orange), Oliver (Orange)
Flood Control Channels (miles)	.371

Demographics

Population	500
Housing Units	166



City of Orange
Olive Heights Island

Legend

North Tustin Island

0 0.15 Miles

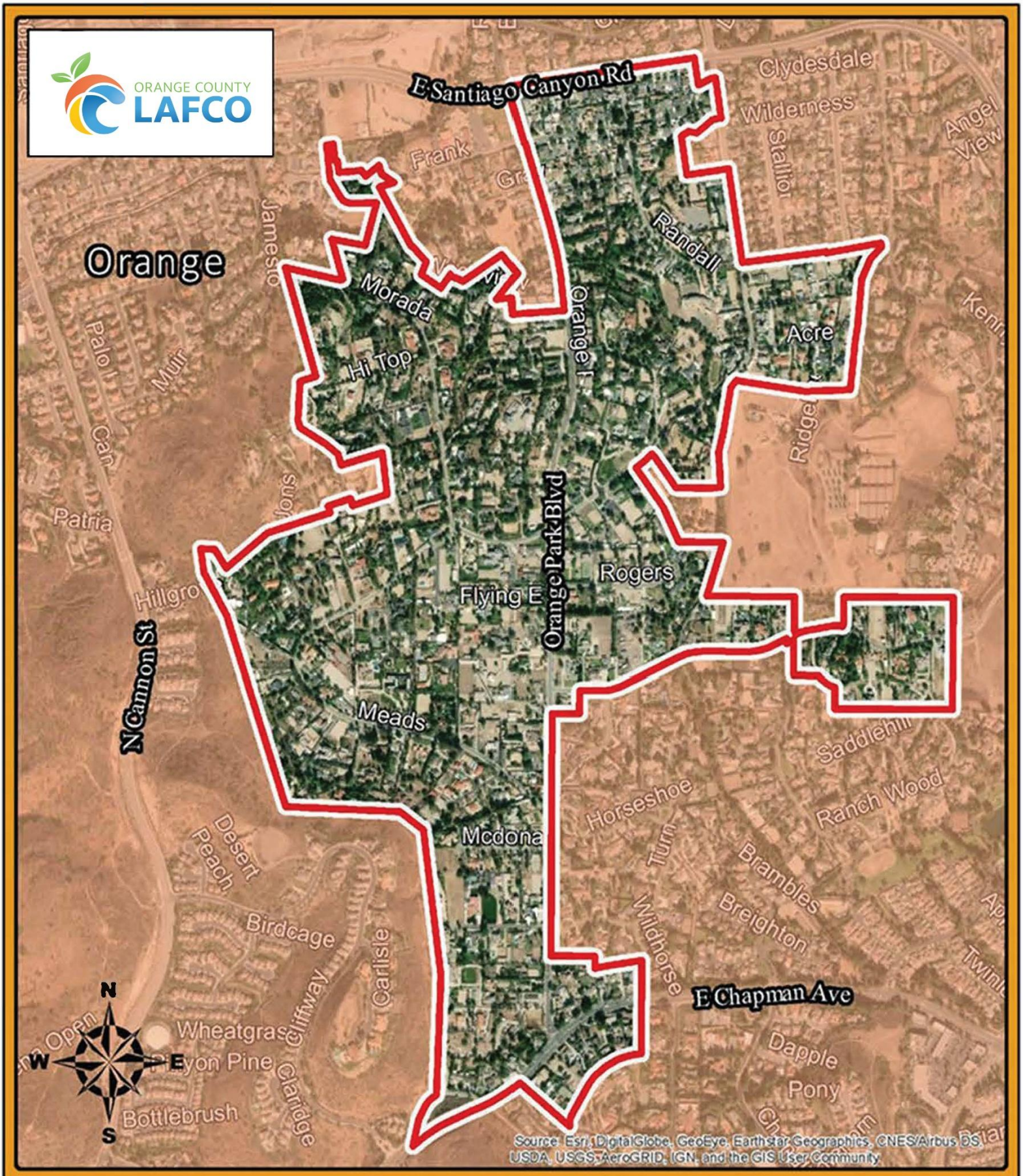
Orange Park Acres Island (ID #22)

General Information

Sphere of Influence	City of Orange
Supervisorial District	3rd
Acreage	394.02
Within City of Orange's General Plan?	Yes
City of Orange's Pre-zoning Designation	Estate Low-Density Residential
Fire Stations (within 1-mile radius)	OCFA Fire Station #23
Parks (within ½ mile radius)	None
Flood Control Channels (miles)	1.784

Demographics

Population	1,074
Housing Units	386



City of Orange
Orange Park Acres Island

Legend

Orange Park Acres Island

0 0.4 Miles

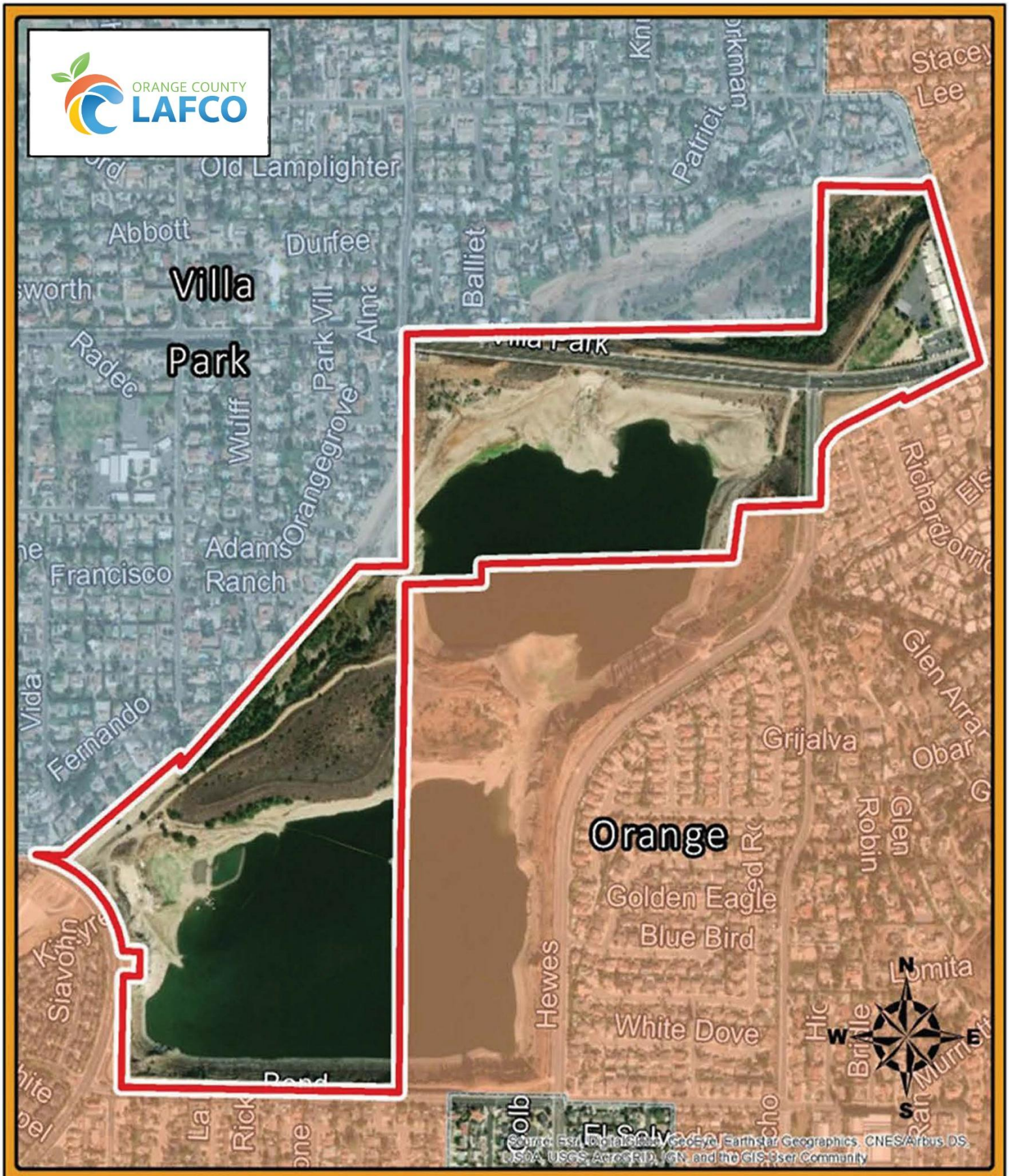
Santiago Creek Island (ID #23)

General Information

Sphere of Influence	City of Orange
Supervisorial District	3rd
Acreage	187.25
Within City of Orange's General Plan?	Yes
City of Orange's Pre-zoning Designation	Resource Area/Open Space
Fire Stations (within 1-mile radius)	OCFA Fire Station #23 and Orange Fire Stations #2 and #4
Parks (within ½ mile radius)	Grijalva Community
Flood Control Channels (miles)	1.328

Demographics

Population	0
Housing Units	0



City of Orange
Santiago Creek Island

Legend

Santiago Creek Island

0 0.3 Miles

FILED
DEC 9 - 1980
JUNE ALEXANDER, Clerk
of the Board of Supervisors
By _____ Deputy

MASTER PROPERTY TAX TRANSFER AGREEMENT BETWEEN THE COUNTY OF ORANGE AND THE CITY OF ORANGE TO PROVIDE FOR PROPERTY TAX EXCHANGE IN AREAS ANNEXED BY THE CITY

THIS AGREEMENT is entered into this 28th day of October, 1980, by and between the County of Orange, hereinafter "COUNTY", and the City of Orange, hereinafter "CITY", as follows:

1. The purpose of this Agreement is to provide a uniform and predictable method of exchanging property tax revenues between CITY, COUNTY, and certain special districts governed by the Board of Supervisors when CITY annexes an area previously unincorporated. This Agreement is entered into pursuant to section 99(d) of the Revenue and Taxation Code. (Hereafter statutory references are to the Revenue and Taxation Code unless otherwise indicated.)

2. This Agreement covers any completed and effective annexations to CITY filed with the State Board of Equalization between January 2, 1978, and July 24, 1979, as well as those pending uncompleted and future annexations subject to the tax reallocation provisions of section 99. Any annexations completed on or before July 24, 1979 which have heretofore been assigned to an existing tax rate area by the State Board of Equalization are excluded from this Agreement.

3. For any annexations to CITY filed with the State Board of Equalization between January 2, 1978 and January 1, 1979 and between January 2, 1979 and July 24, 1979 which were made effective on the tax rolls respectively for fiscal years 1979-80 and 1980-81 the redistribution of taxes will first be effected beginning with the proceeds of the fiscal 1980-81 tax roll.

For any annexations filed with the State Board of Equalization

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ORANGE COUNTY

F0192-210 (5/77)

after July 24, 1979 the redistribution of property tax revenues will begin in the fiscal year in which the tax roll is first changed to reflect the annexation, i.e., the fiscal year in which the annexation is effective for property tax purposes pursuant to Government Code Section 54902.

4. This agreement may be amended at any time by the mutual consent of the parties. Any such amendment will apply only to those annexations completed thereafter.

5. The historic tax ratio between CITY and COUNTY shall be used as a basis to redistribute property tax revenues among the County general fund, certain special districts and CITY.

The historic CITY-COUNTY tax ratio is .50810395530:.49189604470. It was arrived at in the following manner:

a. The County Auditor-Controller has determined the 1979-80 property tax allocations to various jurisdictions in accordance with section 97.5.

b. The total property tax allocation for CITY and the total property tax allocation for the County general fund within CITY were calculated. The above ratio represents the percentage of each to the total of the two.

The above historic tax ratio shall remain constant throughout the term of this Agreement and is to be used for all annexations covered by this Agreement without regard to the year they take place.

6. For the purpose of determining the redistribution of property tax revenues in newly annexed areas pursuant to this Agreement, property contained in each proposed annexation shall be determined to be developed/ substantially developed or undeveloped in accordance with the procedure set forth in this paragraph.

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ORANGE COUNTY

F0192-210 (5/77)

a. Annexations filed with the Local Agency Formation Commission after the effective date of this Agreement:

Prior to the filing of a resolution or petition for annexation with the Local Agency Formation Commission, the property proposed for annexation shall be determined to be developed/substantially developed or undeveloped as follows:

(1) (a) If the property is residential in nature, is wholly subdivided and at least 75 percent of the subdivided lots have existing residential structures on them, the property shall be deemed developed/substantially developed.

(b) If the property is wholly residential in nature, is wholly subdivided and less than 25 percent of the subdivided lots have existing residential structures on them; and there are no parks, park sites, school sites, or other public improvements or facilities on the property (excluding streets, highways, utility lines), the property shall be deemed undeveloped.

(c) If the entire property is being used for agricultural purposes, the property shall be deemed undeveloped.

(d) If the property has no parks, park sites, school sites, oil exploration or production facilities, or other structures, improvements or facilities on it, whether public or private, it shall be deemed undeveloped.

(2) If the property fails to fall into any of the categories defined in subparagraph a.(1) above, then the property shall be deemed and treated developed/substantially developed or undeveloped if the County Administrative Officer and the City Manager, or their designees, agree in writing.

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ORANGE COUNTY

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(3) If such written agreement is not reached within thirty days following the City Manager's written request to the County Administrative Officer and the annexation is under one hundred acres, then the Local Agency Formation Commission shall determine whether or not the property is to be deemed and treated as developed/substantially developed or undeveloped. Such determination may be made by the Local Agency Formation Commission at the time of its final determination regarding the annexation. In making the above determination regarding the status of the property the Local Agency Formation Commission shall consider the recommendations of both COUNTY and CITY, if any, and shall consider the following factors if applicable:

(a) The ratio of assessed value of improvements to assessed value of land;

(b) The density of population;

(c) The extent of commercial, residential and industrial development;

(d) The extent of public facilities, improvements and properties;

(e) Existing COUNTY and proposed CITY land use standards for the property to be annexed and surrounding areas; and

(f) Any other factors it deems appropriate.

CITY and COUNTY shall file resolutions with the Local Agency Formation Commission pursuant to section 99(b) agreeing to be bound by its determination whether the property is developed/substantially developed or undeveloped.

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ORANGE COUNTY

F0192-210 (5/77)

(4) If such written agreement is not reached within thirty days following the City Manager's request to the County Administrative Officer and the annexation is one hundred acres or more, such determination shall be made by the Executive Officer of the Local Agency Formation Commission on the basis of the same matters required to be considered by the Commission. Such determination shall be made prior to the filing of the resolution or petition for annexation with the Commission.

b. Annexations completed or filed with the Local Agency Formation Commission on or before the effective date of this Agreement:

Attached hereto, Exhibit A, is a list of any annexations covered by this Agreement which have been completed or were filed with the Local Agency Formation Commission on or before the effective date of this Agreement. Said annexations shall be treated as developed/substantially developed or undeveloped as indicated in said exhibit.

7. In the case of annexations to CITY of unincorporated areas the following methods will be used to make the section 99 adjustments to the allocation of property tax revenues made pursuant to section 97(a), and the proportions allocated pursuant to section 98(e), to the County general fund; certain special districts governed by the Board of Supervisors; and CITY.

a. If the area to be annexed is developed/substantially developed the amount allocated to the CITY and County general fund with respect to each new tax rate area pursuant to section 97.5(a) in the first fiscal year in which the annexation is effective for tax purposes is determined as follows. In each new tax rate area within the area annexed the amount which would have been allocated to the

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ORANGE COUNTY

F0192-210 (5/77)

County general fund under sections 97(a) and 98(e), assuming CITY is entitled to a zero allocation, shall be divided between CITY and the County general fund on the basis of the CITY-COUNTY historical tax ratio. Additionally in each new tax rate area the amount which would have been allocated, pursuant to sections 97(a) and 98(e), assuming CITY is entitled to a zero allocation, to any special district governed by the Board of Supervisors which transferred complete service responsibility to CITY as a result of the annexation, shall be determined. Said amount shall be divided between CITY and the County general fund on the basis of the historical CITY-COUNTY tax ratio. In the event any special district governed by the Board of Supervisors has transferred partial, but not complete, service responsibility to CITY the transfer to COUNTY and CITY from said district under this paragraph shall be as agreed by CITY and COUNTY.

b. If the area to be annexed is undeveloped the amounts allocated to the CITY and County general fund shall be determined in the same manner as subparagraph "a" above, provided that the amount allocated to the County general fund in each new tax rate area pursuant to section 97.5(a) in the first fiscal year and each year thereafter shall be at least equal to the allocation to the County general fund in the same geographical area in the fiscal year prior to that in which the annexation is effective for tax purposes.

8. The amounts allocated pursuant to paragraph 7 in the first fiscal year shall form the basis for allocations in subsequent fiscal years as otherwise provided by sections 97, 97.5 and 98; provided that the

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ORANGE COUNTY

F0192-210 (5/77)

amounts guaranteed to the County general fund in subparagraph 7b shall be ignored in determining the amount of property tax revenue allocated in the prior year for purposes of sections 97(a) and 98(e). Attached hereto, Exhibit B, is an illustration of the calculations contained in paragraphs 7 and 8 as applied to a hypothetical annexation.

9. Annexations of one hundred acres or more which are developed/substantially developed are excluded from this Agreement. The parties shall negotiate a separate agreement for such annexations.

10. Annexations of one hundred acres or more which are undeveloped are subject to this Agreement provided the parties may negotiate a separate agreement for such annexations.

11. The parties shall take all actions necessary to effectuate this Agreement, including the filing of resolutions pursuant to section 99(b) agreeing to accept the exchange of property taxes provided for herein.

12. The provisions of this Agreement will determine the adjustments, pursuant to section 99, resulting from annexations to CITY. It is understood that any such determination will be subject to subsequent adjustment, as provided by applicable statutes, in the event all or any portion of the annexed territory is subsequently included in another jurisdictional change.

13. This Agreement shall commence the date last executed below and continue in effect until terminated in the following manner. Either party may terminate this Agreement on at least six months' written notice provided that this Agreement will continue to apply to any annexations filed with the Local Agency Formation Commission prior to the date such notice is given.

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OFFICE OF COUNTY COUNSEL ORANGE COUNTY

F0192-210 (5/77)

14. The terms "property tax revenues", "jurisdiction", and "jurisdictional change" as used herein shall have the same meaning as contained in section 95. The term "special district" shall have the same meaning as contained in sections 2215 and 2216.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year dated below:

Dated: December 9, 1980

COUNTY OF ORANGE, a political subdivision of the State of California

By Ralph B Clark
Chairman of its Board of Supervisors

"COUNTY"

Signed and certified that a copy of this document has been delivered to the Chairman of the Board

June Alexander
JUNE ALEXANDER
Clerk of the Board of Supervisors

OFFICE OF COUNTY COUNSEL ORANGE COUNTY

APPROVED AS TO FORM:

ADRIAN KUYPER, COUNTY COUNSEL

By Victor T Bellem

Dated: October 28, 1980

DATED: NOVEMBER 26, 1980

CITY OF ORANGE

By
MAYOR

"CITY"

F0192-210 (5/77)

Agenda Item

Orange City Council

Item #: 9.3. 8/25/2026 **File #:** 26-0483

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Trang Nguyen, Finance Director**

1. SUBJECT
Result of the Independent Accountants' Report on the Agreed Upon Procedures for Payroll

2. SUMMARY
LSL Certified Public Accountants completed the Payroll Agreed-Upon Procedures engagement approved by the City Council on February 24, 2026. The engagement concluded that the City's payroll calculations, employee compensation, leave administration, overtime calculations, and related payroll processes were accurate, with no exceptions identified. The report also included recommendations to strengthen internal controls, clarify provisions within the City's Memoranda of Understanding, and further reduce operational risk.

3. RECOMMENDED ACTION
Receive and file the results of the Agreed Upon Procedures for Payroll.

4. FISCAL IMPACT
None.

5. STRATEGIC PLAN GOALS
Goal 2: Enhance Economic Development and Achieve Fiscal Stability.

6. DISCUSSION AND BACKGROUND
BACKGROUND

Staff is currently implementing the Human Capital Management module as part of the City's new Enterprise Resource Planning (ERP) system. Given the significance of payroll as the City's largest operating expenditure and the opportunity to validate existing processes before implementation of the new system, staff recommended engaging an independent firm to perform an Agreed-Upon Procedures (AUP) engagement. The purpose of the AUP was to independently assess payroll calculations, evaluate internal controls, and identify opportunities to strengthen payroll governance. On February 24, 2026, the City Council approved the agreement with LSL Certified Public Accountants (LSL) to perform the City's annual financial audit services and the Payroll AUP.

DISCUSSION

LSL began fieldwork for the Payroll Agreed-Upon Procedures (AUP) engagement in May 2026. The engagement included interviews with Human Resources and Payroll staff and testing of 47 payroll transactions covering employee compensation, leave and time-off, payroll internal controls, and overtime pay.

While the AUP did not identify errors in payroll calculations or employee compensation, LSL identified several opportunities to further strengthen internal controls and improve policy clarity.

The AUP identified two significant internal control findings:

- Strengthening segregation of duties between Human Resources and Payroll by assigning responsibility for employee data management to Human Resources and Payroll is responsible for payroll processing.
- An independent review of changes to the employee data such as pay rate, deductions, and accrual.

And the AUP has two operational improvement recommendations:

- Clarifying Memoranda of Understanding (MOUs) by specifying the pay rates used for vacation, sick leave, and overtime calculations.
- Clarifying MOU provisions regarding the treatment of accumulated sick leave upon separation.
- Establishing a best practice review process whereby proposed MOU provisions are reviewed by executive management and the City Attorney prior to labor negotiations and provided to CalPERS for review before implementation.

Many of these recommendations are procedural in nature and are intended to improve the clarity of the City's MOUs and strengthen internal controls. Importantly, the AUP did not identify errors in employee compensation or payroll calculations. Rather, the recommendations are intended to reduce future risk, improve consistency, and align the City's payroll administration with industry best practices.

Message from Audit Committee

The Audit Committee had a special meeting on July 30th to review the AUP results. Overall, the Committee congratulated staff on a successful audit as the audit did not note any material miscalculations or errors with the payroll process. The Committee acknowledged LSL's recommendations and expressed concerns with three findings. The Committee strongly recommend the City Council direct staff to:

- Establish clear segregation of duties between Human Resources and Payroll;
- Establish an independent review of changes to the employee data; and
- Clarify the MOU languages in the upcoming negotiations.

The Committee emphasized that implementing these recommendations would significantly strengthen the City's internal control environment by improving segregation of duties, enhancing independent oversight of employee data changes, and reducing the risk of errors or unauthorized

changes to payroll records.

CONCLUSION

Overall, the AUP provides independent assurance that the City's payroll calculations and payments are accurate while identifying opportunities to further strengthen governance and internal controls. Staff concurs with the recommendations, which are consistent with the City's ongoing efforts in recent years to strengthen governance, clarify business process ownership, enhance internal controls, and promote accountability and transparency across the organization.

7. ATTACHMENTS

- City of Orange Payroll AUP

Agenda Item

Orange City Council

Item #: 9.3. 8/25/2026 **File #:** 26-0483

TO: **Honorable Mayor and Members of the City Council**

THRU: **Jarad Hildenbrand, City Manager**

FROM: **Trang Nguyen, Finance Director**

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3. RECOMMENDED ACTION
Receive and file the results of the Agreed Upon Procedures for Payroll.

4. FISCAL IMPACT
None.

5. STRATEGIC PLAN GOALS
Goal 2: Enhance Economic Development and Achieve Fiscal Stability.

6. DISCUSSION AND BACKGROUND
BACKGROUND

Staff is currently implementing the Human Capital Management module as part of the City's new Enterprise Resource Planning (ERP) system. Given the significance of payroll as the City's largest operating expenditure and the opportunity to validate existing processes before implementation of the new system, staff recommended engaging an independent firm to perform an Agreed-Upon Procedures (AUP) engagement. The purpose of the AUP was to independently assess payroll calculations, evaluate internal controls, and identify opportunities to strengthen payroll governance. On February 24, 2026, the City Council approved the agreement with LSL Certified Public Accountants (LSL) to perform the City's annual financial audit services and the Payroll AUP.

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While the AUP did not identify errors in payroll calculations or employee compensation, LSL identified several opportunities to further strengthen internal controls and improve policy clarity.

The AUP identified two significant internal control findings:

- Strengthening segregation of duties between Human Resources and Payroll by assigning responsibility for employee data management to Human Resources and Payroll is responsible for payroll processing.
- An independent review of changes to the employee data such as pay rate, deductions, and accrual.

And the AUP has two operational improvement recommendations:

- Clarifying Memoranda of Understanding (MOUs) by specifying the pay rates used for vacation, sick leave, and overtime calculations.
- Clarifying MOU provisions regarding the treatment of accumulated sick leave upon separation.
- Establishing a best practice review process whereby proposed MOU provisions are reviewed by executive management and the City Attorney prior to labor negotiations and provided to CalPERS for review before implementation.

Many of these recommendations are procedural in nature and are intended to improve the clarity of the City's MOUs and strengthen internal controls. Importantly, the AUP did not identify errors in employee compensation or payroll calculations. Rather, the recommendations are intended to reduce future risk, improve consistency, and align the City's payroll administration with industry best practices.

Message from Audit Committee

The Audit Committee had a special meeting on July 30th to review the AUP results. Overall, the Committee congratulated staff on a successful audit as the audit did not note any material miscalculations or errors with the payroll process. The Committee acknowledged LSL's recommendations and expressed concerns with three findings. The Committee strongly recommend the City Council direct staff to:

- Establish clear segregation of duties between Human Resources and Payroll;
- Establish an independent review of changes to the employee data; and
- Clarify the MOU languages in the upcoming negotiations.

The Committee emphasized that implementing these recommendations would significantly strengthen the City's internal control environment by improving segregation of duties, enhancing independent oversight of employee data changes, and reducing the risk of errors or unauthorized

changes to payroll records.

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Overall, the AUP provides independent assurance that the City's payroll calculations and payments are accurate while identifying opportunities to further strengthen governance and internal controls. Staff concurs with the recommendations, which are consistent with the City's ongoing efforts in recent years to strengthen governance, clarify business process ownership, enhance internal controls, and promote accountability and transparency across the organization.

7. ATTACHMENTS

- City of Orange Payroll AUP

INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of the City Council
City of Orange, California

We have performed the procedures enumerated below to assist the City of Orange, California (hereafter, the City) in verifying the City's compliance with its payroll policies for the period of July 1, 2025 – April 18, 2026. The City's management is responsible for ensuring compliance with its payroll policies.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of verifying compliance with the City's payroll policies. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

EMPLOYEE COMPENSATION REVIEW

1. We obtained and reviewed the various City policies, applicable Memorandum of Understanding (MOU), and any other documentation prepared by the City to gain an understanding of pay rates, pay dates, and types of pay offered to employees

   Finding: No exceptions were noted as a result of our procedures.

2. We selected a statistical sample of employees for various pay dates during the fiscal year throughout the City and recalculated their pay per the payroll registers to the employees' personnel action forms, timesheets, and MOU for their bargaining unit. The statistical sample considered no less than 7 employees from each MOU with different positions/job titles (positions/job titles including levels 1, 2, 3 should be considered the same position/job title).

   Finding: No exceptions were noted as a result of our procedures.

3. We recalculated and verified all regular, overtime, leave, and special assignment pay identified in the sample to ensure there were no discrepancies.

   Finding: No exceptions were noted as a result of our procedures.

4. We verified that all pay rates in the sample were approved by the appropriate level of authority and that all payment was supported by appropriate documentation, including time sheets or workflows.

   Finding: No exceptions were noted as a result of our procedures.

To the Honorable Mayor and Members of the City Council
City of Orange, California

LEAVE AND TIME-OFF PROCEDURES

1. We obtained and reviewed the City's policies regarding special leave programs, including military leave pay and short-term disability programs against applicable laws and MOUs.

   Finding: No exceptions were noted as a result of our procedures.

2. We obtained an understanding of the City's practices regarding all Leave Benefits and payouts.

   Finding: With the exception of the Police Association and Police Management Association, the MOUs do not specify which pay rate is used to calculate the vacation and sick leave payouts. Our testing revealed that the payouts were calculated using a rate that consisted of the base pay and other specialty types of pay.

   Recommendation: The City should update the vacation and sick leave payout policies in its MOUs, other than the Police Association and Police Management Association, to specify the pay rate to be used for vacation and sick leave payouts upon termination.

   Finding: With the exception of the Police Association, Police Management Association, and Executive Management, the MOUs do not include the treatment of accumulated sick leave upon termination.

   Recommendation: The City should update its MOUs, other than the Police Association, Police Management Association, and Executive Management MOUs, to include the treatment of accumulated sick leave upon termination.

3. We reviewed the City's calculations of employee Leave Benefits banks and ensured the employee accruals are calculated in accordance with the City policies and MOUs.

   Finding: No exceptions were noted as a result of our procedures.

4. We verified through statistical sampling (specified above) of employee leave usage that compensatory time off (CTO) is removed from employee leave banks as used, and that amounts are paid to employees using appropriate pay rates. We verified through statistical sampling (specified above) of employee leave usage and payouts to ensure they are removed from the employee leave banks and the amounts paid out to the employee are calculated in accordance with the MOUs.

   Finding: No exceptions were noted as a result of our procedures.

5. We reviewed and recalculated any shift differential/fatigue/on-call/standby pay calculations and verified that the City complied with the Fair Labor Standards Act (FLSA), City policies and MOUs.

   Finding: No exceptions were noted as a result of our procedures.

PAYROLL COMPLIANCE AND INTERNAL CONTROLS

1. We gained an understanding of the City's internal controls and procedures through inspection of City policies and written procedures, interviews with City staff, and a test of controls utilizing statistical sampling methods to ensure that controls are effectively designed and implemented.

   Finding: Payroll staff are solely responsible for entering and updating pay rates in the payroll software based on personnel action forms (PAF) received from human resources (HR). In addition, HR does not verify whether pay rates are entered or modified correctly in accordance with the related PAF. This is a significant deficiency in internal controls with respect to lack of segregation of duties, and should be considered a top priority for remediation, due to the higher potential for fraud or error in this particular transaction cycle.

   Recommendation: For segregation of duties, independent review, and industry best practice, we recommend restricting access to and ability to edit pay rate information within payroll software exclusively to HR personnel. HR supervisors should ensure that the pay rates documented in employees' PAFs agree to the rates in the payroll software. HR should also review a pay rate modification report after each bi-weekly pay cycle to verify all changes in pay rates for proper authorization. The personnel responsible for processing payroll disbursements should not have access to enter or modify pay rates.

2. We examined and tested any payroll related information technology (IT) or computer controls, including password, access rights, and data management practices to ensure that controls are effectively designed and implemented.

   Finding: No exceptions were noted as a result of our procedures.

3. We provided feedback to the City regarding the industry's best practices for any key controls identified to be substandard or improperly designed or implemented.

   Finding: MOUs are currently prepared by the HR Department and provided to the various bargaining units and the City Attorney for review and approval. This is a departure from the normal process found in other local governments and represents a potential weakness in internal control with respect to the approval and authorization of employee benefits, and consistency and accuracy of information provided to CalPERS.

   Recommendation: As a best practice, we recommend that the HR Department present the terms and conditions of proposed MOUs to the City Council, City Manager, and City Attorney to ensure alignment with the governing body's and executive management's goals with respect to personnel prior to presentation of the MOU to the bargaining unit for approval. This also allows the appropriate parties to exercise sufficient oversight over the benefits provided to employees. Furthermore, as an additional safeguard, draft MOUs should also be provided to CalPERS for a review to ensure that the pension administrator is aware of changes to the covered members' payroll and benefit terms.

OVERTIME PAY REVIEW

1. We obtained an understanding of the City's overtime (OT) practices outlined in the MOUs and City Policies.

   Finding: Our review of the overtime policies in the MOUs revealed that only the Police Association and Police Management Association MOUs specifically define the pay rate used to calculate overtime pay. During our testing, we noted that overtime pay included various types of specialty pay in addition to the base salary or wage.

   Recommendation: We recommend an update to the overtime policy in each MOU, other than Police Association and Police Management Association, to define the pay rate used to calculate overtime pay.

2. We reviewed the City's OT policies and practices and MOU against the requirements of FLSA.

   Finding: No exceptions were noted as a result of our procedures.

3. We verified overtime calculations through a statistical sampling (specified above) to ensure compliance with both FLSA and MOUs guidelines.

   Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with its payroll policies. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

To the Honorable Mayor and Members of the City Council
City of Orange, California

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

LSL, LLP

Irvine, California
July 7, 2026