



**CITY OF NEWPORT BEACH
CITY COUNCIL AGENDA**

**MARCH 24, 2026
COUNCIL CHAMBERS - 100 CIVIC CENTER DRIVE, NEWPORT BEACH, CA 92660**

REGULAR CITY COUNCIL MEETING- 4:00 PM

**LAUREN KLEIMAN, Mayor
NOAH BLOM, Mayor Pro Tem
MICHELLE BARTO, Councilmember
ROBYN GRANT, Councilmember
JOE STAPLETON, Councilmember
SARA J. WEBER, Councilmember
ERIK WEIGAND, Councilmember**

**SEIMONE JURJIS, City Manager
AARON C. HARP, City Attorney
LENA SHUMWAY, City Clerk**

NOTICE REGARDING PRESENTATIONS REQUIRING USE OF CITY EQUIPMENT

Any presentation requiring the use of the City of Newport Beach's equipment must be submitted to the City Clerk 24 hours prior to the scheduled City Council meeting.

LEVINE ACT

Under the Levine Act, Section 84308 of the Government Code, a party to a proceeding before the City involving a contract (other than competitively bid, labor, or personal employment contracts), franchise, license, permit, or other entitlement for use, is required to disclose on the record of the proceeding any contribution in an amount of more than five hundred dollars (\$500) made within the preceding 12 months by the party or the party's agent to any elected or appointed officer of the City. If you have made a qualifying contribution, please ensure to make this disclosure on the record.

PUBLIC HEARINGS

If in the future, you wish to challenge in court any of the matters on this agenda for which a public hearing is to be conducted, you may be limited to raising only those issues which you (or someone else) raised orally at the public hearing or in written correspondence received by the City at or before the hearing.

NOTICE TO THE PUBLIC

Any times listed in this agenda are provided as a courtesy and the actual item may be heard before or after the time given.

This agenda was prepared by the City Clerk. Copies of the staff reports and supporting materials are on file with the City Clerk and are available for public inspection and copying at the City Clerk's Office or online at newportbeachca.gov/agendas. For questions or to request copies of any staff reports or other documentation related to items on this agenda, please contact the City Clerk's Office at 949-644-3005.

The City of Newport Beach's goal is to fully comply with the Americans with Disabilities Act (ADA). If you require special assistance to participate in this meeting, we will attempt to accommodate you in every reasonable manner. Please contact City Clerk staff prior to the meeting at 949-644-3005 or cityclerk@newportbeachca.gov so that reasonable accommodations can be made.

I. **ROLL CALL - 4:00 p.m.**

INVOCATION

Dave Manne, Pastor Emeritus, Calvary Chapel of Costa Mesa

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

The City Council of Newport Beach welcomes and encourages community participation. Public comments are invited on items listed on the agenda and non-agenda items. Speakers must limit comments to three minutes per person to allow everyone to speak. Written comments are encouraged as well. The City Council has the discretion to extend or shorten the time limit on agenda or non-agenda items.

**CITY COUNCIL ANNOUNCEMENTS AND ORAL REPORTS FROM CITY COUNCIL
ON COMMITTEE ACTIVITIES**

PUBLIC COMMENTS ON CONSENT CALENDAR

This is the time in which Councilmembers may pull items from the CONSENT CALENDAR for discussion (ITEMS 1 - 11). Public comments are also invited on Consent Calendar items. Speakers must limit comments to three minutes. Before speaking, please state your name for the record. If any item is removed from the Consent Calendar by a Councilmember, members of the public are invited to speak on each item for up to three minutes per item.

All matters listed under CONSENT CALENDAR are considered to be routine and will all be enacted by one motion in the form listed below. Councilmembers have received detailed staff reports on each of the items recommending an action. There will be no separate discussion of these items prior to the time the City Council votes on the motion unless members of the City Council request specific items to be discussed and/or removed from the Consent Calendar for separate action.

II. **CONSENT CALENDAR**

READING OF MINUTES AND ORDINANCES

1. **Reading of Ordinances**

Waive reading in full of all ordinances under consideration for adoption and direct the City Clerk to read by title only.

2. **Minutes for the March 10, 2026, City Council Meeting**

Waive reading of subject minutes, approve as written, and order filed.

[Minutes](#)

RESOLUTIONS FOR ADOPTION

3. Resolution No. 2026-19: Finding Consistency with Stated Investment Objectives and Amending City Council Policy F-1 (Statement of Investment Policy) to Incorporate Changes in Government Code Section 53600, Et Seq

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and

b) Adopt Resolution No. 2026-19, *A Resolution of the City Council of the City of Newport Beach, California, Finding Consistency with Stated Investment Objectives and Amending City Council Policy F-1 (Statement of Investment Policy) to Incorporate Changes in Government Code Section 53600, et seq.*

[Staff Report](#)

[Attachment A - Council Policy F-1, Statement of Investment Policy \(redlines\)](#)

[Attachment B - Resolution No. 2026-19](#)

CONTRACTS AND AGREEMENTS

4. Amendment No. One to Professional Services Agreement with Moffatt & Nichol for Newport Harbor Seawall Replacement/Rehabilitation (Contract No. 9503-1)

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and

b) Approve Amendment No. One to the Professional Services Agreement with Moffatt & Nichol for Newport Harbor Seawall Replacement/Rehabilitation for an additional \$339,677 for a total not-to-exceed amount of \$788,480 and authorize the Mayor and City Clerk to execute the agreement.

[Staff Report](#)

[Attachment A - Location Maps](#)

[Attachment B - Amendment No. One with Moffatt & Nichol](#)

5. Award of Maintenance/Repair Services Agreement with California PPE Recon Inc. for Fire Department Turnout Maintenance and Cleaning Services

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and

b) Approve a Maintenance and Repair Services Agreement with California PPE Recon, Inc. for Fire Department Turnout Maintenance and Cleaning Services, for a term of three years with an option to extend the agreement for two additional one-year terms, with a total not-to-exceed amount of \$375,000 and authorize the

Mayor and City Clerk to execute the agreement.

[Staff Report](#)

[Attachment A - Agreement with California PPE Recon, Inc.](#)

6. Amendments to Professional Services Agreements for J. Lee Engineering, Inc., Willdan Engineering, and CSG Consultants, Inc. for Staff Augmentation and Plan Review Services

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;

b) Approve and authorize the Mayor and City Clerk to execute Amendment No. One to Professional Services Agreement with J. Lee Engineering, Inc. for Staff Augmentation and Plan Review Services, to increase the contract amount by \$150,000 with a not-to-exceed amount of \$770,000;

c) Approve and authorize the Mayor and City Clerk to execute Amendment No. One to Professional Services Agreement with Willdan Engineering for Staff Augmentation and Plan Review Services, to increase the contract amount by \$180,000 with a not-to-exceed amount of \$300,000; and

d) Approve and authorize the Mayor and City Clerk to execute Amendment No. One to Professional Services Agreement with CSG Consultants for Staff Augmentation and Plan Review Services, to increase the contract amount by \$150,000 with a not-to-exceed amount of \$650,000.

[Staff Report](#)

[Attachment A - Agreement Amendment with JLee Engineering](#)

[Attachment B - Agreement Amendment with Willdan Engineering](#)

[Attachment C - Agreement Amendment with CSG Consultant](#)

7. Amendment No. One to Professional Services Agreement with COAR Design Group and Approval of Professional Services Agreement with Geocon West, Inc.

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;

b) Approve Amendment No. One to Professional Services Agreement with COAR Design Group for Balboa Branch Library and Fire Station No. 1 Design for construction support services for \$290,000 for a total not-to-exceed amount of \$987,248, and authorize the Mayor and City Clerk to execute the amendment; and

c) Approve a Professional Services Agreement with Geocon West, Inc. for Balboa Branch Library and Fire Station No. 1 Geotechnical Services for geotechnical inspection services for a total not-to-exceed amount of \$139,000

and authorize the Mayor and City Clerk to execute the agreement.

[Staff Report](#)

[Attachment A - Amendment No. One with COAR Design Group](#)

[Attachment B - Professional Services Agreement with Geocon West, Inc.](#)

8. Waste Infrastructure System Enterprise Agreement (WISE Agreement)

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and

b) Approve the Waste Infrastructure System Enterprise Agreement (WISE Agreement) with the County of Orange, to succeed the existing landfill waste disposal agreement, and authorize the Mayor and City Clerk to execute the agreement.

[Staff Report](#)

[Attachment A - Waste Infrastructure System Enterprise Agreement](#)

MISCELLANEOUS

9. 2025 General Plan and Housing Element Annual Progress Reports (PA2025-0008)

a) Find the preparation, review and submission of the 2025 General Plan and Housing Element Annual Progress Report are not subject to the California Environmental Quality Act (CEQA) as the actions are not a project as defined by Section 15378(b)(2) of the Public Resources Code;

b) Review the 2025 General Plan and Housing Element Annual Progress Report; and

c) Authorize submittal of the 2025 General Plan and Housing Element Annual Progress Report to the State Office of Land Use and Climate Innovation and to the State Department of Housing and Community Development.

[Staff Report](#)

[Attachment A - General Plan Annual Progress Report 2025](#)

10. Purchase of Replacement Cardiac Monitors and AutoPulse® Automatic Chest Compression Devices

a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;

b) Approve the selection and purchase of twenty-four (24) Zoll Zenix® Monitor/Defibrillators and eleven (11) Zoll AutoPulse © NXT mCPR devices and associated components and warranties, using cooperative selection and pricing under National Purchasing Partners (NPPGov) Contract PS 25850, and authorize the City's Administrative Services Department to issue the Purchase Orders; and

c) Approve Budget Amendment No. 26-064 appropriating \$1,774,636.53 in increased expenditures in Account 75604-911024 (Fire Equipment) from the Fire Department's unappropriated Internal Service Fund (ISF) equipment fund balance.

[Staff Report](#)

[Attachment A - Intergovernmental Cooperative Purchasing Agreement](#)

[Attachment B - Zoll Master Price Agreement PS 25850](#)

[Attachment C - Quote 134496 Zoll Zenix®](#)

[Attachment D - Quote 129247 Zoll AutoPulse NXT®](#)

[Attachment E - Budget Amendment](#)

11. Planning Commission Agenda for the March 19, 2026, Meeting

Receive and file.

[PC Agenda](#)

[PC Action Report](#)

[PC Future Agenda Items](#)

ACTION: MOVE AFFIRMATIVE ACTION OF THE CONSENT CALENDAR, EXCEPT FOR THOSE ITEMS REMOVED

ITEMS REMOVED FROM THE CONSENT CALENDAR

III. MOTION FOR RECONSIDERATION

A motion to reconsider the vote on any action taken by the City Council at either this meeting or the previous meeting may be made only by one of the Councilmembers who voted with the prevailing side.

PUBLIC COMMENTS ON CLOSED SESSION

IV. CLOSED SESSION

**A. CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION - THREAT OF LITIGATION**

On March 11, 2026, the City Clerk received correspondence from legal counsel for Beaches for All-California alleging a Brown Act violation related to the February 10, 2026, City Council meeting, Agenda Item No. 3, "Safety Enhancement Zones and Enforcement During Peak Activity Periods," regarding the amendment of Section 11.08.020 (Use of Shade Coverings).

A copy of the March 11, 2026, correspondence is available for public inspection at the City Clerk's Office, 100 Civic Center Drive, Newport Beach, California 92660, and on the City's website at the following link below

[Letter - Newport Beach Brown Act Violation](#)

**B. CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION - INITIATION OF LITIGATION**

Government Code § 54956.9 (d)(4): 1 matter.

**C. CONFERENCE WITH LEGAL COUNSEL
EXISTING LITIGATION**

Government Code § 54956.9 (d)(1): 1 matter.

Newport Beach Stewardship Association v. City of Newport Beach

Orange County Superior Court Case No. 30-2024-01428295

California Court of Appeals Case No. G065816

CLOSED SESSION REPORT

ADJOURNMENT

in memory of Norma Maurer

**Written Comments Received on Agenda and Non-Agenda Items after
Agenda Posting**

Testimony given before the City Council is recorded.

PLEASE TURN CELL PHONES OFF OR SET IN SILENT MODE.

CITY OF NEWPORT BEACH

City Council Meeting Minutes
Regular Meeting
March 10, 2026

I. ROLL CALL – 4:00 p.m.

Present: Mayor Lauren Kleiman, Mayor Pro Tem Noah Blom (arrived at 4:02 p.m.), Councilmember Michelle Barto, Councilmember Robyn Grant, Councilmember Joe Stapleton, Councilmember Sara J. Weber, Councilmember Erik Weigand

INVOCATION – First Church of Christ, Scientist Newport Beach - Dr. Joan Bernard Bradley

PLEDGE OF ALLEGIANCE – Councilmember Stapleton

II. STUDY SESSION

- Capital Improvement Program (CIP) Early Look Review. City staff will present new projects and funding proposals for the upcoming Fiscal Year 2026-27 CIP for review and discussion by City Council

Councilmember Stapleton announced the following conflicts of interest: Balboa Yacht Basin Dock Replacement Project and Vessel Sewage Pump Out Replacement (based on his financial relationship with a client who owns an adjacent property and Birch Street) and Bristol Street to Jamboree Road Street Improvements (based on interest in 4100 and 4110 MacArthur Blvd).

Mayor Pro Tem Blom announced the following conflicts of interest: Balboa Island Drainage Pump Station, Balboa Island Seawall - Permitting & Sign, and the Balboa Island Tide Valve Replacement due to an interest in real property at 224 Marine, as well as a conflict based on real property interests at 417 and 501 30th Street with the Balboa Island Concrete and Road Alley Improvements and Via Lido Pavement Rehabilitation.

Mayor Kleiman announced a conflict of interest on the Landscape Enhancement Program based on interest in her personal residence.

Following these announcements, City Manager Seimone Jurjis provided an introduction noting this was the annual early look at capital projects planned for the upcoming fiscal year 2026-27.

Deputy Public Works Director Jim Houlihan gave a PowerPoint presentation and presented a comprehensive overview of the CIP, explaining that it helps set priorities and appropriate funds. He provided a detailed overview of several major projects across different categories including facilities, streets and drainage, transportation, water quality & environmental, parks, harbor & beaches, water, wastewater, and miscellaneous projects.

Councilmember Weigand commented regarding the Orange County Water District loan, noting that Newport Beach would be the third City to receive such financing and praised staff's work in establishing this limited funding opportunity.

Mayor Kleiman inquired about grant opportunities, particularly for projects like the trash interceptor - Deputy Public Works Director Houlihan confirmed staff continues to identify grant opportunities, acknowledging the competitive nature of such funding while noting specific pursuits of OCTA M2 competitive funds for larger construction projects.

PUBLIC COMMENTS

Dennis Bress noted he is looking forward to achieving 100% local water independence and inquired when the water wells would be operational.

Lee Pearl appreciated staff's work and suggested looking at seawall replacement alternatives.

Denys Oberman suggested increasing funds for the Bristol Street Corridor Regional Signal Synchronization Project.

Adam Leverenz expressed concern regarding turf and microplastics.

Jim Mosher inquired if a project list was presented to the Planning Commission as it was previous practice before.

- Newport Beach Police Headquarters Reconstruction. City staff will present further information on behalf of the "Newport Beach Police Headquarters Assessment Committee" (including potential locations, rough cost and schedules) regarding the replacement of the current Police Headquarters located at 870 Santa Barbara Drive for review and discussion by City Council.

City Manager Jurjis introduced the item and acknowledged the challenges of both Santa Barbara Drive and Dove Street sites. He emphasized the need for environmental and traffic impact studies if Council chooses to pursue the Civic Center location, noting this is exploratory at this stage.

Public Works Director Dave Webb provided extensive background on recent undertakings, and noted that on November 4, 2025, Council established a Newport Beach Police Headquarters Ad Hoc Committee which helped guide this discussion. He further explained the City hired Griffin Structures for constructability and costing analysis, and noted the ad hoc committee evaluated four potential sites: the current Santa Barbara Drive location, the 1201 Dove Street property purchased in May 2023, areas around the Civic Center, and most recently, the Civic Center Park.

Public Works Director Webb explained why building at the existing police facility location presents significant challenges, explained that it spans 49,200 square feet sharing the site with Fire Station No. 3, and noted major infrastructure concerns include aging systems well past intended life and outdated technology infrastructure inadequate for modern needs. He outlined the following three options: 1.) continue review/evaluate potential sites and timing for siting the new Police Facility, 2.) continue further evaluation of a new Police Facility in Civic Center Park including: selection and hiring of a Consultant Team to undertake the Design Development, Preparation of Final Concept Design and EIR, solicit further input from community and Arts Commission for incorporating art and park space into the overall Civic Center campus, then return to Council for review and approval, or 3.) pursue other direction as provided.

Police Chief David Miner emphasized the importance of maintaining operational excellence and service levels and expressed serious concerns about operating from a construction zone for 3+ years at the Santa Barbara Drive site. He stressed the importance of a central location for response times while noting that officers frequently return to headquarters multiple times per shift for jail transport, evidence delivery, meetings, and paperwork. He further acknowledged the current facility's routine problems including sewage backups, electrical fires, and generator failures.

Fire Chief Jeff Boyles echoed support for a centrally located facility, noting Fire Station No. 3's challenges including gender accommodation issues and significant maintenance costs.

PUBLIC COMMENTS

Don Webb, Ron Rubino, Nancy Skinner, Pamela Marx, Shawn Hannah, Lily Lieberman, Maryanne Soden, Roy Englebrecht, Ron Vanderhoff, Walter Star, Tony Petros, Rhonda Watkins, Paul Watkins, Debbie Stevens, Dorothy Larson, Denys Oberman, Karen Clark, Laura Curran, and George Leslie spoke against relocating the police station at the Civic Center Park.

Charles Klobe emphasized environmental concerns and spoke against removing the Civic Center Park.

Dennis Baker criticized the process and warned that inadequate public engagement could lead to legal challenges.

Wade Womack provided a handout and suggested an alternative site for the police facility.

Arlene Greer, Phil Greer, Jasmine Marini, and Charles Fancher commented regarding increased community involvement and public input prior to deciding on a facility location.

Dennis Bress, Omar Herrera, Margarita Avila, Ruth Kobayashi, David Gonzalez, Neil DeWitt, and an unidentified speaker spoke in favor of relocating the police station to the Civic Center Park.

Gary Galloway questioned the size of the facility.

Linda Watkins emphasized innovation.

Adam Leverenz voiced his support for police and fire, advocated for keeping open spaces, and thought ad hoc committees negatively affect public trust.

Keith Curry thought the potential relocation was not fiscally conservative.

Arthur Yelsi suggested purchasing a car sales lot for the police facility.

An unidentified speaker suggested considering a substation near the peninsula.

Karen Trinvalley suggested expanding the current location.

Bruce Clark posed traffic concerns.

Rimo Falcelli offered an alternative location.

An unidentified speaker commented on his patriotism.

Councilmember Grant praised the thorough presentation and public engagement, expressed disappointment in the process and criticized the lack of early stakeholder involvement. She expressed concerns about environmental mitigation costs and potential litigation delays. She noted that viable alternatives exist and thought all site options should be explored.

Councilmember Barto emphasized the importance of balancing quality of life, safety, and fiscal responsibility. She noted that previous Councils studied the Santa Barbara Drive site and determined it problematic, leading to the Dove Street purchase. She clarified this was a study session, not a final decision, and expressed openness to further studies determining project viability.

Councilmember Weigand provided extensive commentary defending the decision-making process and emphasized the benefits of a centralized location. He firmly opposed any Santa Barbara Drive site options due to operational disruption concerns. He advocated for ruling out

both Santa Barbara Drive and Dove Street locations while focusing on Newport Center area options. He emphasized his commitment to public safety and encouraged comprehensive public outreach including town halls and polling to reach average residents who do not typically attend Council meetings.

Councilmember Weber thanked staff and the community, supported the Civic Center location as fitting the vision of Newport Beach's "heart" and expressed concerns about operational continuity during Santa Barbara Drive reconstruction. She clarified that the Civic Center option does not eliminate the park, supported studying the site and forming a public committee for design and open space planning.

Councilmember Stapleton emphasized that discussions are in the early stages, noted public input is necessary throughout the process, agreed the police department requires a new headquarters, advocated for continuing all studies to make fully informed decisions and spoke against eliminating options prematurely.

Mayor Pro Tem Blom gave a detailed background on the creation of the ad hoc committee, prior study session discussion regarding the site study, provided fiscal context, and suggested the Santa Barbara Drive property's value could finance the new facility without adding taxpayer debt. He emphasized fiscal responsibility over emotional considerations while expressing openness to reimagining the remaining park space through the creation of a public committee.

Following extensive discussion, Councilmember Grant proposed moving forward with Option #1: Continue to review/evaluate potential sites and timing for siting the new Police Facility.

City Attorney Aaron Harp noted that there seemed to be a consensus regarding Option #2 and recommended a straw vote on that option.

Action: Mayor Pro Tem Blom moved to approve Option #2: To continue further evaluation of a new Police Facility in Civic Center Park including: selection and hiring of a Consultant Team to undertake the Design Development, Preparation of Final Concept Design and EIR, solicit further input from community and Arts Commission for incorporating art and park space into the overall Civic Center campus, then return to Council for review and approval.

The motion carried by the following vote:

AYES: Councilmember Weber, Councilmember Stapleton, Councilmember Weigand, Councilmember Barto, Mayor Pro Tem Blom and Mayor Kleiman (6)

NAYS: Councilmember Grant (1)

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Finn Walberg requested support for sanctioned community dirt jumps for young cyclists.

Cameron Tagdiri announced a Persian New Year celebration and invited community members to attend.

Susan Pearl thanked the Council for encouraging responsible economic growth and emphasized the importance of protecting Balboa Island's character.

Steven Gerard Sedlowski spoke regarding "USA personhood cities."

Keith Curry spoke against proposed changes to the Finance Committee in Agenda Item 5 (*Resolution No. 2026-18: Amending the Selection Process and Various Responsibilities of the Finance Committee*).

Jim Mosher requested reconsideration of the 2-10-2026 City Council minutes and questioned the total number of inspections related to Agenda Item 4 (*Resolution No. 2026-17: A Report Made by the Fire Marshal Regarding Compliance with the Annual Inspection of Certain Occupancies*).

CITY COUNCIL ANNOUNCEMENTS AND ORAL REPORTS FROM CITY COUNCIL ON COMMITTEE ACTIVITIES

Councilmember Barto

- Thanked Councilmember Weigand for attending the recent Water Quality/Coastal Tideland Committee meeting and looked forward to future discussions regarding sand replenishment.

Councilmember Stapleton

- Thanked members of the Ad Hoc Committee on Utilization of Lower Castaways and Aquatic Center Site Options and announced park recommendations would be presented at the next City Council meeting.
- Announced the next Finance Committee meeting taking place on April 16, 2026.

Prior to receiving public comments on consent calendar items, Mayor Kleiman proposed an amendment to Agenda Item 5 (*Resolution No. 2026-18: Amending the Selection Process and Various Responsibilities of the Finance Committee*), Attachment A, modifying membership structure of the committee so that it can consist of either five or seven members. Council will seek to appoint four qualified citizen members, if four qualified individuals are unavailable, Council may appoint two instead, citizen members would be appointed through the standard board and commission vacancy screening and recommendation process set forth in *Council Policy A-2*.

PUBLIC COMMENTS ON CONSENT CALENDAR

Jim Mosher thought all consent calendar item titles should be read aloud and commented on Agenda Item 9 (Second Quarter Budget Update) and Agenda Item 10 (*Financial Statement Audit Results and Related Communication for the Fiscal Year Ended June 30, 2025*).

Adam Leverenz spoke regarding salaries on Agenda Item 3 (*Resolution No. 2026-16: Revised Salary Schedule and New Classifications for the Key & Management Group*), appreciated that Agenda Item 5 (*Resolution No. 2026-18: Amending the Selection Process and Various Responsibilities of the Finance Committee*) was pulled and asked that hours be expanded on automatic door locks on Agenda Item 7 (*Approval of Amendment No. Two to Professional Services Agreement with SafeRock for Restroom Security Services (Contract No. 9576-1)*).

III. CONSENT CALENDAR

READING OF MINUTES AND ORDINANCES

1. Reading of Ordinances

Waive reading in full of all ordinances under consideration and direct the City Clerk to read by title only.

2. Minutes for the February 24, 2026 City Council Meeting

Waive reading of subject minutes, approve as written, and order filed.

RESOLUTIONS FOR ADOPTION

3. Resolution No. 2026-16: Revised Salary Schedule and New Classifications for the Key & Management Group

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Adopt Resolution No. 2026-16, *A Resolution of the City Council of the City of Newport Beach, California, Approving a Revised Salary Schedule and New Classifications for the Key & Management Group*; and

- c) Approve the Job Descriptions for the real property manager and code enforcement manager and authorize the community development director to approve new job descriptions consistent with the new positions approved by the City Council.
- 4. Resolution No. 2026-17: A Report Made by the Fire Marshal Regarding Compliance with the Annual Inspection of Certain Occupancies**
- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
 - b) Adopt Resolution No. 2026-17, *A Resolution of the City Council of the City of Newport Beach Acknowledging Receipt of a Report Made by the Fire Marshal of the City of Newport Beach Fire Department Regarding Compliance with the Annual Inspection of Certain Occupancies Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.*

5. Item Pulled from the Consent Calendar

CONTRACTS AND AGREEMENTS

- 6. Street Pavement Repair Program Fiscal Year 2025-26 - Award of Contract No. 9946-1 (26R03)**
- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment;
 - b) Approve the project plans and specifications;
 - c) Approve Budget Amendment No. 26-057 appropriating \$224,200.15 in increased expenditures in Account No. 01201927-980000-26R03 from the General Fund CIP unappropriated fund balance, \$3,333 in new revenue and expenditures from Irvine Ranch Water District to Account Nos. 13501-431220-26R03 and 13501-980000-26R03, respectively and \$18,666 in new revenue and expenditures from Orange County Sanitation District to Account Nos. 13501-431075-26R03 and 13501-980000-26R03, respectively;
 - d) Award Contract No. 9946-1 to Onyx Paving Company, Inc. for the total bid price of \$1,082,000 for the Street Pavement Repair Program FY 2025-26 project, and authorize the Mayor and City Clerk to execute the contract; and
 - e) Establish a contingency of \$110,000 (approximately 10% of the total bid) to cover the cost of unforeseen work not included in the original contract.
- 7. Approval of Amendment No. Two to Professional Services Agreement with SafeRock for Restroom Security Services (Contract No. 9576-1)**
- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
 - b) Approve Amendment No. Two to Professional Services Agreement with SafeRock for Restroom Security Services for an additional \$40,000 for a total not-to-exceed amount of \$160,000 and extend the term of the agreement to September 14, 2026, and authorize the Mayor and City Clerk to execute the agreement.
- 8. Approval of Amendment No. One to Professional Services Agreement with Hinderliter, De Llamas & Associates for Sales and Use Tax Consulting Services**
- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
 - b) Approve Amendment No. One to the Professional Services Agreement with Hinderliter, De Llamas & Associates for Sales and Use Tax Consulting Services to extend the term of the agreement to December 31, 2026, revise the schedule of billing rates, and authorize the Mayor and City Clerk to execute the amendment.

MISCELLANEOUS

9. Second Quarter Budget Update

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly
- b) Receive and file this report.

10. Financial Statement Audit Results and Related Communication for the Fiscal Year Ended June 30, 2025

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Receive and file.

11. Planning Commission Agenda for the March 5, 2026, Meeting

- a) Receive and file.

Motion by Mayor Pro Tem Blom, seconded by Councilmember Weber, to approve the Consent Calendar, including amendments to Agenda Item No. 2, the Minutes, and excluding Agenda Item No. 5.

The Motion carried by the unanimous vote: 7-0-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

5. Resolution No. 2026-18: Amending the Selection Process and Various Responsibilities of the Finance Committee

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Adopt Resolution No. 2026-18, *A Resolution of the City Council of the City of Newport Beach, California, Amending the Selection Process and Various Responsibilities of the Finance Committee.*

This item was removed from the consent calendar at the request of Councilmember Grant.

Administrative Services Director Jason Al-Imam referenced a PowerPoint presentation and provided a brief overview.

PUBLIC COMMENTS

Jim Mosher objected to individual mayoral appointment of citizen members rather than collective Council action, suggested staggered two-year terms and questioned the two-term limit as overly restrictive given the need for highly qualified volunteers.

Adam Leverenz questioned how removing two citizens from the committee advanced transparency and supported heightened qualifications and standards.

Motion by Councilmember Grant to adopt enhanced qualifications but preserve the councilmember appointment and 4-year term structure. Failed for lack of a second.

Councilmember Grant amended the motion, seconded by Councilmember Barto, to accept increased requirements for qualifications for the Finance Committee, to delete the proposal to change councilmember appointments, and to accept the terms as two-year terms.

Councilmember Stapleton made a substitute motion to approve staff recommendations including the amendment, seconded by Councilmember Weigand.

Motion by Councilmember Stapleton, seconded by Councilmember Weigand, to a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and b) Adopt Resolution No. 2026-18, *A Resolution of the City Council of the City of Newport Beach, California, Amending the Selection Process and Various Responsibilities of the Finance Committee*, including the following amendment: to modify the membership structure so the committee will consist of either five or seven members. The Council will seek to appoint four citizen members; however, if four qualified individuals are not available, the Council may appoint two instead. Citizen members would be appointed through the standard board and commission vacancy screening and recommendation process set forth in *Council Policy A-2*.

The Motion carried by the following vote: 6-0-1, Councilmember Grant opposed.

IV. MOTION FOR RECONSIDERATION – None

PUBLIC COMMENTS ON CLOSED SESSION

There were no public comments on closed session.

City Attorney Harp read the closed session item.

V. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION - INITIATION OF LITIGATION**
Government Code § 54956.9 (d)(4): 1 matter.

CLOSED SESSION REPORT

City Attorney Harp reported on Closed Session item and announced that following a motion by Mayor Kleiman and second by Mayor Pro Tem Blom, to authorize the City Attorney to initiate litigation regarding one matter. All council members voted in favor. The action and particulars will be disclosed upon formal commencement of the action.

ADJOURNMENT

Meeting adjourned at 8:09 p.m.

The agenda was posted on the City's website and on the City Hall electronic bulletin board located in the entrance of the City Council Chambers at 100 Civic Center Drive, Newport Beach, on March 5, 2026, at 10:00 a.m.

Lauren Kleiman
Mayor

Lena Shumway
City Clerk



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 3

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jason Al-Imam, Administrative Services Director/Treasurer - 949-644-3126, jalimam@newportbeachca.gov

PREPARED BY: Jason Al-Imam, Administrative Services Director/Treasurer

TITLE: Resolution No. 2026-19: Finding Consistency with Stated Investment Objectives and Amending City Council Policy F-1 (*Statement of Investment Policy*) to Incorporate Changes in Government Code Section 53600, ET SEQ

ABSTRACT:

Certain changes to City Council Policy F-1, Statement of Investment Policy (Policy), are proposed based on a recent review of the Policy by the City of Newport Beach Finance Committee. The Finance Committee met on January 15, 2026, to review this report and recommended the City Council consider approving the proposed changes.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Adopt Resolution No. 2026-19, *A Resolution of the City Council of the City of Newport Beach, California, Finding Consistency with Stated Investment Objectives and Amending City Council Policy F-1 (Statement of Investment Policy) to Incorporate Changes in Government Code Section 53600, et seq.*

DISCUSSION:

California Government Code Section 53600.5 mandates that the city treasurer follow three objectives when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds. The primary objective of the city treasurer is to safeguard the principal of the funds under his or her control. The secondary objective is to meet the liquidity needs of the City of Newport Beach. The third objective is to achieve a market rate of return on the funds under his or her control. Guided by the Policy and constrained by California Government Code, the City's core investment objectives are to provide safety of the invested principal by maintaining a well-diversified, high-quality portfolio of liquid assets while earning a market rate of return commensurate with the City's conservative risk profile.

City staff and the City's independent investment advisor, Chandler Asset Management, reviewed the proposed updates to the Investment Policy and recommended several changes to ensure compliance with recent amendments to the California Government Code and to reflect industry best practices.

Key proposed changes include the following:

- Updates to authorized investments resulting from Senate Bill 595, effective January 1, 2026, including:
 - An extension of the maximum maturity for prime commercial paper. An extension of a provision increasing the allowable portfolio allocation for eligible commercial paper for qualifying agencies.
 - Extension of a provision permitting investments in U.S. Government securities with zero or negative interest accruals are permitted during periods of negative market interest rates.
- Updates to the glossary of investment terms to reflect current industry standards and the addition of new definitions.
- Minor administrative and technical revisions throughout the Policy.

FISCAL IMPACT:

There is no fiscal impact related to this item. The City's primary objective is to invest in a manner aimed to safeguard principal and maintain liquidity whereas the secondary objective is to achieve a market rate of return. The proposed changes to the Investment Policy continue to provide for safety and liquidity while achieving a reasonable rate of return.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Council Policy F-1, *Statement of Investment Policy* (redlines)

Attachment B – Resolution No. 2026-19

Attachment A

Council Policy F-1, *Statement of Investment Policy* (redlines)

STATEMENT OF INVESTMENT POLICY

Purpose

The City Council has adopted this Investment Policy (the Policy) in order to establish the scope of the investment policy, investment objectives, standards of care, authorized investments, investment parameters, reporting, investment policy compliance and adoption, and the safekeeping and custody of assets.

This Policy is organized in the following sections:

- A. Scope of Investment Policy
 - 1. Pooling of Funds
 - 2. Funds Included in the Policy
 - 3. Funds Excluded from the Policy
- B. Investment Objectives
 - 1. Safety
 - 2. Liquidity
 - 3. Yield
- C. Standards of Care
 - 1. Prudence
 - 2. Ethics and Conflicts of Interest
 - 3. Delegation of Authority
 - 4. Internal Controls
- D. Banking Services
- E. Broker/Dealers
- F. Safekeeping and Custody of Assets
- G. Authorized Investments
 - 1. Investments Specifically Permitted
 - 2. Investments Specifically Not Permitted
 - 3. Exceptions to Prohibited and Restricted Investments
- H. Investment Parameters
 - 1. Diversification
 - 2. Maximum Maturities
 - 3. Credit Quality
 - 4. Competitive Transactions
- I. Portfolio Performance
- J. Reporting
- K. Investment Policy Compliance and Adoption
 - 1. Compliance
 - 2. Adoption

A. SCOPE OF INVESTMENT POLICY

1. Pooling of Funds

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment shall be allocated to the contributing funds, net of all banking and investing expenses, based upon the proportion of the respective average balances relative to the total pooled balance. Investment income shall be distributed to the individual funds not less than annually.

2. Funds Included in the Policy

The provisions of this Policy shall apply to all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report, including;

- a) General Fund
- b) Special Revenue Funds
- c) Capital Project Funds
- d) Enterprise Funds
- e) Internal Service Funds
- f) Trust and Agency Funds
- g) Permanent Endowment Funds
- h) Any new fund created unless specifically exempted

If the City invests funds on behalf of another agency and, if that agency does not have its own investment policy, this Policy shall govern the agency's investments.

3. Funds Excluded from the Policy

Bond Proceeds – Investment of bond proceeds will be made in accordance with applicable bond indentures.

B. INVESTMENT OBJECTIVES

The City's funds shall be invested in accordance with all applicable City policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Safety

Preservation of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the City shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

a) Credit Risk

The City shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments in securities that have higher credit risks, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business
- Diversifying the investment portfolio so as to minimize the impact any one industry/investment class can have on the portfolio

b) Interest Rate Risk

To minimize the negative impact of material changes in the market value of securities in the portfolio, the City shall:

- Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity
- Invest in securities of varying maturities

2. Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or LAIF which offer same-day liquidity for short-term funds.

3. Yield

The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

C. STANDARDS OF CARE

1. Prudence

The standard of prudence to be used for managing the City's investment program is California Government Code Section 53600.3, the prudent investor standard, which states that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Administrative Services Director and authorized investment personnel acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion to the City Council and appropriate action is taken to control adverse developments.

2. Ethics and Conflicts of Interest

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the City's investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall subordinate their personal investment transactions to those of the City. In addition, City Council members, the City Manager, and the Administrative Services Director shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

3. Delegation of Authority

Authority to manage the City's investment program is derived from the Charter of the City of Newport Beach section 605 (j). The Administrative Services Director shall assume the title of and act as City Treasurer and with the approval of the City Manager appoint deputies annually as necessary to act under the provisions of any law requiring or permitting action by the City Treasurer. The Administrative Services Director may then delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The City may engage the support services of outside investment advisors with respect to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources. Such companies must be registered under the Investment Advisors Act of 1940, be well-established and exceptionally reputable. Members of the staff of such companies who will have primary responsibility for managing the City's investments must have a working familiarity with the special requirements and constraints of investing municipal funds in general and this City's funds in particular. These firms must insure that the portion of the portfolio under their management complies with various concentration and other constraints specified herein, and contractually agree to conform to all provisions of governing law and

the collateralization and other requirements of this Policy. Selection and retention of broker/dealers by investment advisors shall be at their sole discretion and dependent upon selection and retention criteria as stated in the Uniform Application for Investment Advisor Registration and related Amendments (SEC Form ADV 2A).

4. Internal Controls

The Administrative Services Director is responsible for establishing and maintaining a system of internal controls. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by City employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

D. BANKING SERVICES

Banking services for the City shall be provided by FDIC insured banks approved to provide depository and other banking services. To be eligible, a bank shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

E. BROKER/DEALERS

In the event that an investment advisor is not used to purchase securities, the City will select broker/dealers on the basis of their expertise in public cash management and their ability to provide service to the City's account.

Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code.

To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as Primary Dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. Report voluntarily to the Federal Reserve Bank of New York, or
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

F. SAFEKEEPING AND CUSTODY OF ASSETS

The Administrative Services Director shall select one or more banks to provide safekeeping and custodial services for the City. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable Certificates of Deposit, Money Market Funds and local government investment pools, purchased by the City will

be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the City shall be held in the Federal Reserve system in a customer account for the custodian bank which will name the City as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the City as "customer."

G. AUTHORIZED INVESTMENTS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. The City has further restricted the eligible types of securities and transactions. The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from this list must be pre-approved by resolution of the City Council. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameter(s) will take precedence.

Where this section specifies a percentage limitation or minimum credit rating for a particular security type, that percentage or credit rating minimum is applicable only at the date of purchase.

1. Investments Specifically Permitted

- a) United States Treasury bills, notes, or bonds with a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.
- b) Federal Instrumentality (government-sponsored enterprise) debentures, discount notes, callable and step-up securities, with a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the portfolio that can be invested in this category. No more than thirty percent (30%) of the portfolio may be invested in any single Federal Instrumentality/GSE issuer. The maximum percentage of callable Federal Instrumentality/GSE securities in the portfolio will be twenty percent (20%.)

- c) Federal Agency Obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest and which have a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the portfolio that can be invested in this category.
- d) Mortgage-backed Securities, Collateralized Mortgage Obligation (CMO) and Asset-backed Securities from issuers not defined sections a, b and c of the Investments Specifically Permitted section of this investment policy are limited to bonds with a final maturity not exceeding five years from the date of trade settlement. The security itself shall be rated at least “AAA” or the equivalent by an NRSRO. No more than five percent (5%) of the City’s total portfolio shall be invested in any one issuer of mortgage-backed and asset-backed securities listed above, and the aggregate investment in mortgage-backed and asset-backed securities shall not exceed twenty percent (20%) of the City’s total portfolio.
- e) Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement, and rated in at least the “A” category or the equivalent by an NRSRO. No more than five percent (5%) of the City’s total portfolio shall be invested in any one issuer of medium- term notes, and the aggregate investment in medium-term notes shall not exceed thirty percent (30%) of the City’s total portfolio.
- f) Municipal Bonds including bonds issued by the City of Newport Beach, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the City.

State of California registered warrants or treasury notes or bonds, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

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

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

In addition, these securities must be rated in at least the “A” category or the equivalent by a NRSRO with maturities not exceeding five years from the date of trade settlement. No more than five percent (5%) of the City’s total portfolio shall be

invested in any one municipal issuer. In addition, the aggregate investment in municipal bonds may not exceed thirty percent (30%) of the portfolio.

- g) Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding two years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652. No one issuer shall exceed more than five percent (5%) of the portfolio, and investment in negotiable and nonnegotiable certificates of deposit shall be limited to thirty percent (30%) of the portfolio combined.
- h) Negotiable Certificates of Deposit only with a nationally or state- chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank whose senior long-term debt is rated in at least the “A” category, or the equivalent, or short-term debt is rated at least “A-1” or the equivalent by an NRSRO and having assets in excess of \$10 billion, so as to ensure security and a large, well-established secondary market. Ease of subsequent marketability should be further ascertained prior to initial investment by examining currently quoted bids by primary dealers and the acceptability of the issuer by these dealers. No one issuer shall exceed more than five percent (5%) of the portfolio, and maturity shall not exceed two years. Investment in negotiable and non- negotiable certificates of deposit shall be limited to thirty percent (30%) of the portfolio combined.
- i) Prime Commercial Paper with a maturity not exceeding ~~397270~~ days from the date of trade settlement that is rated “A-1”, or the equivalent, by an NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub- paragraph i. or sub-paragraph ii. below:
 - i. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated in at least the “A” category or the equivalent by an NRSRO.
 - ii. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated at least “A-1” or the equivalent, by an NRSRO.
 - iii. No more than five percent (5%) of the City’s total portfolio shall be invested in the commercial paper of any one issuer, and the aggregate investment in commercial paper shall not exceed twenty-five percent (25%) of the City’s total portfolio. Under a provision sunsetting on January 1, 20~~31~~²⁶, no more

than forty percent (40%) of the portfolio may be invested in commercial paper if the City's assets under management are ~~greater than~~ \$100,000,000 or more.

- j) Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, drawn on and accepted by a commercial bank whose senior long-term debt is rated in at least the "A" category or the equivalent by an NRSRO at the time of purchase. Banker's Acceptances shall be rated at least "A-1", or the equivalent at the time of purchase by an NRSRO. If the bank has senior debt outstanding, it must be rated in at least the "A" category or the equivalent by an NRSRO. The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of the City's total portfolio, and no more than five percent (5%) of the City's total portfolio shall be invested in banker's acceptances of any one bank.
- k) Repurchase Agreements and Reverse Repurchase Agreements with a final termination date not exceeding 30 days collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in items 1 and 2 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of one hundred and two percent (102%) of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements and Reverse Repurchase Agreements shall be entered into only with broker/dealers and who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Primary Dealers approved as Repurchase Agreement counterparties shall have a short-term credit rating of at least "A-1" or the equivalent and a long-term credit rating of at least "A" or the equivalent. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The Administrative Services Director shall maintain a copy of the City's approved Master Repurchase Agreement and a list of the broker/dealers who have executed same.

In addition, the City must own assets for more than 30 days before they can be used as collateral for a reverse repurchase agreement. No more than ten percent (10%) of the portfolio can be involved in reverse repurchase agreements.

- l) State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
- m) California Asset Management Trust Cash Reserve Portfolio (CAMP): Investments in CAMP shall not exceed the same maximum limit established for LAIF.

- n) Mutual Funds and Money Market Mutual Funds registered under the Investment Company Act of 1940, provided that:
- i. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - 2) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 - 3) No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
 - ii. **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
 - 1) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - 2) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
 - 3) No more than 20% of the total portfolio may be invested in Money Market Mutual Funds.
 - iii. No more than 20% of the total portfolio may be invested in these securities.
- o) Supranationals which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less from the date of trade settlement, and eligible for purchase and sale within the United States. Investments under this paragraph shall be rated in the "AA" category, its equivalent, or better by at least one NRSRO.

No more than ten percent (10%) of the City's total portfolio shall be invested in any one issuer of supranational obligations. Purchases of supranational obligations shall not exceed twenty percent (20%) of the investment portfolio of the City.

2. Investments Specifically Not Permitted

Any security type or structure not specifically approved by this policy is hereby prohibited. Security types, which are thereby prohibited include, but are not limited to: "exotic" derivative structures such as range notes, dual index notes, inverse floating rate notes, leveraged or de-leveraged floating rate notes, interest only strips that are derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, or any other complex variable or structured note with an unusually high degree of volatility risk.

Under a provision sunsetting on January 1, 2031~~26~~, securities backed by the U.S. Government that could result in a zero or negative interest accrual if held to maturity are permitted.

The City shall not invest funds with the Orange County Pool.

The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

3. Exceptions to Prohibited and Restricted Investments

The City shall not be required to sell securities prohibited or restricted in this policy, or any future policies, or prohibited or restricted by new State regulations, if purchased prior to their prohibition and/or restriction. Insofar as these securities provided no notable credit risk to the City, holding of these securities until maturity is approved. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

H. INVESTMENT PARAMETERS

1. Diversification

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. As such, no more than five percent (5%) of the City's portfolio may be invested in the instruments of any one issuer, except governmental issuers, supranationals, investment pools, mutual funds and money market funds, or unless otherwise specified in this investment policy. This restriction does not apply to any type of Federal Instrumentality or Federal Agency Security listed in Sections G1 b and G1 c above. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets and the City's anticipated cash flow needs.

2. Maximum Maturities

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

3. Credit Quality

Each investment manager will monitor the credit quality of the securities in their respective portfolio. In the event a security held by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the Administrative Services Director in a timely manner.
- If a decision is made to retain the security, the credit quality will be monitored and reported to the City Council.

4. Competitive Transactions

Investment advisors shall make best effort to price investment transactions on a competitive basis with broker/dealers selected consistent with their practices disclosed in form ADV 2A filed with the SEC. Where possible, at least three broker/dealers shall be contacted for each transaction and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, the investment advisor shall make their best efforts to document quotations for comparable or alternative securities. If qualitative characteristics of a transaction, including, but not limited to, complexity of the transaction, or sector expertise of the broker, prevent a competitive selection process, investment advisors shall use brokerage selection practices as described above.

I. PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the total return of a benchmark that most closely corresponds to the portfolio's duration, universe of allowable securities, risk profile, and other relevant characteristics. When comparing the performance of the City's portfolio, its rate of return will be computed consistent with Global Investment Performance Standards (GIPS).

J. REPORTING

Monthly, the Administrative Services Director shall produce a treasury report of the investment portfolio balances, transactions, risk characteristics, earnings, and performance results of the City's investment portfolio available to City Council and the public on the City's Website. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Policy or an explanation for non-compliance

K. INVESTMENT POLICY COMPLIANCE AND ADOPTION

1. Compliance

Any deviation from the policy shall be reported to Finance Committee as soon as practical, but no later than the next scheduled Finance Committee meeting. Upon recommendation of the Finance Committee, the Administrative Services Director shall review deviations from policy with the City Council.

2. Adoption

The Administrative Services Director shall review the Investment Policy with the Finance Committee at least annually to ensure its consistency with the overall

objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The Administrative Services Director shall review the Investment Policy with City Council at a public meeting if there are changes recommended to the Investment Policy.

History

Adopted F-1 – 4-6-1959

Reaffirmed F-1 – 8-15-1966

Reaffirmed F-1 – 11-12-1968

Reaffirmed F-1 – 3-9-1970

Amended F-1 – 11-9-1970

Reaffirmed F-1 – 2-8-1971

Reaffirmed F-1 – 2-14-1972

Reaffirmed F-1 – 12-10-1973

Amended F-1 – 2-11-1974

Amended F-1 – 2-9-1981

Amended F-1 – 10-27-1986

Rewritten F-1 – 10-22-1990

Amended F-1 – 1-28-1991

Amended F-1 – 1-24-1994

Amended F-1 – 1-9-1995

Amended F-1 – 4-22-1996

Corrected F-1 – 1-27-1997

Amended F-1 – 2-24-1997

Amended F-1 – 5-26-1998

Reaffirmed F-1 – 3-22-1999

Reaffirmed F-1 – 3-14-2000

Amended and Reaffirmed F-1 – 5-8-2001

Amended and Reaffirmed F-1 – 4-23-2002

Amended and Reaffirmed F-1 – 4-8-2003
Amended and Reaffirmed F-1 – 4-13-2004
Amended and Reaffirmed F-1 – 9-13-2005
Amended F-1 – 8-11-2009
Amended and Reaffirmed F-1 – 8-10-2010
Amended and Reaffirmed F-1 – 9-28-2010
Reaffirmed F-1 – 6-28-2011
Amended and Reaffirmed F-1 – 10-9-2012
Amended F-1 – 8-13-2013
Amended F-1 – 9-8-2015
Amended F-1 – 3-28-2017
Amended F-1 – 1-28-2020
Amended F-1 – 9-28-2021
Amended F-1 – 10-10-2023
Amended F-1 – 4-9-2024
Amended F-1 – 10-22-2024
Amended F-1 – 12-9-2025
Amended F-1 – 3-24-2026

GLOSSARY OF INVESTMENT TERMS

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie_Mac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and Freddie_Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie_Mae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “Ginnie_Mae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASKED. The price at which a seller offers to sell a security.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BID. The price at which a buyer offers to buy a security.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

~~**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS).** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.~~

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COST YIELD. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

CURRENT YIELD. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

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

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See Modified Duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

FEDERAL OPEN MARKET COMMITTEE. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

FIDUCIARY. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interests ahead of their own as they are bound both legally and ethically to act in the best interest of their clients.

JOINT POWERS AUTHORITY (JPA). An entity created by two or more public agencies that share a common goal in order to jointly exercise powers common to all members through a joint powers agreement or contract.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MARKING TO MARKET. The process of posting current market values for securities in a portfolio.

MATURITY. The final date upon which the principal of a security becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.

PLACEMENT SERVICE DEPOSITS. A private service that allows local agencies to invest in FDIC-insured deposits with one or more banks, savings and loans, and credit unions located in the United States. IntraFi (formerly known as CDARS) is an example of an entity that provides this service.

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PREPAYMENT SPEED. A measure of how quickly principal is repaid to investors in mortgage securities.

PREPAYMENT WINDOW. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REALIZED YIELD. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

REGIONAL DEALER. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

Attachment B

Resolution No. 2026-19

RESOLUTION NO. 2026- 19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, FINDING CONSISTENCY WITH STATED INVESTMENT OBJECTIVES AND AMENDING CITY COUNCIL POLICY F-1 (STATEMENT OF INVESTMENT POLICY) TO INCORPORATE CHANGES IN GOVERNMENT CODE SECTION 53600, ET SEQ.

WHEREAS, the City of Newport Beach ("City") is governed, in part, by its City Charter, the Newport Beach Municipal Code, and the policies ("Policies") adopted by the Newport Beach City Council ("City Council");

WHEREAS, the City Council adopted Council Policy F-1, Statement of Investment Policy ("Investment Policy") to establish the scope of the City's investment policy, objectives, standards of care, authorized investments, reporting, compliance, and safekeeping of assets;

WHEREAS, the Investment Policy requires the Administrative Services Director to review the Investment Policy with the City's Finance Committee at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, return, and its relevance to current law and financial and economic trends;

WHEREAS, on January 15, 2026, the City's Finance Committee reviewed changes to the Investment Policy, and found consistency with the stated objectives;

WHEREAS, the Investment Policy requires the Administrative Services Director to review the Investment Policy with the City Council at a public meeting if there are recommended revisions to the Investment Policy;

WHEREAS, the Administrative Services Director has reviewed the Investment Policy and recommends revisions to better align the Investment Policy with recent changes to State law, including but not limited to, California Senate Bill 595, which went into effect January 1, 2026, Government Code Section 53600.5, and to reflect industry best practices;

WHEREAS, California Senate Bill 595 revised the maximum maturity periods and investment limits for investments in commercial paper and in certain securities, and revised the timeframes for local agencies to file financial reports;

WHEREAS, California Government Code Section 53600.5 states that the primary objectives of a financial trustee managing public funds, when investing, reinvesting,

purchasing, acquiring, exchanging, selling, or managing public funds, is to safeguard the principal of the funds under the trustee's control, meet the liquidity needs of the depositor, and achieve a return on the funds under the trustee's control;

WHEREAS, California Government Code Section 53607 states the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires; and

WHEREAS, the City Manager has reviewed the recommended revisions suggested by the Administrative Services Director and recommends the City Council amend the Investment Policy as provided in this resolution.

NOW, THEREFORE, the City Council of the City of Newport Beach resolves as follows:

Section 1: The City Council hereby amends Council Policy F-1, Statement of Investment Policy, and replaces it with the version attached hereto as Exhibit "A" (Council Policy F-1) and incorporated herein by this reference.

Section 2: All prior versions of Council Policy F-1, Statement of Investment Policy, that conflict with the revisions adopted by this resolution are hereby repealed.

Section 3: The City Council delegates authority to invest or to reinvest the City's funds, or to sell or exchange securities so purchased, to the Administrative Services Director for a one-year period. The Administrative Services Director shall assume full responsibility for those transactions until the delegation of authority is revoked or expires.

Section 4: If any section, subsection, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 5: The recitals provided in this resolution are true and correct and are incorporated into the substantive portion of this resolution.

Section 6: Except as expressly modified in this resolution, all other City Council policies, sections, subsections, terms, clauses and phrases set forth in the Council Policy Manual shall remain unchanged and shall be in full force and effect.

Section 7: The City Council finds the adoption of this resolution is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 8: This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting the resolution.

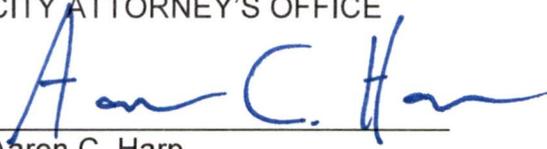
ADOPTED this 24th day of March, 2026.

Lauren Kleiman
Mayor

ATTEST:

Lena Shumway
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp
City Attorney

Attachment: Exhibit A – Council Policy F-1, Statement of Investment Policy

Exhibit A
Council Policy F-1

STATEMENT OF INVESTMENT POLICY

Purpose

The City Council has adopted this Investment Policy (the Policy) in order to establish the scope of the investment policy, investment objectives, standards of care, authorized investments, investment parameters, reporting, investment policy compliance and adoption, and the safekeeping and custody of assets.

This Policy is organized in the following sections:

- A. Scope of Investment Policy
 - 1. Pooling of Funds
 - 2. Funds Included in the Policy
 - 3. Funds Excluded from the Policy
- B. Investment Objectives
 - 1. Safety
 - 2. Liquidity
 - 3. Yield
- C. Standards of Care
 - 1. Prudence
 - 2. Ethics and Conflicts of Interest
 - 3. Delegation of Authority
 - 4. Internal Controls
- D. Banking Services
- E. Broker/Dealers
- F. Safekeeping and Custody of Assets
- G. Authorized Investments
 - 1. Investments Specifically Permitted
 - 2. Investments Specifically Not Permitted
 - 3. Exceptions to Prohibited and Restricted Investments
- H. Investment Parameters
 - 1. Diversification
 - 2. Maximum Maturities
 - 3. Credit Quality
 - 4. Competitive Transactions
- I. Portfolio Performance
- J. Reporting
- K. Investment Policy Compliance and Adoption
 - 1. Compliance
 - 2. Adoption

A. SCOPE OF INVESTMENT POLICY

1. Pooling of Funds

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment shall be allocated to the contributing funds, net of all banking and investing expenses, based upon the proportion of the respective average balances relative to the total pooled balance. Investment income shall be distributed to the individual funds not less than annually.

2. Funds Included in the Policy

The provisions of this Policy shall apply to all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report, including;

- a) General Fund
- b) Special Revenue Funds
- c) Capital Project Funds
- d) Enterprise Funds
- e) Internal Service Funds
- f) Trust and Agency Funds
- g) Permanent Endowment Funds
- h) Any new fund created unless specifically exempted

If the City invests funds on behalf of another agency and, if that agency does not have its own investment policy, this Policy shall govern the agency's investments.

3. Funds Excluded from the Policy

Bond Proceeds – Investment of bond proceeds will be made in accordance with applicable bond indentures.

B. INVESTMENT OBJECTIVES

The City's funds shall be invested in accordance with all applicable City policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Safety

Preservation of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the City shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

a) Credit Risk

The City shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments in securities that have higher credit risks, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business
- Diversifying the investment portfolio so as to minimize the impact any one industry/investment class can have on the portfolio

b) Interest Rate Risk

To minimize the negative impact of material changes in the market value of securities in the portfolio, the City shall:

- Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity
- Invest in securities of varying maturities

2. Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or LAIF which offer same-day liquidity for short-term funds.

3. Yield

The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

C. STANDARDS OF CARE

1. Prudence

The standard of prudence to be used for managing the City's investment program is California Government Code Section 53600.3, the prudent investor standard, which states that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Administrative Services Director and authorized investment personnel acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion to the City Council and appropriate action is taken to control adverse developments.

2. Ethics and Conflicts of Interest

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the City's investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall subordinate their personal investment transactions to those of the City. In addition, City Council members, the City Manager, and the Administrative Services Director shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

3. Delegation of Authority

Authority to manage the City's investment program is derived from the Charter of the City of Newport Beach section 605 (j). The Administrative Services Director shall assume the title of and act as City Treasurer and with the approval of the City Manager appoint deputies annually as necessary to act under the provisions of any law requiring or permitting action by the City Treasurer. The Administrative Services Director may then delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The City may engage the support services of outside investment advisors with respect to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources. Such companies must be registered under the Investment Advisors Act of 1940, be well-established and exceptionally reputable. Members of the staff of such companies who will have primary responsibility for managing the City's investments must have a working familiarity with the special requirements and constraints of investing municipal funds in general and this City's funds in particular. These firms must insure that the portion of the portfolio under their management complies with various concentration and other constraints specified herein, and contractually agree to conform to all provisions of governing law and

the collateralization and other requirements of this Policy. Selection and retention of broker/dealers by investment advisors shall be at their sole discretion and dependent upon selection and retention criteria as stated in the Uniform Application for Investment Advisor Registration and related Amendments (SEC Form ADV 2A).

4. Internal Controls

The Administrative Services Director is responsible for establishing and maintaining a system of internal controls. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by City employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

D. BANKING SERVICES

Banking services for the City shall be provided by FDIC insured banks approved to provide depository and other banking services. To be eligible, a bank shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

E. BROKER/DEALERS

In the event that an investment advisor is not used to purchase securities, the City will select broker/dealers on the basis of their expertise in public cash management and their ability to provide service to the City's account.

Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code.

To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as Primary Dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. Report voluntarily to the Federal Reserve Bank of New York, or
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

F. SAFEKEEPING AND CUSTODY OF ASSETS

The Administrative Services Director shall select one or more banks to provide safekeeping and custodial services for the City. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable Certificates of Deposit, Money Market Funds and local government investment pools, purchased by the City will

be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the City shall be held in the Federal Reserve system in a customer account for the custodian bank which will name the City as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the City as "customer."

G. AUTHORIZED INVESTMENTS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. The City has further restricted the eligible types of securities and transactions. The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from this list must be pre-approved by resolution of the City Council. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameter(s) will take precedence.

Where this section specifies a percentage limitation or minimum credit rating for a particular security type, that percentage or credit rating minimum is applicable only at the date of purchase.

1. Investments Specifically Permitted

- a) United States Treasury bills, notes, or bonds with a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.
- b) Federal Instrumentality (government-sponsored enterprise) debentures, discount notes, callable and step-up securities, with a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the portfolio that can be invested in this category. No more than thirty percent (30%) of the portfolio may be invested in any single Federal Instrumentality/GSE issuer. The maximum percentage of callable Federal Instrumentality/GSE securities in the portfolio will be twenty percent (20%).

- c) Federal Agency Obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest and which have a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the portfolio that can be invested in this category.
- d) Mortgage-backed Securities, Collateralized Mortgage Obligation (CMO) and Asset-backed Securities from issuers not defined sections a, b and c of the Investments Specifically Permitted section of this investment policy are limited to bonds with a final maturity not exceeding five years from the date of trade settlement. The security itself shall be rated at least "AAA" or the equivalent by an NRSRO. No more than five percent (5%) of the City's total portfolio shall be invested in any one issuer of mortgage-backed and asset-backed securities listed above, and the aggregate investment in mortgage-backed and asset-backed securities shall not exceed twenty percent (20%) of the City's total portfolio.
- e) Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement, and rated in at least the "A" category or the equivalent by an NRSRO. No more than five percent (5%) of the City's total portfolio shall be invested in any one issuer of medium-term notes, and the aggregate investment in medium-term notes shall not exceed thirty percent (30%) of the City's total portfolio.
- f) Municipal Bonds including bonds issued by the City of Newport Beach, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the City.

State of California registered warrants or treasury notes or bonds, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

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

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

In addition, these securities must be rated in at least the "A" category or the equivalent by a NRSRO with maturities not exceeding five years from the date of trade settlement. No more than five percent (5%) of the City's total portfolio shall be

invested in any one municipal issuer. In addition, the aggregate investment in municipal bonds may not exceed thirty percent (30%) of the portfolio.

- g) Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding two years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652. No one issuer shall exceed more than five percent (5%) of the portfolio, and investment in negotiable and nonnegotiable certificates of deposit shall be limited to thirty percent (30%) of the portfolio combined.
- h) Negotiable Certificates of Deposit only with a nationally or state- chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank whose senior long-term debt is rated in at least the “A” category, or the equivalent, or short-term debt is rated at least “A-1” or the equivalent by an NRSRO and having assets in excess of \$10 billion, so as to ensure security and a large, well-established secondary market. Ease of subsequent marketability should be further ascertained prior to initial investment by examining currently quoted bids by primary dealers and the acceptability of the issuer by these dealers. No one issuer shall exceed more than five percent (5%) of the portfolio, and maturity shall not exceed two years. Investment in negotiable and non- negotiable certificates of deposit shall be limited to thirty percent (30%) of the portfolio combined.
- i) Prime Commercial Paper with a maturity not exceeding 397 days from the date of trade settlement that is rated “A-1”, or the equivalent, by an NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub- paragraph i. or sub-paragraph ii. below:
 - i. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated in at least the “A” category or the equivalent by an NRSRO.
 - ii. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated at least “A-1” or the equivalent, by an NRSRO.
 - iii. No more than five percent (5%) of the City’s total portfolio shall be invested in the commercial paper of any one issuer, and the aggregate investment in commercial paper shall not exceed twenty-five percent (25%) of the City’s total portfolio. Under a provision sunsetting on January 1, 2031, no more than

forty percent (40%) of the portfolio may be invested in commercial paper if the City's assets under management are \$100,000,000 or more.

- j) Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, drawn on and accepted by a commercial bank whose senior long-term debt is rated in at least the "A" category or the equivalent by an NRSRO at the time of purchase. Banker's Acceptances shall be rated at least "A-1", or the equivalent at the time of purchase by an NRSRO. If the bank has senior debt outstanding, it must be rated in at least the "A" category or the equivalent by an NRSRO. The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of the City's total portfolio, and no more than five percent (5%) of the City's total portfolio shall be invested in banker's acceptances of any one bank.
- k) Repurchase Agreements and Reverse Repurchase Agreements with a final termination date not exceeding 30 days collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in items 1 and 2 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of one hundred and two percent (102%) of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements and Reverse Repurchase Agreements shall be entered into only with broker/dealers and who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Primary Dealers approved as Repurchase Agreement counterparties shall have a short-term credit rating of at least "A-1" or the equivalent and a long-term credit rating of at least "A" or the equivalent. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The Administrative Services Director shall maintain a copy of the City's approved Master Repurchase Agreement and a list of the broker/dealers who have executed same.

In addition, the City must own assets for more than 30 days before they can be used as collateral for a reverse repurchase agreement. No more than ten percent (10%) of the portfolio can be involved in reverse repurchase agreements.

- l) State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
- m) California Asset Management Trust Cash Reserve Portfolio (CAMP): Investments in CAMP shall not exceed the same maximum limit established for LAIF.
- n) Mutual Funds and Money Market Mutual Funds registered under the Investment Company Act of 1940, provided that:

- i. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - 2) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 - 3) No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

- ii. **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
 - 1) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - 2) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
 - 3) No more than 20% of the total portfolio may be invested in Money Market Mutual Funds.

- iii. No more than 20% of the total portfolio may be invested in these securities.

- o) Supranationals which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less from the date of trade settlement, and eligible for purchase and sale within the United States. Investments under this paragraph shall be rated in the "AA" category, its equivalent, or better by at least one NRSRO.

No more than ten percent (10%) of the City's total portfolio shall be invested in any one issuer of supranational obligations. Purchases of supranational obligations shall not exceed twenty percent (20%) of the investment portfolio of the City.

2. Investments Specifically Not Permitted

Any security type or structure not specifically approved by this policy is hereby prohibited. Security types, which are thereby prohibited include, but are not limited to: "exotic" derivative structures such as range notes, dual index notes, inverse floating rate notes, leveraged or de-leveraged floating rate notes, interest only strips that are derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, or any other complex variable or structured note with an unusually high degree of volatility risk.

Under a provision sunsetting on January 1, 2031, securities backed by the U.S. Government that could result in a zero or negative interest accrual if held to maturity are permitted.

The City shall not invest funds with the Orange County Pool.

The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

3. Exceptions to Prohibited and Restricted Investments

The City shall not be required to sell securities prohibited or restricted in this policy, or any future policies, or prohibited or restricted by new State regulations, if purchased prior to their prohibition and/or restriction. Insofar as these securities provided no notable credit risk to the City, holding of these securities until maturity is approved. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

H. INVESTMENT PARAMETERS

1. Diversification

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. As such, no more than five percent (5%) of the City's portfolio may be invested in the instruments of any one issuer, except governmental issuers, supnationals, investment pools, mutual funds and money market funds, or unless otherwise specified in this investment policy. This restriction does not apply to any type of Federal Instrumentality or Federal Agency Security listed in Sections G1 b and G1 c above. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets and the City's anticipated cash flow needs.

2. Maximum Maturities

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

3. Credit Quality

Each investment manager will monitor the credit quality of the securities in their respective portfolio. In the event a security held by the City is downgraded to a level below the

requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the Administrative Services Director in a timely manner.
- If a decision is made to retain the security, the credit quality will be monitored and reported to the City Council.

4. Competitive Transactions

Investment advisors shall make best effort to price investment transactions on a competitive basis with broker/dealers selected consistent with their practices disclosed in form ADV 2A filed with the SEC. Where possible, at least three broker/dealers shall be contacted for each transaction and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, the investment advisor shall make their best efforts to document quotations for comparable or alternative securities. If qualitative characteristics of a transaction, including, but not limited to, complexity of the transaction, or sector expertise of the broker, prevent a competitive selection process, investment advisors shall use brokerage selection practices as described above.

I. PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the total return of a benchmark that most closely corresponds to the portfolio's duration, universe of allowable securities, risk profile, and other relevant characteristics. When comparing the performance of the City's portfolio, its rate of return will be computed consistent with Global Investment Performance Standards (GIPS).

J. REPORTING

Monthly, the Administrative Services Director shall produce a treasury report of the investment portfolio balances, transactions, risk characteristics, earnings, and performance results of the City's investment portfolio available to City Council and the public on the City's Website. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Policy or an explanation for non-compliance

K. INVESTMENT POLICY COMPLIANCE AND ADOPTION

1. Compliance

Any deviation from the policy shall be reported to Finance Committee as soon as practical, but no later than the next scheduled Finance Committee meeting. Upon recommendation of the Finance Committee, the Administrative Services Director shall review deviations from policy with the City Council.

2. Adoption

The Administrative Services Director shall review the Investment Policy with the Finance Committee at least annually to ensure its consistency with the overall

objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The Administrative Services Director shall review the Investment Policy with City Council at a public meeting if there are changes recommended to the Investment Policy.

History

Adopted F-1 – 4-6-1959
 Reaffirmed F-1 – 8-15-1966
 Reaffirmed F-1 – 11-12-1968
 Reaffirmed F-1 – 3-9-1970
 Amended F-1 – 11-9-1970
 Reaffirmed F-1 – 2-8-1971
 Reaffirmed F-1 – 2-14-1972
 Reaffirmed F-1 – 12-10-1973
 Amended F-1 – 2-11-1974
 Amended F-1 – 2-9-1981
 Amended F-1 – 10-27-1986
 Rewritten F-1 – 10-22-1990
 Amended F-1 – 1-28-1991
 Amended F-1 – 1-24-1994
 Amended F-1 – 1-9-1995
 Amended F-1 – 4-22-1996
 Corrected F-1 – 1-27-1997
 Amended F-1 – 2-24-1997
 Amended F-1 – 5-26-1998
 Reaffirmed F-1 – 3-22-1999
 Reaffirmed F-1 – 3-14-2000
 Amended and Reaffirmed F-1 – 5-8-2001
 Amended and Reaffirmed F-1 – 4-23-2002
 Amended and Reaffirmed F-1 – 4-8-2003
 Amended and Reaffirmed F-1 – 4-13-2004
 Amended and Reaffirmed F-1 – 9-13-2005
 Amended F-1 – 8-11-2009

Amended and Reaffirmed F-1 – 8-10-2010
Amended and Reaffirmed F-1 – 9-28-2010
Reaffirmed F-1 – 6-28-2011
Amended and Reaffirmed F-1 – 10-9-2012
Amended F-1 – 8-13-2013
Amended F-1 – 9-8-2015
Amended F-1 – 3-28-2017
Amended F-1 – 1-28-2020
Amended F-1 – 9-28-2021
Amended F-1 – 10-10-2023
Amended F-1 – 4-9-2024
Amended F-1 – 10-22-2024
Amended F-1 – 12-9-2025
Amended F-1 – 3-24-2026

GLOSSARY OF INVESTMENT TERMS

- AGENCIES.** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:
- FFCB.** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.
- FHLB.** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.
- FHLMC.** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie Mac” issues discount notes, bonds and mortgage pass-through securities.
- FNMA.** Like FHLB and Freddie Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie Mae,” issues discount notes, bonds and mortgage pass-through securities.
- GNMA.** The Government National Mortgage Association, known as “Ginnie Mae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.
- PEFCO.** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.
- TVA.** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.
- ASKED.** The price at which a seller offers to sell a security.
- ASSET BACKED SECURITIES.** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.
- AVERAGE LIFE.** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.
- BANKER’S ACCEPTANCE.** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.
- BENCHMARK.** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.
- BID.** The price at which a buyer offers to buy a security.
- BROKER.** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.
- CALLABLE.** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.
- CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

- COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.
- COLLATERALIZED MORTGAGE OBLIGATIONS (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.
- COMMERCIAL PAPER.** The short-term unsecured debt of corporations.
- COST YIELD.** The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.
- COUPON.** The rate of return at which interest is paid on a bond.
- CREDIT RISK.** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.
- CURRENT YIELD.** The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.
- DEALER.** A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.
- DEBENTURE.** A bond secured only by the general credit of the issuer.
- DELIVERY VS. PAYMENT (DVP).** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.
- DERIVATIVE.** Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.
- DISCOUNT.** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.
- DIVERSIFICATION.** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.
- DURATION.** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See Modified Duration).
- FEDERAL FUNDS RATE.** The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.
- FEDERAL OPEN MARKET COMMITTEE.** A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.
- FIDUCIARY.** A person or organization that acts on behalf of another person(s) or organization that puts their clients' interests ahead of their own as they are bound both legally and ethically to act in the best interest of their clients.
- JOINT POWERS AUTHORITY (JPA).** An entity created by two or more public agencies that share a common goal in order to jointly exercise powers common to all members through a joint powers agreement or contract.

- LEVERAGE.** Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.
- LIQUIDITY.** The speed and ease with which an asset can be converted to cash.
- LOCAL AGENCY INVESTMENT FUND (LAIF).** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.
- LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.
- MAKE WHOLE CALL.** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."
- MARGIN.** The difference between the market value of a security and the loan a broker makes using that security as collateral.
- MARKET RISK.** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.
- MARKET VALUE.** The price at which a security can be traded.
- MARKING TO MARKET.** The process of posting current market values for securities in a portfolio.
- MATURITY.** The final date upon which the principal of a security becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.
- MEDIUM TERM NOTES.** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.
- MODIFIED DURATION.** The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.
- MONEY MARKET.** The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.
- MORTGAGE PASS-THROUGH SECURITIES.** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.
- MUNICIPAL SECURITIES.** Securities issued by state and local agencies to finance capital and operating expenses.
- MUTUAL FUND.** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.
- NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

- NEGOTIABLE CD.** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.
- PLACEMENT SERVICE DEPOSITS.** A private service that allows local agencies to invest in FDIC-insured deposits with one or more banks, savings and loans, and credit unions located in the United States. IntraFi (formerly known as CDARS) is an example of an entity that provides this service.
- PREMIUM.** The difference between the par value of a bond and the cost of the bond, when the cost is above par.
- PREPAYMENT SPEED.** A measure of how quickly principal is repaid to investors in mortgage securities.
- PREPAYMENT WINDOW.** The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.
- PRIMARY DEALER.** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.
- PRUDENT PERSON (PRUDENT INVESTOR) RULE.** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."
- REALIZED YIELD.** The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.
- REGIONAL DEALER.** A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.
- REPURCHASE AGREEMENT.** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.
- SAFEKEEPING.** A service to bank customers whereby securities are held by the bank in the customer's name.
- STRUCTURED NOTE.** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.
- SUPRANATIONAL.** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.
- TOTAL RATE OF RETURN.** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.
- U.S. TREASURY OBLIGATIONS.** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 4

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Tom Sandefur, Assistant City Engineer - 949-644-3321,
tsandefur@newportbeachca.gov

TITLE: Amendment No. One to Professional Services Agreement with Moffat & Nichol for Newport Harbor Seawall Replacement/ Rehabilitation (Contract No. 9503-1)

ABSTRACT:

On February 13, 2024, the City Council approved a professional services agreement (PSA) with Moffatt & Nichol for design services of the Newport Harbor seawall replacement/rehabilitation project for a total not-to-exceed amount of \$448,803. Additional professional engineering services are needed to investigate, design and permit the proposed seawall replacement/rehabilitations.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve Amendment No. One to the professional services agreement with Moffatt & Nichol for the Newport Harbor Seawall Replacement/Rehabilitation project for an additional \$339,677 for a total not-to-exceed amount of \$788,480 and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

On February 13, 2024, the City of Newport Beach entered into a PSA with Moffatt & Nichol for design services for the Newport Harbor seawall replacement/rehabilitation project. The scope of work covered by the PSA included investigation, alternatives analysis, and design to replace eight City-owned seawalls. At each of the eight locations, the aging seawalls are showing signs of deterioration and leaking during higher tides causing flooding in adjacent roadways and parkways during high tide events. These seawalls are more than 60 years old and in various states of decay. Seawall #1 (33rd Street) is disintegrating and is beyond repair and full replacement is proposed. Seawall #3 (35th Street), Seawall #4 (34th Street) and Seawall #5 (Marcus Avenue) are repairable, but

require cap repair and sheet pile installation. Patching and repair are proposed on all other seawalls.

After the investigation and alternatives analysis was completed, staff determined the best course of action at Seawall #1 (33rd Street) is full seawall replacement. Full seawall replacement requires design services beyond those covered by the PSA.

In addition to the seawalls already included in the scope of work and under design, a sinkhole recently developed behind another City seawall at 41st Street. The seawall in question, now referred to as Seawall #9, is adjacent to the intersection of 41st Street and River Avenue. Staff determined the most efficient means of addressing Seawall #9 is by including it in the scope of this design project and having it receive a similar scope of investigation and repair as the other seawalls (#1 through #8).

To facilitate the investigation, design and permitting needed, staff requests a contract amendment of \$339,677, increasing the total not-to-exceed amount with Moffatt & Nichol to \$788,480. These funds cover the additional geotechnical and permitting work required for the full replacement of the seawall at 33rd Street and the inclusion of the seawall at 41st Street in the scope of this project.

FISCAL IMPACT:

The adopted Capital Improvement Program budget includes sufficient Tidelands Funding for the approval of the proposed amendment. The project, Newport Harbor Seawall Replacement/Rehabilitation (25H08), currently has approximately \$4,500,000 remaining to be used for investigation, design, permitting and construction of Newport Harbor seawalls.

ENVIRONMENTAL REVIEW:

On February 13, 2024, City Council found this project exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Location Maps

Attachment B – Amendment No. One with Moffatt & Nichol

Attachment A

Location Maps

**City of Newport Beach
Newport Harbor Seawall Repairs Project
Design RFP No. 24-20
Seawall Locations**

1. 3212 & 3300 Marcus Avenue (33rd street end)



This segment of the bulkhead is at the end of 33rd Street between 3212 & 3300 Marcus Avenue. This location was recently identified as a new leak. The area behind the seawall is heavily landscaped so the location of the seepage is unknown. The soil/landscape area adjacent to 3212 Marcus Avenue behind the seawall appears to be lower and have recently experience some settlement.

2. Lake Avenue between 37th and The Rialto Streets (300 Rialto)



300 The Rialto has a history of continuous seepage in the sidewalk during high tide events. The intersection of Lake Avenue and The Rialto is inundated with seawater during high tide and requires City staff to pump out the seawater at this location.

3. 3412 & 3500 Marcus Avenue (35th street end)



This segment of bulkhead is at the end of 35th Street between 3412 & 3500 Marcus Avenue. This

location has had a history of flooding with a long maintenance record of patches and injections. During high tide, the end of the street requires pumping to reduce seawater on the street.

4. 3312 & 3400 Marcus Avenue (34th street end)



The cinder block wall/CMU wall along this segment continues to experience seepage despite various attempts to seal the leak over the years.

5. 312 & 400 38th Street



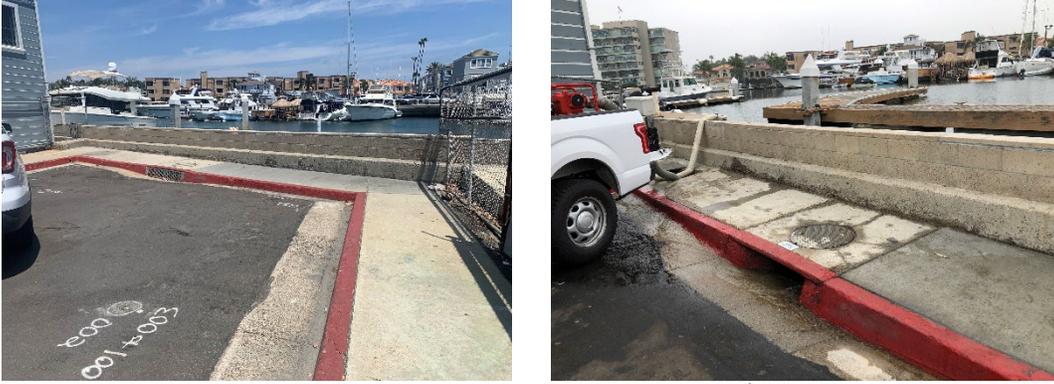
The location of the leak at the end of the street on Marcus Avenue between 312 and 400 38th Street is unknown. Along this bulkhead segment, the grass area is continuously moist especially during high tide and the concrete slab adjacent to the grass area appears to be hollow below grade. Various attempts have been exhausted to seal the leak but have been unsuccessful.

6. Lake Avenue Seawall between 37th & 38th Street



The City installed sheet piles in FY 2014 along this reach but Lake Avenue continues to flood and pond during high tide. There is moisture in the grass area behind the seawall. The location of the seawall seepage is unknown along this segment. During high tide, pumping is required at a localized low point at 300 The Rialto to reduce seawater on the street at the intersection of Lake Avenue and 37th Street.

7. 29th @ Lafayette Avenue (2900 Lafayette Avenue)



This segment of bulkhead is in the public right of way at the end of 29th Street adjacent to 2900 Lafayette Avenue. The building pad for 2900 Lafayette Avenue slopes towards the back corner of the building. Surface runoff ponds and overflows into the sidewalk at the end of the street. The seawall along this segment has seepage into the catch basin wall. The street/sidewalk will be raised to provide access to a new public pier scheduled to be built at this street end.

8. 28th @ Lafayette (2800 Lafayette Avenue)



This segment of bulkhead is in the public right of way at the end of Villa Way adjacent to 2800 Lafayette Avenue. During high tide, water seeps through the base of the seawall onto the sidewalk and into the street. The location of the seepage is unknown. The concrete and pavement in the general area is lifting. Routine pumping during high tide coupled with a rain event is necessary to reduce runoff and seawater on the street. Various attempts have been exhausted to seal the leak over the years but have been unsuccessful.

Location Map With Seawall #9 Added Per Amendment #1



Seawall #9



Attachment B

AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT WITH MOFFATT & NICHOL FOR NEWPORT HARBOR SEAWALL REPLACEMENT/REHABILITATION

THIS AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT (“Amendment No. One”) is made and entered into as of this 24th day of March, 2026 (“Effective Date”), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city (“City”), and MOFFATT & NICHOL, a California corporation (“Consultant”), whose address is 4225 East Conant Street, Suite 101, Long Beach, CA 90808, and is made with reference to the following:

RECITALS

- A. On February 13, 2024, City and Consultant entered into a Professional Services Agreement (Contract No. C-9503-1) (“Agreement”) for Newport Harbor Seawall Project management including Project Management, Research and Data Collection, Field Survey/Bathymetric Surveying Services, Preliminary Design Report, Permitting, Construction Documents, Construction Support Services. (“Project”).
- B. The parties desire to enter into this Amendment No. One to reflect additional Services not included in the Agreement, as amended, increase the total compensation, revise Contractor’s Project Manager, revise Contractor’s contact for notices, update the Schedule of Billing Rates, and update the Insurance Requirements.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. SERVICES TO BE PERFORMED

Exhibit A to the Agreement shall be supplemented to include the Scope of Services, attached hereto as Exhibit A and incorporated herein by reference (“Services” or “Work”). Exhibit A to the Agreement and Exhibit A to this Amendment No. One shall collectively be known as “Exhibit A.” The City may elect to delete certain Services within the Scope of Services at its sole discretion.

2. COMPENSATION TO CONSULTANT

Exhibit B to the Agreement shall be supplemented to include the Schedule of Billing Rates, attached hereto as Exhibit B and incorporated herein by reference. Exhibit B to the Agreement and Exhibit B to Amendment No. One shall collectively be known as “Exhibit B.”

Section 4.1 of the Agreement is amended in its entirety and replaced with the following: “City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing

Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Seven Hundred Eighty Eight Thousand Four Hundred Eighty Dollars and 00/100 (\$788,480.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City."

The total amended compensation reflects Consultant's additional compensation for additional Services to be performed in accordance with this Amendment No. One, including all reimbursable items and subconsultant fees, in an amount not to exceed **Three Hundred Thirty Nine Thousand Six Hundred Seventy Seven Dollars and 00/100 (\$339,677.00)**.

3. PROJECT MANAGER

Section 5.1 of the Agreement is amended in its entirety and replaced with the following: "Consultant shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Consultant has designated David Aceves to be its Project Manager. Consultant shall not remove or reassign the Project Manager or any personnel listed in Exhibit A or assign any new or replacement personnel to the Project without the prior written consent of City. City's approval shall not be unreasonably withheld with respect to the removal or assignment of non-key personnel."

4. NOTICES

Section 25.3 of the Agreement is amended in its entirety and replaced with the following: "All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: Michelle Anghera
Moffatt & Nichol
4225 East Conant Street, Suite 101
Long Beach, CA 90808"

5. INSURANCE

As of the Effective Date of this Amendment No. One, Exhibit C of the Agreement shall be deleted in its entirety and replaced with Exhibit C, attached hereto and incorporated herein by reference. Any reference to Exhibit C in the Agreement and Amendment No. One shall hereafter refer to "Exhibit C" attached hereto.

6. INTEGRATED CONTRACT

Except as expressly modified herein, all other provisions, terms, and covenants set forth in the Agreement shall remain unchanged and shall be in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment No. One to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 2/26/25

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: Jose Montoya for
Aaron C. Harp 2/26/25 ps
City Attorney

By: _____
Lauren Kleiman
Mayor

ATTEST:

Date: _____

CONSULTANT: MOFFATT & NICHOL,
a California corporation

Date: _____

By: _____
Lena Shumway
City Clerk

By: _____
Michelle Anghera
Vice President

[END OF SIGNATURES]

Attachments: Exhibit A – Scope of Services
 Exhibit B – Schedule of Billing Rates
 Exhibit C – Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

Moffatt & Nichol (M&N) shall provide support to the City of Newport Beach (City) for the Newport Harbor Seawall Replacement/Rehabilitation project. M&N shall provide additional seawall replacement/repair design services for the existing seawall locations within Newport Harbor beyond those identified in the current contract (C-9503-1). The proposed seawall improvement project extents are conceptually shown in Figure 1. The City has requested inclusion of additional scope of work and fee for final engineering design for a complete seawall replacement only at one location (Location #1). The repairs and flood mitigations at the seawalls (Locations #2 through #8) are also included. Provide soil stabilization plan for sink holes and voids that form behind the 41st street seawall (Location #9). The alternatives for replacement/repairs for the defects identified were included in the previously provided "Preliminary Design Alternatives Study" prepared by M&N, dated September 25, 2024.



Figure 1 – Newport Harbor Seawall Replacement / Rehabilitation Project Extents

Scope of Work

The scope of work for the Newport Harbor Seawall Replacement/Rehabilitation will include conducting additional geotechnical site investigations, providing project figures and information required for local CEQA

review and submitting permit applications to regulatory agencies, and performing final engineering design services for the preferred seawall design alternative.

The tasks presented in this proposal follows the format of the current contract (C-9503-1) and additional services are presented where required to prepare final design for the preferred alternatives for replacement/repairs for the locations identified in the previously provided "Preliminary Design Alternatives Study".

Task 1 – Project Management

Task 1.1 – Additional Meetings and Coordination

M&N will submit the construction document package and coordinate with the City for review and addressing comments. Meetings and coordination during the design include the following:

- Submit construction documents to City and address comments as needed for bid issuance. Assumes three (3) rounds of comments (60%, 90%, and 100% Design).
- Attend meetings to clarify design intent and discuss recommendations, including:
 - Attending up-to two (2) design coordination meetings with City staff including preparation and follow-up.
- Perform QA/QC reviews and procedures.
- General administration, management, and processing of monthly invoices.

Task 2 – Research and Data Collection (No Adjustments)

Task 3 – Field Survey and Site Investigation Services

This task includes performing additional geotechnical investigations and studies to provide geotechnical recommendations for a replacement seawall at one of the eight study locations (Location #1). Site investigations include the following efforts:

Task 3.1 – Pre-Exploration Services

M&N's geotechnical subconsultant, Earth Mechanics, Inc. (EMI), will perform a site reconnaissance to observe the existing conditions at study area Location #1 to evaluate equipment/vehicle access and other potential constraints including:

- Review utility plans for the work area at 33rd Street provided by the City and use that data in selecting the location for the proposed testing work.
- After the exploration location(s) are marked, contact 811/Underground Service Alert (USA) to request member utilities mark their underground facilities in the proposed work area. We anticipate that USA will notify utility owners (including the City of Newport Beach) of the proposed work, and that those agencies will locate and mark underground utilities in the vicinity of the work area.
- Apply for and obtain exploration permits from Orange County Environmental Health Division as required to perform Cone Penetration Testing (CPT) for up-to three (3) CPT's.
- It is anticipated that the CPT locations will be located at dead-end street locations adjacent to the seawall, and that traffic control services will not be required for utility screening or the subsequent geotechnical exploration activities. However, we expect that no-parking signs will need to be posted in the work areas 72 hours prior to those operations and EMI will post those signs as part of the work.

Task 3.2 – Geotechnical Exploration

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EMI will perform investigations necessary to determine site specific soil characteristics including:

- Perform one (1) day of CPT exploration and assume up to three (3) CPT's can be performed over this period. This will help identify any variability of subsurface conditions. Explorations for CPT's at the study area Location #1 will be performed to a depth of approximately 50 feet below the existing ground surface. The CPT work will be performed using conventional truck-mounted rig equipment. The CPT test hole will be abandoned and filled with cement/bentonite grout and the pavement surface will be patched with black dyed quick concrete. It is assumed the City will perform any demolition or clearing of vegetation necessary to allow access for testing equipment to the site.
- Scope of work assumes no soil samples are anticipated to be retrieved, and laboratory testing of soils is not required. In addition, no soil cuttings are anticipated to be generated, and no expense is required for soil disposal.

Task 3.3 – Geotechnical Analysis and Reporting

EMI will provide geotechnical input to determine site specific soil properties and characterization in the vicinity of the proposed seawall replacement including:

- Use subsurface data acquired in this study to develop an idealized soil profile for the site and use that idealized profile in geotechnical analyses and design input. It is anticipated the analyses will consist of assessing potential lateral earth pressure coefficients, lateral earth pressures for a restrained seawall bulkhead, and gross stability for the typical design cross section.
- Evaluate lateral stability of the proposed wall and develop static and seismic earth pressure demands on wall. Determine geotechnical capacity of tie-backs and provide geotechnical input to the project structural design.
- Global stability evaluation and lateral earth pressures for static and seismic (non-liquefaction conditions) for the replacement seawall in conformance with the current California Building Code/ASCE 7-22 standards.
- Recommendations will be included in a Geotechnical Report (Draft and Final). Document geotechnical field investigation, analysis results, and recommendations. The report will also include construction considerations related to tie-back construction as the preferred lateral support method.

Task 3 Deliverables

- Geotechnical Report for Seawall Replacement (Draft and Final)

Exclusions/Assumptions

The geotechnical design scope and fee presented in this proposal have been prepared with the assumptions outlined below.

- It is anticipated that USA/811 will notify utility owners (including the City of Newport Beach) of the proposed work, and that those agencies will locate and mark underground utilities in the vicinity of the proposed borehole locations. EMI will not be responsible for impacts to underground utilities or buried structures that are not marked or those that are improperly located in the field.
- Geotechnical recommendations for Locations #2 through #8 are excluded from the scope of this proposal. Any improvements at these locations are considered either under repair maintenance, or minimum building code criteria will be referenced for design.

Task 4 – Preliminary Design Report (No Adjustments)

Task 5 – Permitting (No Adjustments)

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- Per City email response on December 18, 2024, no additional permitting services are provided until preliminary coordination with City Building Department, and regulatory agencies occurs to discuss permitting requirements. Additional services are potentially required beyond those covered in existing scope and fee.

Task 6 – Construction Documents

This task includes preparation of plans, specifications, estimates of probable construction cost (PS&E), and necessary bidding documents for the preferred alternatives selected by City staff for the project improvements. PS&E documents will be prepared with the purpose of issuing documents for advertising for competitive bid by construction contractors.

Task 6.1 – Prepare Plans and Technical Specifications (60%, 90%, and 100%)

- Prepare plans to include general layouts, demolition plans, and structural sheets of the seawall. General performance and technical specification details will also be provided to accompany front-end standard specifications.
- The drawing package will be separated into two separate bid packages and will include the following plan sheets:

Seawall Replacement (Location #1)

- Cover Sheet (1)
- General Notes and Project Requirements (2)
- Demolition Notes, Plan, and Details (2)
- Seawall Replacement Notes, Plan(s), Sections, and Details (5)
- Landside Grading and Fill Notes, Plan(s), Sections, and Details (2)
- Backland Soil Treatment & Fill Notes, Plan(s), Sections, and Details (3)

Seawall Repair and Flood Mitigation (Locations #2 through #8)

- Cover Sheet (1)
- General Notes and Project Requirements (2)
- Seawall Repair Notes, Plan(s), Sections, and Details (10)
- Sheet Pile Toe-Wall Sections and Details (3)
- Prepare Specifications and Bid Items List
 - Prepare technical specifications in MS Word format
 - It is assumed that all front-end boiler-plate General Provisions and Standard Agreements will be provided by the City as a MSWord file for editing as required; the only new documents created will be technical specifications for the improvements.

Task 6.2 – Prepare Cost Estimates and Schedule

- Prepare rough order-of-magnitude cost estimates and schedule to include an accuracy of -15% to +20% (Class 3) in accordance with American Association of Cost Estimating (AACE) International guidelines.
 - Estimates to include detailed design estimates for one (1) preferred improvement scenario for Location #1 and one (1) preferred improvement scenario for Locations #2 through #8.
 - A qualified and experienced M&N Professional Engineer with expertise in estimating construction costs for waterfront infrastructure will generate a construction cost estimate for the waterside

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project elements as addressed in this scope of work. The cost estimate will be produced in conformance with the Class 3 standards set by the AACE *International Recommended Practice No. 56R-08* (see Table 1).

ESTIMATE CLASS	Primary Characteristic	Secondary Characteristic			
	LEVEL OF PROJECT DEFINITION Expressed as % of complete definition	END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges [a]	PREPARATION EFFORT Typical degree of effort relative to least cost index of 1 [b]
Class 5	0% to 2%	Concept Screening	Capacity Factored, Parametric Models, Judgment, or Analogy	L: -20% to -50% H: +30% to +100%	1
Class 4	1% to 15%	Study or Feasibility	Equipment Factored or Parametric Models	L: -15% to -30% H: +20% to +50%	2 to 4
Class 3	10% to 40%	Budget, Authorization, or Control	Semi-Detailed Unit Costs with Assembly Level Line Items	L: -10% to -20% H: +10% to +30%	3 to 10
Class 2	30% to 70%	Control or Bid/Tender	Detailed Unit Cost with Forced Detailed Take-Off	L: -5% to -15% H: +5% to +20%	4 to 20
Class 1	50% to 100%	Check Estimate or Bid/Tender	Detailed Unit Cost with Detailed Take-Off	L: -3% to -10% H: +3% to +15%	5 to 100

Table 1: AACE Estimate Classifications

Task 6.3 – Prepare Engineering Design Calculations

The calculation package will accompany the construction documents package. The calculation package will include the following:

- Prepare Basis of Design criteria. Reference relevant codes and provide a synthesis of engineering criteria for the site. Submitted for City review at Draft and Final milestones.
 - Metocean (wind, wave, current, tsunami) design parameters are assumed to be available through public records or other nearby previous projects and scope does not include studies for determining site specific Metocean design parameters.
- Required engineer-of-record designs for seawall repairs/replacement. Prepare structural calculations for seawall improvements with special considerations to include adhering to current design codes, coordination with City and stakeholders to define seawall operational parameters, and coordinating soil loading on seawall with geotechnical engineer.
 - Seawall designs assume that the full wall replacement (Location #1) will be required to consider measures to meet current minimum building code (CBC 2025) requirements, specifically to consider special seismic region considerations and sea level rise height increase mandates. Furthermore, full seawall replacement assume effects due to seismically-induced liquefaction do not apply. If liquefaction potential is determined during geotechnical investigations, an additional proposal can be provided if mitigation measures are required.
- Provide rough site civil grading in locations approximately 5ft behind proposed replacement seawall (Location #1). Include quantity takeoffs, rough grading elevations, and backfill material types.

Task 6 Deliverables

- PS&E Documents, including:

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- Location #1
 - Calculations
 - Basis of Design
 - 60%, 90%, and 100% Plans, Specifications, Estimate of Probable Cost
 - Written response to comments (three (3) rounds of comments)
- Location #2 through #8
 - Calculations
 - Basis of Design
 - 60%, 90%, and 100% Plans, Specifications, Estimate of Probable Cost
 - Written response to comments (three (3) rounds of comments)

Exclusions/Assumptions

The final design scope and fee presented in this proposal have been prepared with the assumptions outlined below. If these assumptions change during the design process, the scope/fee outlined in this proposal will need to be modified.

- The general layout of improvements is consistent with the layout as shown in Figure 1.
- It is understood the City has selected Alternative #3 “Full Seawall Replacement” for Location #1 and the repairs for Locations #2 through #8 will utilize Alternative #2A. Backland treatment or ground improvements are only considered as part of the Location #1 “Full Seawall Replacement” alternative selected. Furthermore, permeation grouting is the identified preferred method to create a zone of stabilized soils behind the seawall. This will be designed as a performance specification giving the Contractor general guidelines to follow, but will be a design-build item during construction.
- Proposal assumes CEQA environmental review will follow a ‘categorical exemption’ and regulatory permitting applications and coordination through local, state, and federal agencies is consistent with previously provided scope and fee for repair of existing facilities. If a higher level of CEQA review or additional permitting services are needed these will be provided under a separate proposal.
- Design assumes surveys and potholing to determine locations of existing utilities is not required for the scope of work or provided by contractor during construction.
- Engineering design for utility systems including mechanical, electrical, and storm drain systems is excluded from this proposal. It is assumed that utilities may cross the existing or proposed walls and improvements to utilities for routing around or through walls is excluded from this proposal. Furthermore, proposal does not include additional surveys to identify existing utility conflicts. A separate proposal can be provided for these services if necessary.
- Design services for seawall improvements exclude the following:
 - Hazardous materials disposal for landside excavation material, if required.
 - Landscaping, sidewalk, and buildings sitework.
 - Street/sidewalk improvements to provide ADA path of travel from right-of-way, and public street.
 - Site civil grading in locations greater than 5ft behind proposed seawall.
 - Utility requirements and tie-ins to main service utilities.
 - Site drainage, water quality management, or erosion control plans and reports.
 - Any Dredging as determined by regulatory agencies that results from proposed improvements.

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Task 7 – 41st Street Seawall Soil Stabilization (Location #9)

This task includes site investigation services, preparation of plans, specifications, estimates of probable construction cost (PS&E), and necessary bidding documents for the soil stabilization preferred alternatives selected by City staff for the project improvements. PS&E documents will be prepared with the purpose of issuing documents for advertising for competitive bid by construction contractors.

Task 7.1 – Project Management

M&N will submit the construction document package and coordinate with the City for review and addressing comments. Meetings and coordination during the design include the following:

- Submit construction documents to City and address comments as needed for bid issuance. Assumes three (3) rounds of comments (60%, 90%, and 100% Design).
- Attend meetings to clarify design intent and discuss recommendations, including:
 - Attending up-to two (2) design coordination meetings with City staff.
- Perform QA/QC reviews and procedures.
- General administration, management, and processing of monthly invoices.

Task 7.2 – Field Survey and Site Investigation Services

M&N's Inspection and Rehabilitation (I&R) team to conduct an above water site inspection of the existing seawall from both landside on top of wall and water side in front of wall to assess the condition of the wall at the time of design effort start. Inspection to include documentation of depth of void below the wall seen in pictures via probing. M&N's survey and utility inspection subconsultants, Guida and Downstream Services, respectively, will also be conducting as site survey and storm drain utility inspection of the 41st street seawall (Location #9).

- Above water field investigation of by two (2) M&N's I&R team member to inspect the condition the seawall from landside behind the wall and waterside in front of the wall. The I&R team will document findings with photographs and measurements of any voids found behind or in front of the wall prior to the development of a soil stabilization plan.
- Project control and topographical survey shall be conducted by M&N's subconsultant, Guida, to map the wall and area behind the wall between the two residential properties out to the intersection of 41st street and River Ave. Survey will also include the calculation of street centerline, right of ways, parcels, and easements on available record maps.
- Subsurface utility mapping of existing storm drain utility that run directly behind the seawall
- CCTV camera storm drain utility inspections shall be conducted by M&N's subconsultant, Downstream Services, to inspect the condition of the existing storm drain pipe that runs in the 41st street seawall. Inspection service assumed that utility pipe will require cleaning and removal of sand and marine growth which may have accumulated within the pipe prior to inspection. [add 2cuyd]

Task 7.3 – Construction Documents

This task includes preparation of plans, specifications, estimates of probable construction cost (PS&E), and necessary bidding documents for the preferred alternatives selected by City staff for the project improvements. PS&E documents will be prepared with the purpose of issuing documents for advertising for competitive bid by construction contractors.

Prepare Plans and Technical Specifications (60%, 90%, and 100%)

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- Prepare plans to include general layouts, structural sheets and details for the seawall. General performance and technical specification details will also be provided to accompany front-end standard specifications.
- The drawing package will be separated into two separate bid packages and will include the following plan sheets:

Seawall Soil Stabilization (Location #9)

- Cover Sheet (1)
- General Notes and Project Requirements (2)
- Seawall Soil Stabilization Notes, Plan(s), Sections, and Details (5)

Prepare Cost Estimates and Schedule

- Prepare rough order-of-magnitude cost estimates and schedule to include an accuracy of -15% to +20% (Class 3) in accordance with American Association of Cost Estimating (AACE) International guidelines.
 - Estimates to include detailed design estimates for one (1) soil stabilization scenario for Location #9.
 - A qualified and experienced M&N Professional Engineer with expertise in estimating construction costs for waterfront infrastructure will generate a construction cost estimate for the waterside project elements as addressed in this scope of work. The cost estimate will be produced in conformance with the Class 3 standards set by the AACE *International Recommended Practice No. 56R-08* (see Table 1).

Task 7 Deliverables

- PS&E Documents, including:
 - Basis of Design
 - 60%, 90%, and 100% Plans, Specifications, Estimate of Probable Cost
 - Written response to comments (three (3) rounds of comments)

Exclusions/Assumptions

The final design scope and fee presented in this proposal have been prepared with the assumptions outlined below. If these assumptions change during the design process, the scope/fee outlined in this proposal will need to be modified.

- The layout of the wall shall remain unchanged,
- It is understood that the City has selected to have a soil stabilization plan to be developed rehabilitation of the wall to address a recurring issue City maintenance has been encountering behind the 41st street wall. Issue has been described through email, telecom meetings and pictures as a sink hole forming behind the wall and voids forming under seawall. Conventional remediation methods attempted by the City involve fill and placement of addition sand behind and in front of wall. Proposed rehabilitation plan of wall to address the loss of fill and wall undermining shall be limited to soil improvements. No wall replacement shall be considered under this task.
- Proposal assumed that soil stabilization behind the wall will require no additional CEQA environmental review or regulatory permitting to complete. Soil stabilization plan will be focused on improvements to soil behind the wall. Placement of fill in front of wall in harbor shall be excluded from scope.
- Storm drainage utility to be CCTV camera inspected assumed to require clean out prior to inspection being conducted. Material removed from storm drainage prior to inspection shall be disposed of off site by the inspecting contractor.

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- Engineering design for utility systems including mechanical, electrical, and storm drain systems is excluded from this proposal. It is assumed that existing storm drain utility that crosses under the existing wall the existing seawall shall not require improvements to the system. Rehabilitation shall be limited to repair of existing utility if found to be damaged during site investigations.

Task 8 – Construction Support Services (No Adjustments)

- Per City email response on December 18, 2024, no additional permitting services are provided until the scope of construction is better defined following development of Construction Documents. Additional services are potentially required beyond those covered in existing scope and fee.

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EXHIBIT B

SCHEDULE OF BILLING RATES

Fee Estimate

M&N shall assist the City on a time and materials basis not to exceed a total fee of \$788,480 which includes an additional \$339,677 beyond the original authorized contract amount. The cost per task is shown on the table below.

Task No.	Description	Original Contract Amount	Requested Amendment #1
1	Project Management	\$26,932	\$10,300
2	Research and Data Collection (No Adjustments)	\$9,608	-
3	Field Survey and Site Investigation Services	\$93,177	-
3.1	Pre-Exploration Services	-	\$5,580
3.2	Geotechnical Exploration and Laboratory Testing	-	\$11,928
3.3	Geotechnical Analysis and Reporting	-	\$37,377
4	Preliminary Design Report (No Adjustments)	\$85,791	-
5	Permitting (No Adjustments)	\$47,933	-
6	Construction Documents	\$139,907	-
6.1	Prepare Plans and Technical Specifications	-	\$75,055
6.2	Prepare Cost Estimates and Schedule	-	\$12,509
6.3	Prepare Engineering Design Calculations	-	\$37,528
7	41st Street Soil Stabilization	-	-
7.1	Pre-exploration services	-	6,916
7.2	Field Survey and Site investigation	-	36,914
7.3	Prepare Plans and Technical Specifications	-	82,812
7.4	Prepare Cost Estimates and Schedule	-	18,392
8	Construction Support Services (No Adjustments)	\$39,622	-
Markup on Subconsultant Fees (5%)		\$5,833	\$4,366
Subtotal		\$448,803	\$339,677*
Total		\$788,480	

*Includes Sub-consultant Fee (Earth Mechanics Inc.) of Approximately \$58,769

*Includes Sub-consultant Fee (Guida) of Approximately \$12,180

*Includes Sub-consultant Fee (Downstream services) of Approximately \$16,380

Schedule

M&N anticipates the 60% Design Deliverable will be completed within approximately 8 – 12 weeks following NTP. The 90% and 100% Design Deliverables will be completed within approximately 2 – 4 weeks, respectively, after receipt of City comments.

EXHIBIT C

INSURANCE REQUIREMENTS – PROFESSIONAL SERVICES

1. Provision of Insurance. Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Consultant agrees to provide insurance in accordance with requirements set forth here. If Consultant uses existing coverage to comply and that coverage does not meet these requirements, Consultant agrees to amend, supplement or endorse the existing coverage.
2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.
3. Coverage Requirements.
 - A. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its City Council, boards and commissions, officers, agents, volunteers and employees.
 - B. General Liability Insurance. Consultant shall maintain commercial general liability insurance, and if necessary umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate. The policy shall cover liability arising from premises, operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - C. Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit each accident.

- D. Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and four million dollars (\$4,000,000) in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the Effective Date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the Services required by this Agreement.
4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
- A. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its City Council, boards and commissions, officers, agents, volunteers and employees or shall specifically allow Consultant or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subconsultants.
- B. Additional Insured Status. All liability policies including general liability, excess liability, pollution liability, and automobile liability, if required, but not including professional liability, shall provide or be endorsed to provide that City, its City Council, boards and commissions, officers, agents, volunteers and employees shall be included as insureds under such policies.
- C. Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.
- D. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for each required coverage.
5. Additional Agreements Between the Parties. The parties hereby agree to the following:
- A. Evidence of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least

fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

- B. City's Right to Revise Requirements. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant sixty (60) calendar days' advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation.
- C. Right to Review Subcontracts. Consultant agrees that upon request, all agreements with subcontractors or others with whom Consultant enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees. Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.
- D. Enforcement of Agreement Provisions. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- E. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- F. Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.

- G. City Remedies for Non-Compliance. If Consultant or any subconsultant fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend Consultant's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Consultant or reimbursed by Consultant upon demand.

- H. Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

- I. Consultant's Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 5

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jeff Boyles, Fire Chief - 949-644-3101, jboyles@nbfd.net

PREPARED BY: Raymund Reyes, Administrative Manager - 949-644-3352, rreyes@nbfd.net

TITLE: Award of Maintenance/Repair Services Agreement with California PPE Recon, Inc. for Fire Department Turnout Maintenance and Cleaning Services

ABSTRACT:

The Newport Beach Fire Department (Nbfd) issues personal protective equipment (PPE) to its firefighters for protection against heat, flames, hazardous materials and other forms of injury. Turnout coats, pants and boots worn by firefighters require annual inspection and specialized cleaning after use in emergencies to ensure that they are properly decontaminated and remain fully functional. The City of Newport Beach recently completed a formal request for proposals (RFP) process to provide maintenance and cleaning services for the Nbfd's turnout gear. Staff recommends the award of a multi-year maintenance/repair services agreement to California PPE Recon, Inc. with a total not-to-exceed cost of \$375,000.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve a Maintenance and Repair Services Agreement with California PPE Recon, Inc. for Fire Department Turnout Maintenance and Cleaning Services, for a term of three years with an option to extend the agreement for two additional one-year terms, with a total not-to-exceed amount of \$375,000 and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

Firefighting PPE serves as a firefighter's first line of protection from smoke, heat, gases and other hazardous substances. PPE typically consists of specialized, fire-resistant coats, pants and boots (collectively called turnout gear), in addition to self-contained breathing apparatus (SCBA), gloves, helmets, and protective hoods. Each sworn member of the Nbfd is issued a frontline set of turnout gear, supplemented by a reserve/backup set. Per department policy, frontline sets are to be moved into reserve status after five years and replaced by a new frontline set.

This policy is consistent with National Fire Protection Association (NFPA) standards, wherein structural turnout gear must be retired no more than 10 years from the date of manufacture. NFPA standards also recommend a rigorous cleaning, maintenance and inspection regimen to ensure the viability of turnout gear in protecting firefighters from injury or death, as numerous studies show an increased risk for cancer for those exposed to smoke, toxic fumes, and other substances. Proper decontamination/cleaning helps ensure any carcinogens or other substances are removed from turnout coats and pants. The City has historically relied on outside vendors to provide heavy cleaning and inspection services.

On October 29, 2025, a formal RFP was issued and posted to the City’s online public bidding platform, PlanetBids, for Nbfd Turnout Maintenance and Cleaning Services. 213 vendors were notified of the posting, 15 prospective bidders viewed and/or downloaded the RFP documents, and four bidders submitted proposals by November 24, 2025, deadline. One firm was deemed non-responsive due to an incomplete submittal. A three-person panel consisting of Nbfd personnel rated each proposal on a combination of technical experience, qualifications, cleaning and inspection methods and cost:

Vendor Name	Score (2400 max points)	Rank
California PPE Recon, Inc.	2135	1
Fire-Dex GW, LLC	1945	2
L.N. Curtis & Sons	1785	3

California PPE Recon, Inc. (CA PPE Recon) was ranked as the highest-rated proposer. Established in 2022, CA PPE Recon quickly established itself as a high-quality provider of PPE inspection, advanced decontamination, and maintenance services. CA PPE Recon was retained by the City on a short-term contract basis in 2024 and has proven to be timely, thorough, and fully compliant with NFPA regulations. Staff is requesting award and approval of a multi-year maintenance and repair services agreement with CA PPE Recon. The agreement would be for a three-year initial term with two optional one-year extensions, with a total not-to-exceed compensation amount of \$375,000.

FISCAL IMPACT:

Labor and service costs submitted by CA PPE Recon are higher than its original 2024 rates and is largely due to recent changes in NFPA standards. NFPA standards for turnout gear, SCBA, helmets, and other PPE have now merged into a new consolidated standard, NFPA 1850. For 2026, this standard includes enhanced cleaning and sanitation protocols with stricter, verified contaminant removal standards, mandates regarding cleaner, safer storage, and new inspection standards.

Costs to inspect, clean, and service department PPE are expended to the Operations Personal Protective Equipment Budget, 01040401-811017. A request to increase this account has been incorporated into the Fiscal Year 2026-27 budget process to accommodate both increased contract costs, as well as price increases related to the purchase of PPE.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Agreement with California PPE Recon, Inc.

**MAINTENANCE/REPAIR SERVICES AGREEMENT
WITH CALIFORNIA PPE RECON INC. FOR
FIRE DEPARTMENT TURNOUT MAINTENANCE AND CLEANING SERVICES**

THIS MAINTENANCE/REPAIR SERVICES AGREEMENT ("Agreement") is made and entered into as of this 24th day of March, 2026 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and California PPE Recon Inc., a California corporation ("Contractor"), whose address is 6120 Wilderness Avenue, Riverside CA 92504, and is made with reference to the following:

RECITALS

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. City desires to engage Contractor to perform maintenance and/or repair services for City ("Project").
- C. Contractor possesses the skill, experience, ability, background, certification and knowledge to provide the maintenance and/or repair services described in this Agreement.
- D. Contractor has examined the location of all proposed work, carefully reviewed and evaluated the specifications set forth by City for the Project, is familiar with all conditions relevant to the performance of services, and has committed to perform all work required for the compensation specified in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

The term of this Agreement shall commence on the Effective Date, and shall terminate on March 23, 2029, unless terminated earlier as set forth herein. City shall have the option to renew this Agreement upon written notice of Contractor for up to two (2) additional one (1) year terms, upon the same terms and conditions set forth herein, with each additional term commencing upon the expiration of the immediately preceding term.

2. SERVICES TO BE PERFORMED

2.1 Contractor shall diligently perform all the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein by reference ("Services" or "Work"). As a material inducement to City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and Contractor is experienced in performing the Work contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow community professional standards with the ordinary degree of skill and care that would be used by other reasonably

competent practitioners of the same discipline under similar circumstances, in performing the Work required hereunder, and that all materials will be of good quality.

2.2 Contractor shall perform all Work required to be performed, and shall provide and furnish all the labor, materials, necessary tools, expendable equipment and all utility and transportation services necessary for the Project.

3. TIME OF PERFORMANCE

3.1 Time is of the essence in the performance of Services under this Agreement and Contractor shall perform the Services in accordance with the schedule included in Exhibit A. In the absence of a specific schedule, the Services shall be performed to completion in a diligent and timely manner. The failure by Contractor to strictly adhere to the schedule set forth in Exhibit A, if any, or perform the Services in a diligent and timely manner may result in termination of this Agreement by City.

3.2 Notwithstanding the foregoing, Contractor shall not be responsible for delays due to causes beyond Contractor's reasonable control. However, in the case of any such delay in the Services to be provided for the Project, each party hereby agrees to provide notice within two (2) calendar days of the occurrence causing the delay to the other party so that all delays can be addressed.

3.3 Contractor shall submit all requests for extensions of time for performance in writing to the Project Administrator as defined herein, not later than two (2) calendar days after the start of the condition that purportedly causes a delay. The Project Administrator shall review all such requests and may grant reasonable time extensions for unforeseeable delays that are beyond Contractor's control.

3.4 For all time periods not specifically set forth herein, Contractor shall respond in the most expedient and appropriate manner under the circumstances, by fax, hand-delivery or mail.

4. COMPENSATION TO CONTRACTOR

4.1 City shall pay Contractor for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Except as otherwise provided herein, no rate changes shall be made during the term of this Agreement without the prior written approval of City. Contractor's compensation for all Services performed in accordance with this Agreement, including all reimbursable items, shall not exceed **Three Hundred Seventy-Five Thousand Dollars and 00/100 (\$375,000.00)**, without prior written amendment to the Agreement.

4.2 Upon the first anniversary of the Effective Date and upon each anniversary of the Effective Date thereafter, the billing rates set forth in Exhibit B ("Billing Rates") may be adjusted in proportion to changes in the Consumer Price Index, subject to the maximum adjustment set forth below. Such adjustment shall be made by multiplying the Billing Rates in Exhibit B by a fraction, the numerator of which is the value of the Consumer Price Index for the calendar month three (3) months preceding the calendar month for which such adjustment is to be made, and the denominator of which is the value

of the Consumer Price Index for the same calendar month immediately prior to Effective Date. The Consumer Price Index to be used in such calculation is the "Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)", for the Los Angeles-Riverside-Orange County Metropolitan Area, published by the United States Department of Labor, Bureau of Labor Statistics. If both an official index and one or more unofficial indices are published, the official index shall be used. If said Consumer Price Index is no longer published at the adjustment date, it shall be constructed by conversion tables included in such new index. In no event, however, shall the amount payable under this Agreement be reduced below the Billing Rates in effect immediately preceding such adjustment. The maximum adjustment increase to the Billing Rates, for any year where an adjustment is made pursuant to this Section, shall not exceed the Consumer Price Index or two percent (2.0%) of the Billing Rates in effect immediately preceding such adjustment, whichever is less. Contractor shall notify City in writing of any requests for adjustment pursuant to this Section at least thirty (30) days prior to the Effective Date of such adjustment, and provide updated billing rates. Adjusted billing rates shall be approved in writing by City prior to use.

4.3 Contractor shall submit monthly invoices to City describing the Work performed the preceding month. Contractor's bills shall include the name and/or classification of employee who performed the Work, a brief description of the Services performed and/or the specific task in the Scope of Services to which it relates, the date the Services were performed, the number of hours spent on all Work billed on an hourly basis, and a description of any reimbursable expenditures. City shall pay Contractor no later than thirty (30) calendar days after approval of the monthly invoice by City staff.

4.4 City shall reimburse Contractor only for those costs or expenses specifically identified in Exhibit B to this Agreement, or specifically approved in writing in advance by City.

4.5 Contractor shall not receive any compensation for Extra Work performed without the prior written authorization of City. As used herein, "Extra Work" means any Work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Compensation for any authorized Extra Work shall be paid in accordance with Exhibit B.

5. PROJECT MANAGER

5.1 Contractor shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Contractor has designated Todd Davison to be its Project Manager. Contractor shall not remove or reassign the Project Manager or any personnel listed in Exhibit A or assign any new or replacement personnel to the Project without the prior written consent of City. City's approval shall not be unreasonably withheld with respect to the removal or assignment of non-key personnel.

5.2 Contractor, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of Services upon written request of City.

Contractor warrants that it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement.

6. ADMINISTRATION

This Agreement will be administered by the Fire Department. City's Administrative Manager or designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.

7. CITY'S RESPONSIBILITIES

To assist Contractor in the execution of its responsibilities under this Agreement, City agrees to provide access to and upon request of Contractor, one copy of all existing relevant information on file at City. City will provide all such materials in a timely manner so as not to cause delays in Contractor's Work schedule.

8. TYPE AND INSTALLATION OF MATERIALS/STANDARD OF CARE

8.1 Contractor shall use only the standard materials described in Exhibit A in performing Services under this Agreement. Any deviation from the materials described in Exhibit A shall not be installed or utilized unless approved in advance and in writing by the Project Administrator.

8.2 All of the Services shall be performed by Contractor or under Contractor's supervision. Contractor represents that it possesses the personnel required to perform the Services required by this Agreement, and that it will perform all Services in a manner commensurate with community professional standards and with the ordinary degree of skill and care that would be used by other reasonably competent practitioners of the same discipline under similar circumstances. All Services shall be performed by qualified and experienced personnel who are not employed by City. By delivery of completed Work, Contractor certifies that the Work conforms to the requirements of this Agreement, all applicable federal, state and local laws and legally recognized professional standards.

8.3 Contractor represents and warrants to City that it has, shall obtain and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that is legally required of Contractor to practice its profession. Contractor shall maintain a City of Newport Beach business license during the term of this Agreement.

8.4 Contractor shall not be responsible for delay, nor shall Contractor be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, acts of God, or the failure of City to furnish timely information or to approve or disapprove Contractor's Work promptly, or delay or faulty performance by City, contractors, or governmental agencies.

9. RESPONSIBILITY FOR DAMAGES OR INJURY

9.1 City and all officers, employees and representatives thereof shall not be responsible in any manner for any loss or damage to any of the materials or other things used or employed in performing the Project or for injury to or death of any person as a result of Contractor's performance of the Services required hereunder; or for damage to property from any cause arising from the performance of the Project by Contractor, or its subcontractors, or its workers, or anyone employed by either of them.

9.2 Contractor shall be responsible for any liability imposed by law and for injuries to or death of any person or damage to property resulting from defects, obstructions or from any cause arising from Contractor's Work on the Project, or the Work of any subcontractor or supplier selected by Contractor.

9.3 To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any breach of the terms and conditions of this Agreement, any Work performed or Services provided under this Agreement including, without limitation, defects in workmanship or materials or Contractor's presence or activities conducted on the Project (including the negligent and/or willful acts, errors and/or omissions of Contractor, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them).

9.4 Notwithstanding the foregoing, nothing herein shall be construed to require Contractor to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorneys' fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor.

9.5 Contractor shall perform all Work in a manner to minimize public inconvenience and possible hazard, to restore other work areas to their original condition and former usefulness as soon as possible, and to protect public and private property. Contractor shall be liable for any private or public property damaged during the performance of the Work by Contractor or its agents.

9.6 To the extent authorized by law, as much of the money due Contractor under and by virtue of the Agreement as shall be considered necessary by City may be

retained by it until disposition has been made of such suits or claims for damages as aforesaid.

9.7 The rights and obligations set forth in this Section shall survive the termination of this Agreement.

10. INDEPENDENT CONTRACTOR

It is understood that City retains Contractor on an independent contractor basis and Contractor is not an agent or employee of City. The manner and means of conducting the Work are under the control of Contractor, except to the extent they are limited by statute, rule or regulation and the expressed terms of this Agreement. No civil service status or other right of employment shall accrue to Contractor or its employees. Nothing in this Agreement shall be deemed to constitute approval for Contractor or any of Contractor's employees or agents, to be the agents or employees of City. Contractor shall have the responsibility for and control over the means of performing the Work, provided that Contractor is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Contractor as to the details of the performance of the Work or to exercise a measure of control over Contractor shall mean only that Contractor shall follow the desires of City with respect to the results of the Services.

11. COOPERATION

Contractor agrees to work closely and cooperate fully with City's designated Project Administrator and any other agencies that may have jurisdiction or interest in the Work to be performed. City agrees to cooperate with Contractor on the Project.

12. CITY POLICY

Contractor shall discuss and review all matters relating to policy and Project direction with City's Project Administrator in advance of all critical decision points in order to ensure the Project proceeds in a manner consistent with City goals and policies.

13. PROGRESS

Contractor is responsible for keeping the Project Administrator informed on a regular basis regarding the status and progress of the Project, activities performed and planned, and any meetings that have been scheduled or are desired.

14. INSURANCE

Without limiting Contractor's indemnification of City, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, policies of insurance of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit C, and incorporated herein by reference.

15. PROHIBITION AGAINST ASSIGNMENTS AND TRANSFERS

Except as specifically authorized under this Agreement, the Services to be provided under this Agreement shall not be assigned, transferred, contracted or subcontracted out without the prior written approval of City. Any of the following shall be construed as an assignment: The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Contractor is a partnership or joint-venture or syndicate or cotenancy, which shall result in changing the control of Contractor. Control means fifty percent (50%) or more of the voting power or twenty-five percent (25%) or more of the assets of the corporation, partnership or joint-venture.

16. SUBCONTRACTING

The subcontractors authorized by City, if any, to perform Work on this Project are identified in Exhibit A. Contractor shall be fully responsible to City for all acts and omissions of any subcontractor. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law. City is an intended beneficiary of any Work performed by the subcontractor for purposes of establishing a duty of care between the subcontractor and City. Except as specifically authorized herein, the Services to be provided under this Agreement shall not be otherwise assigned, transferred, contracted or subcontracted out without the prior written approval of City.

17. OWNERSHIP OF DOCUMENTS

Each and every report, draft, map, record, plan, document and other writing produced (hereinafter "Documents"), prepared or caused to be prepared by Contractor, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Contractor or any other party. Contractor shall, at Contractor's expense, provide such Documents to City upon prior written request.

18. CONFIDENTIALITY

All Documents, including drafts, preliminary drawings or plans, notes and communications that result from the Services in this Agreement, shall be kept confidential unless City expressly authorizes in writing the release of information.

19. RECORDS

Contractor shall keep records and invoices in connection with the Services to be performed under this Agreement. Contractor shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any Services, expenditures and disbursements charged to City, for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Contractor under this Agreement. All such records and invoices shall be clearly identifiable. Contractor shall allow a representative of City to examine, audit and make transcripts or

copies of such records and invoices during regular business hours. Contractor shall allow inspection of all Work, data, Documents, proceedings and activities related to the Agreement for a period of three (3) years from the date of final payment to Contractor under this Agreement.

20. WITHHOLDINGS

City may withhold payment to Contractor of any disputed sums until satisfaction of the dispute with respect to such payment. Such withholding shall not be deemed to constitute a failure to pay according to the terms of this Agreement. Contractor shall not discontinue Work as a result of such withholding. Contractor shall have an immediate right to appeal to the City Manager or his/her designee with respect to such disputed sums. Contractor shall be entitled to receive interest on any withheld sums at the rate of return that City earned on its investments during the time period, from the date of withholding of any amounts found to have been improperly withheld.

21. CITY'S RIGHT TO EMPLOY OTHER CONTRACTORS

City reserves the right to employ other contractors in connection with the Project.

22. CONFLICTS OF INTEREST

22.1 Contractor or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act") and/or Government Code §§ 1090 et seq., which (1) require such persons to disclose any financial interest that may foreseeably be materially affected by the Work performed under this Agreement, and (2) prohibit such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

22.2 If subject to the Act and/or Government Code §§ 1090 et seq., Contractor shall conform to all requirements therein. Failure to do so constitutes a material breach and is grounds for immediate termination of this Agreement by City. Contractor shall indemnify and hold harmless City for any and all claims for damages resulting from Contractor's violation of this Section.

23. NOTICES

23.1 All notices, demands, requests or approvals, including any change in mailing address, to be given under the terms of this Agreement shall be given in writing, and conclusively shall be deemed served when delivered personally, or on the third business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided.

23.2 All notices, demands, requests or approvals from Contractor to City shall be addressed to City at:

Attn: Administrative Manager
Fire Department
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660

23.3 All notices, demands, requests or approvals from City to Contractor shall be addressed to Contractor at:

Attn: Mike Glaze
California PPE Recon Inc.
6120 Wilderness Ave
Riverside, CA 92504

24. CLAIMS

Unless a shorter time is specified elsewhere in this Agreement, before making its final request for payment under this Agreement, Contractor shall submit to City, in writing, all claims for compensation under or arising out of this Agreement. Contractor's acceptance of the final payment shall constitute a waiver of all claims for compensation under or arising out of this Agreement except those previously made in writing and identified by Contractor in writing as unsettled at the time of its final request for payment. Contractor and City expressly agree that in addition to any claims filing requirements set forth in the Agreement, Contractor shall be required to file any claim Contractor may have against City in strict conformance with the Government Claims Act (Government Code sections 900 *et seq.*).

25. TERMINATION

25.1 In the event that either party fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, that party shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) calendar days, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default, specifying the nature of such default and the steps necessary to cure such default, and thereafter diligently take steps to cure the default, the non-defaulting party may terminate the Agreement forthwith by giving to the defaulting party written notice thereof.

25.2 Notwithstanding the above provisions, City shall have the right, at its sole and absolute discretion and without cause, of terminating this Agreement at any time by giving no less than seven (7) calendar days' prior written notice to Contractor. In the event of termination under this Section, City shall pay Contractor for Services satisfactorily performed and costs incurred up to the effective date of termination for which Contractor has not been previously paid. On the effective date of termination, Contractor shall deliver to City all reports, Documents and other information developed or accumulated in the performance of this Agreement, whether in draft or final form.

26. LABOR

26.1 Contractor shall conform with all applicable provisions of state and federal law including, but not limited to, applicable provisions of the federal Fair Labor Standards Act ("FLSA") (29 USCA § 201, *et seq.*).

26.2 Whenever Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Agreement, Contractor shall immediately give written notice to City, and provide all relevant information.

26.3 Contractor represents that all persons working under this Agreement are verified to be U.S. citizens or persons legally authorized to work in the United States.

26.4 To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees from loss or damage, including but not limited to attorneys' fees, and other costs of defense by reason of actual or alleged violations of any applicable federal, state and local labor laws or law, rules, and/or regulations. This obligation shall survive the expiration and/or termination of the Agreement.

27. STANDARD PROVISIONS

27.1 Recitals. City and Contractor acknowledge that the above Recitals are true and correct and are hereby incorporated by reference.

27.2 Compliance with all Laws. Contractor shall, at its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted. In addition, all Work prepared by Contractor shall conform to applicable City, county, state and federal laws, rules, regulations and permit requirements and be subject to approval of the Project Administrator and City.

27.3 Waiver. A waiver by either party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

27.4 Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

27.5 Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Scope of Services or any other attachments attached hereto, the terms of this Agreement shall govern.

27.6 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or

against either party by reason of the authorship of the Agreement or any other rule of construction which might otherwise apply.

27.7 Amendments. This Agreement may be modified or amended only by a written document executed by both Contractor and City and approved as to form by the City Attorney.

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

27.9 Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

27.10 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, sexual orientation, age or any other impermissible basis under law.

27.11 No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall not be entitled to attorneys' fees.

27.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 2/14/2026

By: 
Aaron C. Harp
City Attorney

ATTEST:

Date: _____

By: _____
Lena Shumway
City Clerk

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Lauren Kleiman
Mayor

**CONTRACTOR: California PPE Recon
Inc.,** a California corporation

Date: _____

By: _____
Mike Glaze
President

[END OF SIGNATURES]

Attachments: Exhibit A – Scope of Services
 Exhibit B – Schedule of Billing Rates
 Exhibit C – Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT A

SCOPE OF SERVICES

DESCRIPTION

Contractor shall provide:

- Inspection, repair, and alteration/modification of personal protective ensembles or ensemble elements in full compliance with standards set forth in the current version of the National Fire Protection Association (“NFPA”) Standard 1851.
- A report of findings of the advanced inspection shall be provided on each inspected item to the City's Project Manager or designee on an inspection form.
- Inspection, repair, and alteration/modification of all structural firefighting ensembles and ensemble elements shall be certified by an independent, third-party certification organization to ensure the ensemble is in compliance with the requirements of NFPA Standard 1971, (Standard on Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting Standard 1971). Each item shall carry a statement on the product label stating the date of compliance, and a label, symbol or other identifying mark of that certifying organization.

INSPECTION AND EVALUATION

All separable layers of the garment elements shall be individually inspected for the following:

- Soiling
- Contamination
- Physical damage to all layers including:
 - Rips, tears, cuts and abrasions
 - Damages or missing hardware
 - Thermal damage including, but not limited to, charring, burn holes, melting, discoloration of any layer
- Loss of moisture barrier integrity as indicated by:
 - Rips, tears, cuts, or abrasions
 - Discoloration
 - Thermal damage
- Evaluation of system fit and coat/trouser overlap
- Loss of seam integrity and broken/missing stitches
- Loss of the material's physical integrity (e.g., ultraviolet (UV) or chemical degradation) as evidenced by discoloration, significant changes in material texture, loss of material strength, loss of liner material, and shifting of liner material.

- Loss of wristlet elasticity, stretching, runs, cuts, or burn holes
- Reflective trim integrity, attachment to garment, reflectivity, or damage
- Label integrity and legibility
- Hook and loop functionality
- Liner attachment systems
- Closure system functionality
- Accessories for compliance with NFPA Standard 1851
- Correct assembly and size compatibility of shell, liner, and drag rescue device

REPAIR REQUIREMENTS

Requirements for all ensembles and ensemble elements:

- All repairs and alterations to the ensemble or ensemble element shall be done in a manner and using like materials and components that are compliant with NFPA Standard 1971.
- Due to the different methods of construction, the ensemble or ensemble element manufacturer shall be contacted if Contractor is unsure of whether a repair can be accomplished without adversely affecting the integrity of the ensemble or ensemble element.
- Replacement interface components shall be installed in a manner consistent with the ensemble or ensemble element manufacturer's method of construction.

Requirements for basic and advanced garment element repair:

- All repairs and alterations shall be performed in the same manner and using similar materials as the garment element manufacturer including, but not limited to, fabric, thread type, seam construction, hardware, and hardware backing, unless otherwise approved by the garment element manufacturer.
- Repairs shall be made to all components and layers of the composite that have been damaged or that have been affected by the repair.
- Repairs of minor tears, char marks, ember burns, and abraded areas shall be limited to those where the damaged area can be covered by a maximum 32 centimeters² (5.2 inch) patch of the same material that is compliant with NFPA Standard 1971.

- The finished edges of the patch shall extend at least 25 millimeters (1 inch) in all directions beyond the damaged area.
- To prevent fraying, the patch shall have no raw edges. Where tears, holes, or abrasions are being repaired, the damaged areas shall be mended using flame-resistant thread that is compliant with NFPA Standard 1971.

Additional requirements for advanced garment element repair:

- Repairs to garment thermal liners shall be permitted provided there is no stitching through the moisture barrier.
- Due to labeling requirements the complexity, and specialized equipment needed to replace the entire garment element components—including the outer shell, moisture barrier, and thermal liner— only the garment element manufacturer or the garment element manufacturer's designated verified Independent Service Provider (“ISP”) shall replace entire garment component layers.
- Repairs to Major B seams in the thermal liner that do not affect any moisture barrier material shall be permitted.
- All repaired stress areas shall be reinforced in a manner consistent with the garment element manufacturer's methods.
- Replacement zippers shall be installed in a manner consistent with the garment element manufacturer's method of construction. If the complexity of the repair is uncertain, the garment element manufacturer shall be consulted.
- Replacement hook-and-loop fastener tape shall be installed in a manner consistent with the garment element manufacturer's method of construction. If the complexity of the repair is uncertain, the garment element manufacturer shall be consulted.

Contractor must provide rental turnouts that meet or exceed the current turnout specifications provided by LION.

City shall contact Contractor to request services. For each request, Contractor shall provide a letter proposal indicating the number of turnouts to be serviced, the type(s) of service(s) being performed, and an itemized listing of costs associated with the service(s) provided. Work shall not commence without prior written approval and acknowledgment of Contractor's letter proposal by the City.

Contractor shall coordinate with the City's Project Manager or designee to pick up turnouts in need of service. Upon completion of Services, Contractor shall deliver turnouts to the City's designated contact.

- Contractor shall make every effort to complete the inspection and repair of turnouts within three (3) to four (4) business days. This prescribed deadline is exclusive of pickup and delivery times.
- Contractor shall make every effort to complete the modification of turnouts within three (3) to four (4) weeks, after receipt of turnout.

Services provided in accordance with this Agreement shall be performed in a professional and workmanlike manner, consistent with industry, state, local, federal and NFPA standards, and utilizing materials consistent with industry standards.

The work product shall comply with all specifications and acceptance criteria set forth in any written authorizations from the City and be substantially free from defects in material and workmanship.

EXHIBIT B

SCHEDULE OF BILLING RATES

Exhibit B
Schedule of Billing Rates

PROPOSED PRICING	
FIRE DEPARTMENT TURNOUT MAINTENANCE AND CLEANING	
<u>TYPE</u>	<u>UNIT PRICE</u>
Liner Repairs	\$ 20.00
Hardware Repair/Replace	\$ 4.00
Reflective Triple Trim Repair	\$ 5.00
Velcro Repair	\$ 8.00
Coat & Pant Repairs	\$ 20.00
Alterations	\$ 165.00
Turnout Coat & Liner Advanced Cleaning & Inspection	\$ 49.00
Turnout Coat Liner Hydrostatic Inspection	\$ 19.00
Turnout Pant & Liner Advanced Cleaning & Inspection	\$ 49.00
Turnout Pant Liner Hydrostatic Inspection	\$ 19.00
Turnout Pant or Coat Advanced Inspection Only	\$ 19.00
Gloves Cleaning	\$ 9.00
Helmet Cleaning	\$ 35.00
Shroud Cleaning	\$ 5.00
Hood Cleaning	\$ 8.00
Boot Cleaning & Conditioning	\$ 45.00
Additional Cost such as Heavy Contamination, Blood/Borne Pathogen Decontamination, Haz-mat	\$ 33.00

Other Costs:

CO2 Cleaning Coat - \$105.00
CO2 Cleaning Pant - \$105.00
SCBA Harness Cleaning - \$45.00

CPI ADJUSTMENT: Rates may be given a two percent (2%) fixed annual CPI increase upon the first anniversary of the contract and each anniversary thereafter. All additional fees shall be approved in writing by the City prior to being incurred.

EXHIBIT C

INSURANCE REQUIREMENTS – MAINTENANCE/REPAIR/JANITORIAL SERVICES

1. Provision of Insurance. Without limiting Contractor's indemnification of City, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Contractor agrees to provide insurance in accordance with requirements set forth here. If Contractor uses existing coverage to comply and that coverage does not meet these requirements, Contractor agrees to amend, supplement or endorse the existing coverage.
2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.
3. Coverage Requirements.
 - A. Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its City Council, boards and commissions, officers, agents, volunteers and employees.
 - B. General Liability Insurance. Contractor shall maintain commercial general liability insurance and, if necessary, umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate. The policy shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - C. Automobile Liability Insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented

vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit each accident.

4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
 - A. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its City Council, boards and commissions, officers, agents, volunteers and employees or shall specifically allow Contractor or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subcontractors.
 - B. Additional Insured Status. All liability policies including general liability, products and completed operations, excess liability, pollution liability, and automobile liability, if required, shall provide or be endorsed to provide that City, its City Council, boards and commissions, officers, agents, volunteers and employees shall be included as insureds under such policies.
 - C. Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.
 - D. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days notice of cancellation (except for nonpayment for which ten (10) calendar days notice is required) or nonrenewal of coverage for each required coverage.
5. Additional Agreements Between the Parties. The parties hereby agree to the following:
 - A. Evidence of Insurance. Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of

insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

- B. City's Right to Revise Requirements. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Contractor sixty (60) calendar days advance written notice of such change. If such change results in substantial additional cost to Contractor, City and Contractor may renegotiate Contractor's compensation.
- C. Right to Review Subcontracts. Contractor agrees that upon request, all agreements with subcontractors or others with whom Contractor enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.
- D. Enforcement of Agreement Provisions. Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- E. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- F. Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.

- G. City Remedies for Non-Compliance. If Contractor or any subcontractor fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend Contractor's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Contractor or reimbursed by Contractor upon demand.
- H. Timely Notice of Claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.
- I. Contractor's Insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jaime Murillo, Community Development Director – (949) 644-3209, jmurillo@newportbeachca.gov

PREPARED BY: Tonee Thai, Deputy Community Development Director / Chief Building Official - 949-718-1867, tthai@newportbeachca.gov

TITLE: Amendments to Professional Services Agreements for J. Lee Engineering, Inc., Willdan Engineering, and CSG Consultants, Inc. for Staff Augmentation and Plan Review Services

ABSTRACT:

For the City Council’s consideration are amendments to existing contracts for Building Division services with the following consulting firms: J. Lee Engineering, Inc., Willdan Engineering and CSG Consultants. The City’s strong development activity requires the need for continued use of consultant services to support the Community Development Department (CDD), Building Division’s needs. Using consultant services allows staff to adjust to increased workloads and assist when vacancies occur in plan check engineer, permit technician, or building inspection positions.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve and authorize the Mayor and City Clerk to execute Amendment No. One to Professional Services Agreement with J. Lee Engineering, Inc. for Staff Augmentation and Plan Review Services, to increase the contract amount by \$150,000 with a not-to-exceed amount of \$770,000;
- c) Approve and authorize the Mayor and City Clerk to execute Amendment No. One to Professional Services Agreement with Willdan Engineering for Staff Augmentation and Plan Review Services, to increase the contract amount by \$180,000 with a not-to-exceed amount of \$300,000; and
- d) Approve and authorize the Mayor and City Clerk to execute Amendment No. One to Professional Services Agreement with CSG Consultants for Staff Augmentation and Plan Review Services, to increase the contract amount by \$150,000 with a not-to-exceed amount of \$650,000.

DISCUSSION:

CDD partners with third-party consulting firms to provide on-call plan review services and staffing augmentation. Plan reviews are categorized into three types: mechanical-electrical-plumbing, structural and building/fire-life safety. Staff augmentation includes the provision of contract personnel for plan review, building inspection and counter permit technician roles.

CDD conducted a Request for Proposals (RFP) process in 2025 to secure building services. After a thorough review process, the City of Newport Beach subsequently entered into three-year professional services agreements (PSA) with the following consulting firms: J. Lee Engineering, Inc., Bureau Veritas North America, Inc., CSG Consultants, The Code Group, Inc., TRB+ Associates, Inc., Willdan Engineering, and BPR Consulting Group. The not-to-exceed terms of the PSAs were different depending on how the consultant scored during the RFP review process.

Although the department continues to expand online plan checking services, in-person activity at the permit center remains high. Significant staffing resources are needed to maintain quality service to both the physical and virtual permit centers. Furthermore, the department anticipates a significant increase in development activity. Several residential projects expected to be submitted for permitting in the upcoming year.

Given the cyclical nature of development, contract services offer the City the flexibility to adjust to increased workloads during economic expansion and scale back services during downturns.

Staff is requesting amendments to J. Lee Engineering, Inc., Willdan Engineering and CSG Consultants' PSAs to continue assisting applicants with building code plan check services. Additional contract building inspection and permit technician staffing are also needed to assist with increased permit activities and inspections. The consultants will play a pivotal role in upholding the City's commitment to delivering a high level of customer service and ensuring timely turnaround times.

Staffing challenges have surfaced not only for CDD but also for the private third-party consultants the department uses. Recognizing that a single consultant cannot meet all the service and staffing needs, CDD will leverage a combination of the consulting firms to fulfill the necessary services. This approach will ensure that CDD continues to provide effective support to its applicants.

J. Lee Engineering, Inc.

This is the first requested amendment for J. Lee Engineering, Inc. for an additional \$150,000. The original contract amount was \$620,000 issued on July 8, 2025, with an expiration date of July 7, 2028. The revised not-to-exceed amount is \$770,000 over the remaining term of the contract.

Willdan Engineering

This is the first requested amendment for Willdan Engineering for an additional \$180,000. The original contract was entered into on July 1, 2025, for \$120,000 with an expiration date of July 31, 2028. The revised not-to-exceed amount is \$300,000 over the remaining term of the contract.

CSG Consultants

This is the first requested amendment for CSG Consultants for an additional \$150,000. The original contract was entered into on July 15, 2025, for \$500,000 with expiration date of July 8, 2028. The revised not-to-exceed amount is \$650,000 over the remaining term of the contract.

FISCAL IMPACT:

No additional General Funds are being requested for this agenda item. The total cost for all three amendments is \$480,000 over the remaining term of the contracts. The current budget includes sufficient funding for the remainder of the fiscal year. The costs will be expensed in the professional services account number - 0105042-811008.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Amendment No. One with J. Lee Engineering, Inc.
Attachment B – Amendment No. One with Willdan Engineering
Attachment C – Amendment No. One with CSG Consultants, Inc.

Attachment A

Professional Services Agreement Amendment with J. Lee Engineering, Inc.

**AMENDMENT NO. ONE TO
PROFESSIONAL SERVICES AGREEMENT
WITH J. LEE ENGINEERING, INC. FOR
STAFF AUGMENTATION AND PLAN REVIEW SERVICES**

THIS AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT ("Amendment No. One") is made and entered into as of this 24th day of March, 2026 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and J. LEE ENGINEERING, INC., a California corporation ("Consultant"), whose address is 3871 E Colorado Blvd., Suite 200, Pasadena, CA 91107, and is made with reference to the following:

RECITALS

- A. On July 8, 2025, City and Consultant entered into a Professional Services Agreement (Contract No. C-8507-7A) ("Agreement") for Staff Augmentation and Plan Review Services ("Project").
- B. The parties desire to enter into this Amendment No. One to update Section 25.3, Notices and increase the total compensation.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. COMPENSATION TO CONSULTANT

Section 4.1 of the Agreement is amended in its entirety and replaced with the following: "City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Seven Hundred Seventy Thousand Dollars and 00/100 (\$770,000.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City."

The total amended compensation reflects Consultant's additional compensation for additional Services to be performed in accordance with this Amendment No. One, including all reimbursable items and subconsultant fees, in an amount not to exceed **One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00)**.

2. NOTICES

25.3 All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: Jaeyol Lee
J. Lee Engineering, Inc
3871 E Colorado Blvd., Suite 200
Pasadena, CA 91107

3. INTEGRATED CONTRACT

Except as expressly modified herein, all other provisions, terms, and covenants set forth in the Agreement shall remain unchanged and shall be in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment No. One to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 3/9/26

By: Jose Montoya for
Aaron C. Harp
City Attorney

3.9.26
AF

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Lauren Kleiman
Mayor

ATTEST:

Date: _____

CONSULTANT: J. Lee Engineering, Inc.,
a California corporation

Date: _____

By: _____
Lena Shumway
City Clerk

By: _____
Jaeyol Lee
Chief Executive Officer

Date: _____

By: _____
Jessica Lee
Chief Financial Officer, Secretary

[END OF SIGNATURES]

Attachment B

Professional Services Agreement Amendment with Willdan Engineering

**AMENDMENT NO. ONE TO
PROFESSIONAL SERVICES AGREEMENT
WITH WILLDAN ENGINEERING FOR
STAFF AUGMENTATION AND PLAN REVIEW SERVICES**

THIS AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT (“Amendment No. One”) is made and entered into as of this 24th day of March, 2026 (“Effective Date”), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city (“City”), and WILLDAN ENGINEERING, a California corporation (“Consultant”), whose address is 2401 E. Katella Avenue, Suite 300, Anaheim, CA 92806, and is made with reference to the following:

RECITALS

- A. On July 1, 2025, City and Consultant entered into a Professional Services Agreement (Contract No. C-9926-1) (“Agreement”) for staff augmentation and plan review services (“Project”).
- B. The parties desire to enter into this Amendment No. One to update Section 25.3, Notices and increase the total compensation.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. COMPENSATION TO CONSULTANT

Section 4.1 of the Agreement is amended in its entirety and replaced with the following: “City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant’s compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Three Hundred Thousand Dollars and 00/100 (\$300,000.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City.”

The total amended compensation reflects Consultant’s additional compensation for additional Services to be performed in accordance with this Amendment No. One, including all reimbursable items and subconsultant fees, in an amount not to exceed **One Hundred Eighty Thousand Dollars and 00/100 (\$180,000.00)**.

2. NOTICES

25.3 All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: Pattie Casey
Willdan Engineering
2401 E. Katella Avenue Suite 300
Anaheim CA 92806

3. INTEGRATED CONTRACT

Except as expressly modified herein, all other provisions, terms, and covenants set forth in the Agreement shall remain unchanged and shall be in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment No. One to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 3/9/26

By: Jose Montoya for
Aaron C. Harp
City Attorney *3.9.26 AF*

ATTEST:
Date: _____

By: _____
Lena Shumway
City Clerk

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Lauren Kleiman
Mayor

CONSULTANT: Willdan Engineering, a
California corporation
Date: _____

By: _____
Vanessa Munoz
President

Date: _____

By: _____
Kate Nguyen
Secretary

[END OF SIGNATURES]

Attachment C

Professional Services Agreement Amendment with CSG Consultants, Inc.

**AMENDMENT NO. ONE TO
PROFESSIONAL SERVICES AGREEMENT
WITH CSG CONSULTANTS, INC. FOR
STAFF AUGMENTATION AND PLAN REVIEW SERVICES**

THIS AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT ("Amendment No. One") is made and entered into as of this 24th day of March, 2026 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and CSG CONSULTANTS, INC., a California corporation ("Consultant"), whose address is 550 Pilgrim Drive, Foster City, CA 94404, and is made with reference to the following:

RECITALS

- A. On July 15, 2025, City and Consultant entered into a Professional Services Agreement (Contract No. C-8937-2) ("Agreement") for staff augmentation and plan review Services ("Project").
- B. The parties desire to enter into this Amendment No. One to increase the total compensation.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. COMPENSATION TO CONSULTANT

Section 4.1 of the Agreement is amended in its entirety and replaced with the following: "City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Six Hundred Fifty Thousand Dollars and 00/100 (\$650,000.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City."

The total amended compensation reflects Consultant's additional compensation for additional Services to be performed in accordance with this Amendment No. One, including all reimbursable items and subconsultant fees, in an amount not to exceed **One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00)**.

2. INTEGRATED CONTRACT

Except as expressly modified herein, all other provisions, terms, and covenants set forth in the Agreement shall remain unchanged and shall be in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment No. One to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 3/10/26

By: Jose Montoya for
Aaron C. Harp
City Attorney

3.10.26
AF

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Lauren Kleiman
Mayor

ATTEST:

Date: _____

CONSULTANT: CSG Consultants, Inc., a
California corporation

Date: _____

By: _____
Lena Shumway
City Clerk

By: _____
Cyrus Kianpour
President, Chief Executive Officer

Date: _____

By: _____
Nourdin Khayata
Secretary

[END OF SIGNATURES]



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 7

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Tom Sandefur, Assistant City Engineer - 949-644-3321,
tsandefur@newportbeachca.gov

TITLE: Amendment No. One to Professional Services Agreement with
COAR Design Group and Approval of Professional Services
Agreement with Geocon West, Inc.

ABSTRACT:

On January 10, 2023, the City Council approved a professional services agreement (PSA) with COAR Design Group (COAR) for design of the replacement buildings for Fire Station No. 1 and the Balboa Branch Library. COAR completed the design, and the City Council approved the project's construction contract earlier this year. Staff requests City Council approval to amend COAR's agreement to provide construction support services and to approve a professional services agreement with Geocon West, Inc. for geotechnical inspection services for the project.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve Amendment No. One to Professional Services Agreement with COAR Design Group for Balboa Branch Library and Fire Station No. 1 Design for construction support services for \$290,000 for a total not-to-exceed amount of \$987,248, and authorize the Mayor and City Clerk to execute the amendment; and
- c) Approve a Professional Services Agreement with Geocon West, Inc. for Balboa Branch Library and Fire Station No. 1 Geotechnical Services for geotechnical inspection services for a total not-to-exceed amount of \$139,000 and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

On January 10, 2023, the City of Newport Beach entered into a PSA with COAR Design Group for architecture services on the Fire Station No. 1 and Balboa Branch Library replacement project. COAR completed the design, the project was advertised, and the construction contract was awarded by the City Council on February 24, 2026.

The scope of work covered by the proposed amendment to provide construction support services includes reviewing project submittals, preparing and answering requests for information, reviewing change order requests, attending project meetings, reviewing progress on-site, reviewing as-built plans, confirming contractor payment requests, and performing building commissioning services. The PSA amendment for COAR also extends the timeline an additional two and a half years, expiring on December 31, 2028.

The project also requires geotechnical inspection services. Geocon West, Inc. provides geotechnical consulting services, compaction and materials inspection and testing, geotechnical observations, special inspections, laboratory testing, and final geotechnical report approval.

Geocon West, Inc. was a subcontractor to COAR during the design phase of the project to provide geotechnical recommendations and is very familiar with the project. Geocon West, Inc. has worked on many City projects and was recently selected to be one of the City's on-call geotechnical consultants.

FISCAL IMPACT:

The adopted Capital Improvement Program budget includes sufficient funding for the approval of the proposed amendment and new PSA. It will be expensed to the Fire Station No. 1 and Balboa Branch Library Replacement project in the Public Works Department, 53201-980000-23F12.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Amendment No. One with COAR Design Group
Attachment B – Professional Services Agreement with Geocon West, Inc.

Attachment A

AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT WITH COAR DESIGN GROUP FOR BALBOA BRANCH LIBRARY AND FIRE STATION NO. 1 DESIGN

THIS AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT (“Amendment No. One”) is made and entered into as of this 24th day of March, 2026 (“Effective Date”), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city (“City”), and COAR DESIGN GROUP, a California corporation (“Consultant”), whose address is 9640 Granite Ridge Drive #130, San Diego, CA 92123, and is made with reference to the following:

RECITALS

- A. On January 10, 2022, City and Consultant entered into a Professional Services Agreement (Contract No. C-8865-1) (“Agreement”) for a Balboa Branch Library and Fire Station No. 1 Design (“Project”).
- B. The parties desire to enter into this Amendment No. One to reflect additional Services not included in the Agreement, as amended, to extend the term of the Agreement to December 31, 2028, increase the total compensation for additional services to be performed, update the Schedule of Billing rates, revise Contractor’s mailing address for notices, and update the insurance requirements.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

Section 1 of the Agreement is amended in its entirety and replaced with the following: “The term of this Agreement shall commence on the Effective Date, and shall terminate on December 31, 2028, unless terminated earlier as set forth herein.”

2. SERVICES TO BE PERFORMED

Exhibit A to the Agreement shall be supplemented to include the Scope of Services, attached hereto as Exhibit A and incorporated herein by reference (“Services” or “Work”). Exhibit A to the Agreement and Exhibit A to this Amendment No. One shall collectively be known as “Exhibit A.” The City may elect to delete certain Services within the Scope of Services at its sole discretion.

3. COMPENSATION TO CONSULTANT

Exhibit B to the Agreement shall be supplemented to include the Schedule of Billing Rates, attached hereto as Exhibit B and incorporated herein by reference. Exhibit B to the Agreement and Exhibit B to Amendment No. One shall collectively be known as “Exhibit B.”

Section 4.1 of the Agreement is amended in its entirety and replaced with the following: "City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Nine Hundred Eighty-Seven Thousand Two Hundred Forty-Eight Dollars and 00/100 (\$987,248.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City."

The total amended compensation reflects Consultant's additional compensation for additional Services to be performed in accordance with this Amendment No. One, including all reimbursable items and subconsultant fees, in an amount not to exceed **Two Hundred Ninety Thousand Dollars and 00/100 (\$290,000.00)**.

4. NOTICES

Section 26.3 of the Agreement is hereby amended in its entirety and replaced with the following: "All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: Jeff Katz
COAR Design Group
9640 Granite Ridge Dr #130
San Diego, CA 92123"

5. INSURANCE

As of the Effective Date of this Amendment No. One, Exhibit C of the Agreement shall be deleted in its entirety and replaced with Exhibit C, attached hereto and incorporated herein by reference. Any reference to Exhibit C in the Agreement and Amendment No. One shall hereafter refer to "Exhibit C" attached hereto.

6. INTEGRATED CONTRACT

Except as expressly modified herein, all other provisions, terms, and covenants set forth in the Agreement shall remain unchanged and shall be in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment No. One to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 2-25-2026

By: 
Aaron C. Harp 2-25-2026
City Attorney

ATTEST:

Date: _____

By: _____
Lena Shumway
City Clerk

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Lauren Kleiman
Mayor

CONSULTANT: COAR DESIGN GROUP,
a California corporation

Date: _____

By: _____
Jeff Katz
Chief Executive Officer, Chief Financial
Officer, and Secretary

[END OF SIGNATURES]

Attachments: Exhibit A – Scope of Services
 Exhibit B – Schedule of Billing Rates
 Exhibit C – Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

Newport Beach Fire Station 1 / Library Replacement Project Construction Administration Services Amendment Number 1 Scope of Work

CONSTRUCTION PHASE SERVICES

Construction contract administration services are based on a Twenty month construction period, from Authorization to Proceed through Punchlist Inspection.

Construction administration services shall include, but not be limited to, the following:

1. Attend the project pre-construction meeting and construction kick-off meeting. Provide lessons learned documentation to the team from past projects and lead discussion on how these issues can be avoided for this project.
2. Attend a total of eighty-six (86) Progress Construction Meetings on a weekly basis (virtual or in person as needed) during the course of construction to observe the project, and prepare site visit report. Site visit shall include meeting with Contractor, Construction Manager, and City's representative to review progress of construction, review pending Requests For Information (RFI) and Change Order information, and observe the construction to verify work is proceeding in accordance with construction documents.
3. Provide two (2) site visits per discipline by the respective engineers for civil, structural, electrical mechanical and landscape to review progress of construction and conformance with construction documents.
4. Make one (1) additional site visit for architect and all subconsultants to perform Punchlist Inspection, and one (1) additional visit to perform Final Inspection. Punchlist Inspection will include a detailed listing of all items remaining to be completed by the Contractor. Final Inspection will certify that all work has been completed in accordance with construction documents.
5. Review construction submittals and address submittal clarification requests.
6. Respond in writing to any Contractor's RFI's during construction.
7. Issue drawing modifications or sketches (ASI's) as required to provide clarification.
8. Provide periodic as-built drawing reviews on at least a monthly basis.
9. Assist in review of Contractor's monthly pay requests.

Additional construction administration services shall include, but not be limited to, the following:

1. Engage the Commissioning Authority ("CxA") to ensure the systems of the building are installed and calibrated to operate as intended by the project requirements and design documents.
2. Develop a Commissioning Plan, including scope, schedule, and process guidelines, from design phase to occupancy.
3. Conduct system testing to verify each system performs according to specifications.
4. Complete Documentation Review to ensure all equipment and systems are documented correctly, and confirm operator receipt of all proper manuals, operational procedures, and maintenance instructions.
5. Train staff in the operations and maintenance of new systems.
6. Resolve errors and issues during testing and start-up.
7. Create a final report ("Cx Report") detailing the results of the testing, unresolved issues, and recommendations for future maintenance and operations.

ASSUMPTIONS & ADDITIONAL SERVICES

The following items are not included in the proposed Scope of Services and may be provided as Additional Services only after written authorization is received by City. Unless a subsequent fixed fee proposal is provided, the work will be done on an hourly basis.

Additional Services not included in our basic scope of work include:

1. Fire protection engineering design or Construction support services
2. Geotechnical engineering Construction services
3. Revisions to Contract Documents resulting from City requested changes to documents previously approved by the City, or due to code or zoning changes made subsequent to City approval.
4. Services required because of significant changes in the project (not due to the design team's acts or omissions) including, but not limited to, budget, size, quality, complexity, schedule, or the method for bidding and contracting for construction.
5. Processing change requests for City requested changes, and for unforeseen site conditions, including revisions to Contract Documents and processing approval of revisions through the Building Department.
6. Providing services in conjunction with implementing substitutions proposed by the Contractor and making subsequent revisions to Contract Documents resulting from such.
7. Providing "Special Inspection" services required by law or the Contract Documents.
8. Additional site visits beyond those noted above due to construction extending beyond the noted time frame.
9. Providing services made necessary by the default of the Contractor, by major deficiencies in the work of the Contractor, or by failure of performance of the City under the Contract for Construction.
10. Providing services in conjunction with arbitration proceedings or legal proceedings, except where the Architect is a party to such proceedings.
11. Preparation of documentation to process the project through the US Green Building Council as a LEED project.
12. All delivery, printing, and reproduction costs will be a reimbursable expense, charged at 1.1 times the Consultant's cost.

Invoices will be submitted monthly for the work completed during the month, on any phase in accordance with City requirements.

EXHIBIT B

SCHEDULE OF BILLING RATES

Amendment Number 1 - Cost File

The breakdown for the Basic Services charges of the scope of work in amendment number 1 will be as follows.

Construction Administration	\$230,000.00
Commissioning	\$ 55 000.00
Reimbursables	<u>\$ 5,000.00</u>
TOTAL	\$290,000.00

EXHIBIT C

INSURANCE REQUIREMENTS – PROFESSIONAL SERVICES

1. Provision of Insurance. Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Consultant agrees to provide insurance in accordance with requirements set forth here. If Consultant uses existing coverage to comply and that coverage does not meet these requirements, Consultant agrees to amend, supplement or endorse the existing coverage.
2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.
3. Coverage Requirements.
 - A. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its City Council, boards and commissions, officers, agents, volunteers and employees.
 - B. General Liability Insurance. Consultant shall maintain commercial general liability insurance, and if necessary umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate. The policy shall cover liability arising from premises, operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - C. Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit each accident.

- D. Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and four million dollars (\$4,000,000) in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the Effective Date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the Services required by this Agreement.
4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
- A. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its City Council, boards and commissions, officers, agents, volunteers and employees or shall specifically allow Consultant or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subconsultants.
- B. Additional Insured Status. All liability policies including general liability, excess liability, pollution liability, and automobile liability, if required, but not including professional liability, shall provide or be endorsed to provide that City, its City Council, boards and commissions, officers, agents, volunteers and employees shall be included as insureds under such policies.
- C. Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.
- D. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for each required coverage.
5. Additional Agreements Between the Parties. The parties hereby agree to the following:
- A. Evidence of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least

fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

- B. City's Right to Revise Requirements. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant sixty (60) calendar days' advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation.
- C. Right to Review Subcontracts. Consultant agrees that upon request, all agreements with subcontractors or others with whom Consultant enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees. Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.
- D. Enforcement of Agreement Provisions. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- E. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- F. Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.

- G. City Remedies for Non-Compliance. If Consultant or any subconsultant fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend Consultant's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Consultant or reimbursed by Consultant upon demand.

- H. Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

- I. Consultant's Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

Attachment B

PROFESSIONAL SERVICES AGREEMENT WITH GEOCON WEST, INC. FOR BALBOA BRANCH LIBRARY AND FIRE STATION NO. 1 GEOTECHNICAL SERVICES

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into as of this 24th day of March, 2026 (“Effective Date”), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city (“City”), and GEOCON WEST, INC., a California corporation (“Consultant”), whose address is 6960 Flanders Drive, San Diego, CA 92121, and is made with reference to the following:

RECITALS

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. City desires to engage Consultant to provide consultation and geotechnical services for the Balboa Branch Library and Fire Station No. 1 as necessary. (“Project”).
- C. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the professional services described in this Agreement.
- D. City has solicited and received a proposal from Consultant, has reviewed the previous experience and evaluated the expertise of Consultant, and desires to retain Consultant to render professional services under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

The term of this Agreement shall commence on the Effective Date, and shall terminate on December 31, 2028, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

2.1 Consultant shall perform the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein by reference (“Services” or “Work”). Upon written request from the Project Administrator as defined herein, Consultant shall provide a letter proposal for Services requested by the City (hereinafter referred to as the “Letter Proposal”). The Letter Proposal shall include the following:

2.1.1 A detailed description of the Services to be provided;

2.1.2 The position of each person to be assigned to perform the Services, and the name of the individuals to be assigned, if available;

2.1.3 The estimated number of hours and cost to complete the Services;
and

2.1.4 The time needed to finish the specific project.

2.2 No Services shall be provided until the Project Administrator has provided written acceptance of the Letter Proposal. Once authorized to proceed, Consultant shall diligently perform the duties in the approved Letter Proposal.

3. TIME OF PERFORMANCE

3.1 Time is of the essence in the performance of Services under this Agreement and Consultant shall perform the Services in accordance with the schedule included in Exhibit A and the Letter Proposal. In the absence of a specific schedule, the Services shall be performed to completion in a diligent and timely manner. The failure by Consultant to strictly adhere to the schedule set forth in Exhibit A and the Letter Proposal, if any, or perform the Services in a diligent and timely manner may result in termination of this Agreement by City.

3.2 Notwithstanding the foregoing, Consultant shall not be responsible for delays due to causes beyond Consultant's reasonable control. However, in the case of any such delay in the Services to be provided for the Project, each party hereby agrees to provide notice within two (2) calendar days of the occurrence causing the delay to the other party so that all delays can be addressed.

3.3 Consultant shall submit all requests for extensions of time for performance in writing to the Project Administrator as defined herein not later than ten (10) calendar days after the start of the condition that purportedly causes a delay. The Project Administrator shall review all such requests and may grant reasonable time extensions for unforeseeable delays that are beyond Consultant's control.

3.4 For all time periods not specifically set forth herein, Consultant shall respond in the most expedient and appropriate manner under the circumstances, by hand-delivery or mail.

4. COMPENSATION TO CONSULTANT

4.1 City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Letter Proposal and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **One Hundred Thirty-Nine Thousand Dollars and 00/100 (\$139,000.00)**, without prior

written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City.

4.2 Consultant shall submit monthly invoices to City describing the Work performed the preceding month. Consultant's bills shall include the name of the person who performed the Work, a brief description of the Services performed and/or the specific task in the Scope of Services to which it relates, the date the Services were performed, the number of hours spent on all Work billed on an hourly basis, and a description of any reimbursable expenditures. City shall pay Consultant no later than thirty (30) calendar days after approval of the monthly invoice by City staff.

4.3 City shall reimburse Consultant only for those costs or expenses specifically identified in Exhibit B to this Agreement and the Letter Proposal or specifically approved in writing in advance by City.

4.4 Consultant shall not receive any compensation for Extra Work performed without the prior written authorization of City. As used herein, "Extra Work" means any Work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Compensation for any authorized Extra Work shall be paid in accordance with the Schedule of Billing Rates as set forth in Exhibit B and the Letter Proposal.

5. PROJECT MANAGER

5.1 Consultant shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Consultant has designated Jelisa Adams to be its Project Manager. Consultant shall not remove or reassign the Project Manager or any personnel listed in Exhibit A or assign any new or replacement personnel to the Project without the prior written consent of City. City's approval shall not be unreasonably withheld with respect to the removal or assignment of non-key personnel.

5.2 Consultant, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of Services upon written request of City. Consultant warrants that it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement.

5.3 If Consultant is performing inspection services for City, the Project Manager and any other assigned staff shall be equipped with a cellular phone to communicate with City staff. The Project Manager's cellular phone number shall be provided to City.

6. ADMINISTRATION

This Agreement will be administered by the Public Works Department. City's Director of Public Works or designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.

7. CITY'S RESPONSIBILITIES

To assist Consultant in the execution of its responsibilities under this Agreement, City agrees to provide access to and upon request of Consultant, one copy of all existing relevant information on file at City. City will provide all such materials in a timely manner so as not to cause delays in Consultant's Work schedule.

8. STANDARD OF CARE

8.1 All of the Services shall be performed by Consultant or under Consultant's supervision. Consultant represents that it possesses the professional and technical personnel required to perform the Services required by this Agreement, and that it will perform all Services in a manner commensurate with community professional standards and with the ordinary degree of skill and care that would be used by other reasonably competent practitioners of the same discipline under similar circumstances. All Services shall be performed by qualified and experienced personnel who are not employed by City. By delivery of completed Work, Consultant certifies that the Work conforms to the requirements of this Agreement, all applicable federal, state and local laws, and legally recognized professional standards.

8.2 Consultant represents and warrants to City that it has, shall obtain, and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that is legally required of Consultant to practice its profession. Consultant shall maintain a City of Newport Beach business license during the term of this Agreement.

8.3 Consultant shall not be responsible for delay, nor shall Consultant be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, acts of God, or the failure of City to furnish timely information or to approve or disapprove Consultant's Work promptly, or delay or faulty performance by City, contractors, or governmental agencies.

9. HOLD HARMLESS

9.1 To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers and employees (collectively, the "Indemnified Parties"), from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), and which relate (directly or indirectly) to the negligence, recklessness, or willful misconduct of the Consultant or its principals, officers, agents, employees, vendors, suppliers, subconsultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable, or any or all of them.

9.2 Notwithstanding the foregoing, nothing herein shall be construed to require Consultant to indemnify the Indemnified Parties from any Claim arising from the sole negligence, active negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorneys' fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Consultant.

10. INDEPENDENT CONTRACTOR

It is understood that City retains Consultant on an independent contractor basis and Consultant is not an agent or employee of City. The manner and means of conducting the Work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the expressed terms of this Agreement. No civil service status or other right of employment shall accrue to Consultant or its employees. Nothing in this Agreement shall be deemed to constitute approval for Consultant or any of Consultant's employees or agents, to be the agents or employees of City. Consultant shall have the responsibility for and control over the means of performing the Work, provided that Consultant is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Consultant as to the details of the performance of the Work or to exercise a measure of control over Consultant shall mean only that Consultant shall follow the desires of City with respect to the results of the Services.

11. COOPERATION

Consultant agrees to work closely and cooperate fully with City's designated Project Administrator and any other agencies that may have jurisdiction or interest in the Work to be performed. City agrees to cooperate with the Consultant on the Project.

12. CITY POLICY

Consultant shall discuss and review all matters relating to policy and Project direction with City's Project Administrator in advance of all critical decision points in order to ensure the Project proceeds in a manner consistent with City goals and policies.

13. PROGRESS

Consultant is responsible for keeping the Project Administrator informed on a regular basis regarding the status and progress of the Project, activities performed and planned, and any meetings that have been scheduled or are desired.

14. INSURANCE

Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, policies of insurance

of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit C, and incorporated herein by reference.

15. PROHIBITION AGAINST ASSIGNMENTS AND TRANSFERS

Except as specifically authorized under this Agreement, the Services to be provided under this Agreement shall not be assigned, transferred contracted or subcontracted out without the prior written approval of City. Any of the following shall be construed as an assignment: The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint-venture or syndicate or co-tenancy, which shall result in changing the control of Consultant. Control means fifty percent (50%) or more of the voting power or twenty-five percent (25%) or more of the assets of the corporation, partnership or joint-venture.

16. SUBCONTRACTING

The subcontractors authorized by City, if any, to perform Work on this Project are identified in Exhibit A and the Letter Proposal. Consultant shall be fully responsible to City for all acts and omissions of any subcontractor. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law. City is an intended beneficiary of any Work performed by the subcontractor for purposes of establishing a duty of care between the subcontractor and City. Except as specifically authorized herein, the Services to be provided under this Agreement shall not be otherwise assigned, transferred, contracted or subcontracted out without the prior written approval of City.

17. OWNERSHIP OF DOCUMENTS

17.1 Each and every report, draft, map, record, plan, document and other writing produced, including but not limited to, websites, blogs, social media accounts and applications (hereinafter "Documents"), prepared or caused to be prepared by Consultant, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or any other party. Additionally, all material posted in cyberspace by Consultant, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or any other party. Consultant shall, at Consultant's expense, provide such Documents, including all logins and password information to City upon prior written request.

17.2 Documents, including drawings and specifications, prepared by Consultant pursuant to this Agreement are not intended or represented to be suitable for reuse by City or others on any other project. Any use of completed Documents for other projects and any use of incomplete Documents without specific written authorization from

Consultant will be at City's sole risk and without liability to Consultant. Further, any and all liability arising out of changes made to Consultant's deliverables under this Agreement by City or persons other than Consultant is waived against Consultant, and City assumes full responsibility for such changes unless City has given Consultant prior notice and has received from Consultant written consent for such changes.

17.3 Computer Aided Design and Drafting ("CADD") data delivered to City shall include the professional stamp of the engineer or architect in charge of or responsible for the Work. City agrees that Consultant shall not be liable for claims, liabilities or losses arising out of, or connected with (a) the modification or misuse by City, or anyone authorized by City, of CADD data; or (b) any use by City, or anyone authorized by City, of CADD data for additions to this Project, for the completion of this Project by others, or for any other Project, excepting only such use as is authorized, in writing, by Consultant. By acceptance of CADD data, City agrees to indemnify Consultant for damages and liability resulting from the modification or misuse of such CADD data. All original drawings shall be submitted to City in the version of AutoCAD used by the City in .dwg file format, and should comply with the City's digital submission requirements for improvement plans available from the City's Public Works Department.

17.4 All improvement and/or construction plans shall be plotted on standard twenty-four inch (24") by thirty-six inch (36") paper size. Consultant shall provide to City digital 'As-Built' drawings in both AutoCAD and Adobe PDF file format within thirty (30) days after finalization of the Project.

18. CONFIDENTIALITY

All Documents, including drafts, preliminary drawings or plans, notes and communications that result from the Services in this Agreement, shall be kept confidential unless City expressly authorizes in writing the release of information.

19. INTELLECTUAL PROPERTY INDEMNITY

Consultant shall defend and indemnify City, its agents, officers, representatives and employees against any and all liability, including costs, for infringement or alleged infringement of any United States' letters patent, trademark, or copyright, including costs, contained in Consultant's Documents provided under this Agreement.

20. RECORDS

Consultant shall keep records and invoices in connection with the Services to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any Services, expenditures and disbursements charged to City, for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of City to examine, audit and make transcripts or copies of such records and invoices during regular business hours. Consultant shall allow inspection of all Work, data, Documents, proceedings and activities related to the

Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

21. WITHHOLDINGS

City may withhold payment to Consultant of any disputed sums until satisfaction of the dispute with respect to such payment. Such withholding shall not be deemed to constitute a failure to pay according to the terms of this Agreement. Consultant shall not discontinue Work as a result of such withholding. Consultant shall have an immediate right to appeal to the City Manager or designee with respect to such disputed sums. Consultant shall be entitled to receive interest on any withheld sums at the rate of return that City earned on its investments during the time period, from the date of withholding of any amounts found to have been improperly withheld.

22. ERRORS AND OMISSIONS

In the event of errors or omissions that are due to the negligence or professional inexperience of Consultant which result in expense to City greater than what would have resulted if there were not errors or omissions in the Work accomplished by Consultant, the additional design, construction and/or restoration expense shall be borne by Consultant. Nothing in this Section is intended to limit City's rights under the law or any other sections of this Agreement.

23. CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS

City reserves the right to employ other Consultants in connection with the Project.

24. CONFLICTS OF INTEREST

24.1 Consultant or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act") and/or Government Code §§ 1090 et seq., which (1) require such persons to disclose any financial interest that may foreseeably be materially affected by the Work performed under this Agreement, and (2) prohibit such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

24.2 If subject to the Act and/or Government Code §§ 1090 et seq., Consultant shall conform to all requirements therein. Failure to do so constitutes a material breach and is grounds for immediate termination of this Agreement by City. Consultant shall indemnify and hold harmless City for any and all claims for damages resulting from Consultant's violation of this Section.

25. NOTICES

25.1 All notices, demands, requests or approvals, including any change in mailing address, to be given under the terms of this Agreement shall be given in writing, and conclusively shall be deemed served when delivered personally, or on the third

business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided.

25.2 All notices, demands, requests or approvals from Consultant to City shall be addressed to City at:

Attn: Director of Public Works
Public Works Department
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660

25.3 All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: Jelisa Adams
Geocon West, Inc.
6960 Flanders Drive
San Diego, CA 92121

26. CLAIMS

26.1 Unless a shorter time is specified elsewhere in this Agreement, before making its final request for payment under this Agreement, Consultant shall submit to City, in writing, all claims for compensation under or arising out of this Agreement. Consultant's acceptance of the final payment shall constitute a waiver of all claims for compensation under or arising out of this Agreement except those previously made in writing and identified by Consultant in writing as unsettled at the time of its final request for payment. Consultant and City expressly agree that in addition to any claims filing requirements set forth in the Agreement, Consultant shall be required to file any claim Consultant may have against City in strict conformance with the Government Claims Act (Government Code sections 900 et seq.).

26.2 To the extent that Consultant's claim is a "Claim" as defined in Public Contract Code section 9204 or any successor statute thereto, the Parties agree to follow the dispute resolution process set forth therein. Any part of such "Claim" remaining in dispute after completion of the dispute resolution process provided for in Public Contract Code section 9204 or any successor statute thereto shall be subject to the Government Claims Act requirements requiring Consultant to file a claim in strict conformance with the Government Claims Act. To the extent that Contractor/Consultant's claim is not a "Claim" as defined in Public Contract Code section 9204 or any successor statute thereto, Consultant shall be required to file such claim with the City in strict conformance with the Government Claims Act (Government Code sections 900 et seq.).

27. TERMINATION

27.1 In the event that either party fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, that party shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) calendar days, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default, specifying the nature of such default and the steps necessary to cure such default, and thereafter diligently take steps to cure the default, the non-defaulting party may terminate the Agreement forthwith by giving to the defaulting party written notice thereof.

27.2 Notwithstanding the above provisions, City shall have the right, at its sole and absolute discretion and without cause, of terminating this Agreement at any time by giving no less than seven (7) calendar days' prior written notice to Consultant. In the event of termination under this Section, City shall pay Consultant for Services satisfactorily performed and costs incurred up to the effective date of termination for which Consultant has not been previously paid. On the effective date of termination, Consultant shall deliver to City all reports, Documents and other information developed or accumulated in the performance of this Agreement, whether in draft or final form.

28. PREVAILING WAGES

28.1 Pursuant to the applicable provisions of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages including legal holidays and overtime Work for each craft or type of workman needed to execute the Work contemplated under the Agreement shall be paid to all workmen employed on the Work to be done according to the Agreement by the Consultant and any subcontractor. In accordance with the California Labor Code (Sections 1770 et seq.), the Director of Industrial Relations has ascertained the general prevailing rate of per diem wages in the locality in which the Work is to be performed for each craft, classification, or type of workman or mechanic needed to execute the Agreement. A copy of said determination is available by calling the prevailing wage hotline number (415) 703-4774, and requesting one from the Department of Industrial Relations. The Consultant is required to obtain the wage determinations from the Department of Industrial Relations and post at the job site the prevailing rate or per diem wages. It shall be the obligation of the Consultant or any subcontractor under him/her to comply with all State of California labor laws, rules and regulations and the parties agree that the City shall not be liable for any violation thereof.

28.2 Unless otherwise exempt by law, Consultant warrants that no contractor or subcontractor was listed on the bid proposal for the Services that it is not currently registered and qualified to perform public work. Consultant further warrants that it is currently registered and qualified to perform "public work" pursuant to California Labor Code section 1725.5 or any successor statute thereto and that no contractor or subcontractor will engage in the performance of the Services unless currently registered and qualified to perform public work.

29. STANDARD PROVISIONS

29.1 Recitals. City and Consultant acknowledge that the above Recitals are true and correct and are hereby incorporated by reference into this Agreement.

29.2 Compliance with all Laws. Consultant shall, at its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted. In addition, all Work prepared by Consultant shall conform to applicable City, county, state and federal laws, rules, regulations and permit requirements and be subject to approval of the Project Administrator and City.

29.3 Waiver. A waiver by either party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

29.4 Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

29.5 Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Scope of Services or any other attachments attached hereto, the terms of this Agreement shall govern.

29.6 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of the Agreement or any other rule of construction which might otherwise apply.

29.7 Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

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

29.9 Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

29.10 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because race, religious creed, color, national origin,

ancestry, physical handicap, medical condition, marital status, sex, sexual orientation, age or any other impermissible basis under law.

29.11 No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall not be entitled to attorneys' fees.

29.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

Date: 2/26/2016

By: 
Aaron C. Harp *2-26-2016*
City Attorney

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Lauren Kleiman
Mayor

ATTEST:

Date: _____

By: _____
Lena Shumway
City Clerk

CONSULTANT: GEOCON WEST, INC.,
a California corporation

Date: _____

By: _____
William J. Lydon
Chief Financial Officer

Date: _____

By: _____
Jelisa Adams
Vice President

[END OF SIGNATURES]

- Attachments: Exhibit A – Scope of Services
 Exhibit B – Schedule of Billing Rates
 Exhibit C – Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

SCOPE OF SERVICES

Geotechnical Consultation. Provide consultation as necessary to the design and construction team. Respond to RFI's and provide additional or alternative design recommendations, as necessary.

Compaction/Materials Inspection & Testing. Provide inspector(s) (Grading/Deputy/ or Special Inspector) as required for the project during the grading and construction period. The inspector would be equipped with a vehicle and sufficient field-testing equipment to provide in-place density test results in the field, as well as to collect samples for both earth and materials testing. A field inspector will be provided as required for oversight during mass grading, slot-cutting activities, utility trench backfill, foundation excavation, subgrade preparation, and paving. A Deputy or Special Inspector will be provided as required for oversight and inspection during placement of steel reinforcement, concrete, masonry, welding, epoxy and framing. This proposal assumes that a certified steel fabricator shop will be used and shop inspection is not required.

Geotechnical Observation. Site visits by our engineer and/or geologist would be performed where site conditions, such as undocumented fill removal, warrant. In addition, geologist or engineer time would be incurred for site visits, meetings and miscellaneous consultation during the construction period.

Laboratory Testing. Perform materials testing and laboratory soil testing necessary for report preparation. The quantity and type of tests performed will depend upon the conditions encountered. The actual cost for laboratory tests would be invoiced in accordance with the enclosed *Schedule of Fees*. Where possible, all tests will be performed in our in-house laboratory; however, an outside laboratory may also be utilized on occasion.

Report Preparation and Submittal. Upon completion of the site grading, foundation installation, and/or materials testing, reports will be prepared as required by the Building Official.

Based on our familiarity with the project, our review of the project plans, and our experience with other similar projects, it is anticipated that the following geotechnical inspection and testing services will be required during construction:

- Observation and Testing of Earth Materials Placed and Compacted in Building Pad
- Observation and Testing of Subgrade, Base, and Asphalt-Concrete
- Approval of Excavation Bottoms
- Inspection of Drain/Sub-Drain Pipes and Utility Trenches
- Reinforced Concrete Inspection and Testing
- Structural Steel Bolting Inspection
- Structural Steel Welding Inspection
- Framing Inspection
- Laboratory Testing of Soil, Concrete, Masonry, Grout, Rebar, Bolts

EXHIBIT B

SCHEDULE OF BILLING RATES

COST OF SERVICES

A construction schedule detailing the contractor's proposed progress and efficiency was not available when preparing this proposal. Consequently, certain assumptions have been made based on our experience on similar projects. Based on our knowledge of the project and experience with similar projects, it is estimated that geotechnical inspection and/or testing services may be requested on approximately 52 different days and special inspection services may be requested on approximately 35 different days. Inspection and testing services will be performed by the primary inspector on both a full-time and part-time basis, as required during the construction period. In certain situations where multiple inspections are occurring simultaneously, such as during a significant concrete pour, a secondary inspector may be needed. Our objective is to optimize cost-effectiveness by utilizing a single, extensively trained primary inspector for simultaneous inspections and testing across various disciplines, thereby minimizing the necessity for multiple inspectors throughout the majority of the project. This proposal assumes that a certified steel fabricator shop will be used and shop inspection is not required.

At this time, it is suggested that \$139,000 be budgeted for geotechnical and special inspections, including project management, laboratory testing fees, and report preparation.

All services will be provided on a time and materials basis in accordance with the Schedule of Fees. The actual fee for services is directly related to the construction schedule, weather, and efficiency of the contractor performing the work, and could be more or less than estimated. No contingency has been added for weekend work, overtime, or for weather related issues during construction. Additional change orders will be submitted if necessary, as the project progresses.

Invoices would be submitted at four-week intervals and would be itemized to reflect only the actual time and costs incurred.

This proposal assumes that the services offered herein **are subject to prevailing wage laws**; however, Skilled and Trained Workforce Requirements are **not** applicable. If Client should conclude the foregoing understanding is incorrect, please so advise us in writing immediately.



2025 SCHEDULE OF FEES

PROFESSIONAL SERVICES

Word Processor/Non-Technical Assistant/Draftsman/Dispatcher	\$106/hr
Engineering Assistant/Lab Technician.....	106/hr
Engineering Field Technician (Earthwork/Compaction Testing/Backfill).....	*90/hr
Special Inspector (Concrete, Rebar, Masonry, Welding, etc.)	*95/hr
Engineering Inspector (Bottom Approval / Shoring / Foundations / Piles).....	*117/hr
LA City Deputy Grading Inspector (Bottom Approval / Shoring / Foundations / Piles)	*133/hr
Staff Engineer/Geologist.....	*135/hr
Senior Staff Engineer/Geologist	*148/hr
Project Engineer/Geologist	*159/hr
Senior Project Engineer/Geologist.....	*170/hr
Senior Engineer/Geologist	*191/hr
Associate Engineer/Geologist.....	*217/hr
Principal Engineer/Geologist/Litigation Support.....	424/hr
Attorney Fees (General).....	530/hr
Deposition or Court Appearance.....	583/hr
Overtime/Saturday Rate/Night Rate (7pm – 6am w/ 8-Hour minimum per call out).....	1.5 X Regular Hourly Rate
Sunday and Holiday Rate.....	2 X Regular Hourly Rate
Minimum Fee per call-out (if 4 hours or less) 4-Hour minimum. (if more than 4 hours and less than 8 Hours) 8-Hour minimum	
Short-Notice Cancellation, 4 Hours (if after 4 pm the day before the scheduled inspection or upon/after arrival at the job site)	

*Prevailing Wage (PW) California Labor Code §1720, et. Seq add \$50/hr

EQUIPMENT, MATERIALS, & ANALYTICAL TESTS

Nuclear Density Gauge / Sand Cone Testing Equipment.....	\$11/hr	55-Gallon Drum.....	127/ea
Vehicle.....	11/hr	Visqueen (6 mil 20X100').....	143/roll
Special Inspection Equipment	5/hr	Traffic Cones/Barricades	37/day
Asphalt Cold Patch/Concrete	32/bag	TPHg(EPA 8015B)	74/ea
Double Ring Infiltrometer Equipment	212/day	TPHd/TPHmo.....	(EPA 8015M) 80/ea
GPS Unit.....	170/day	TPH Carbon Chain Breakdown	(EPA 8015M) 117/ea
Pick-up Truck	159/day	Methanol and/or Ethanol (EPA 8015M)	133/ea
Water Buffalo.....	80/day	Volatile Organic Compounds	(EPA 8260B) 133/ea
D namic Cone Penetrometer	424/day	Semi-Volatile Organic Compounds.....	(EPA 8270) 239/ea
Hand-Auger	53/day	PAHs (EPA 8270SIM)	196/ea
Distilled Water (5-gallon)	21/ea	CAM 17 Metals (EPA 6010B)	170/ea
Bailer (Reusable)	37/day	Single Metal	(EPA 6010B) 32/ea
Bailer (Disposable)	16/ea	Hexavalent Chrome (EPA 7199)	80/ea
Stainless Sampling Pump	\$159/day	Organochlorine Pesticides (EPA 8081)	117/ea
Battery-Powered Pump	80/day	Organophosphorus Pesticides (EPA 8141)	133/ea
Water Level Indicator	42/day	Chlorinated Herbicides (EPA 8151)	133/ea
Interface Probe	133/day	PCBs (EPA 8082)	101/ea
Photo-Ionization Meter	159/day	Soil pH (EPA 9045C).....	21/ea
Combustible Gas Meter	159/day	WET or TCLP Extraction	90/ea
pH/Conductivity/Temperature Meter	159/day	EPA 5035 Sample Kits	42/ea
Turbidity Meter	85/day	Asbestos (PLM)	27/ea
Air Sampling Pump	85/day	Asbestos (400-point count).....	53/ea
Level D PPE/Decon Rinse Equipment	58/day	Sample Compositing.....	21/composite
Concrete Coring Equipment	302/day	48-hour Turnaround Time	60% surcharge
Generator or Air Compressor	159/day	72-hour Turnaround Time	40% surcharge

LABORATORY TESTS*

COMPACTION CURVES

(D698/D1557/T99/T108) 4-inch mold.....	\$371/ea
(D698/D1557/T99/T108) 6-inch mold.....	371/ea
(CT 216) California Impact	371/ea
Check Point.....	159/ea
(D1632/CT312) Soil Cement Cyl. Fabrication (Set of 3) ...	212/set
(D1632/CT312) Soil Cement Cyl. Fabrication (Addtl. Spec.)	80/ea
(D1633/CT312) Soil Cement Comp. Strength (Set of 3)	371/set
(D1633/CT312) Soil Cement Comp. Strength (Addtl. Spec.)	133/ea

SOIL AND AGGREGATE STABILITY

(D2844/CT301) Resistance Value	\$424/ea
(D2844/CT301) Resistance Value, Treated.....	424/ea
(D1883) California Bearing Ratio	636/ea
(C977) Stabilization Ability of Lime	212/ea
(D1883) Calif. Bearing Ratio (Army Corp of Engineers) ...	636/ea

CHEMICAL ANALYSIS

(G187/CT643/T288) pH and Resistivity.....	\$212/ea
(D4972/T289) pH Only	106/ea
(CT417) Sulfate Content.....	164/ea
(CT422) Chloride Content	164/ea
(D2974) Organic Content	133/ea

PERMEABILITY, CONSOLIDATION AND EXPANSION

(D5084) Permeability, Flexible Wall.....	\$286/ea
(D5856) Permeability, Rigid Wall.....	276/ea
(D2434) Permeability, Constant Head.....	297/ea
(D2434) Permeability, FHA Slab-on-Grade	117/ea
(D2434) Permeability, Hourly	58/ea
(D2435/T216) Consolidation (6 pts. w/ Unload).....	477/ea
(D2435/T216) Consolidation Additional Point w/ Unload...	133/ea
(D2435/T216) Time Rate Consol. (6 pts. w/Unload)	1,060/ea
(D2435/T216) Time Rate Consol. Add'l. Point w/Unload...	212/ea
(D4546) Swell/Compression Testing & Density	159/ea
(D4546) Swell/Settlement Testing & Density (ea. addtl. pt.)	106/ea
(D4546) Swell/Settlement Testing & Density (County).....	159/ea
(D4546) Swell/Settlement Testing & Density (FHA)	106/ea
(D4829) Expansion Index of Soils.....	318/ea

STEEL TESTING

Reinforcing Steel Tests:

(A370) Tensile Strength & Elongation	
#11 Bar & Smaller.....	\$133/ea
#14 Bar	\$159/ea
#18 Bar (Proof Test)	\$186/ea
(A370) Bend Test	
#11 Bar & Smaller.....	\$80/ea
#14 & #18 Bar	\$106/ea
(A370) Tensile - Mechanically Spliced Bar	
#11 Bar & Smaller.....	\$212/ea
#14 Bar & Larger.....	\$265/ea
(A370) Tensile - Electric Resist. Butt Splice w/ Control	212/ea
(A370) Straightening of bar (if required).....	80/ea

Structural Steel Tests:

(A370) Machining & Prep of Test Specimen	Cost + 20%
(A370) Tensile Strength & Elongation	
Up to 200,000 lbs.....	\$159/ea
200,000 - 300,000 lbs.....	186/ea
300,000 - 400,000 lbs.....	212/ea

SOIL AND AGGREGATE PROPERTIES

(D422/T88) Particle Size, Hydrometer w/out Sieve.....	\$318/ea
(C136/D6913/T27) Sieve, Coarse to Fine w/ #200 Wash ...	212/ea
(C136/D6913/T27) Sieve, Coarse or Fine w/ #200 Wash	186/ea
(C136/D6913/T27) Sieve, Coarse or Fine No #200 Wash	159/ea
(C117/D1140/T11) Materials Finer than #200	133/ea
(D2216/T265/CT226) Moisture Content.....	42/ea
(D2487/D2488) Visual Soil Classification	42/ea

(D2937) Density of In-Place Soil, Drive-Cyl. Method.....	59/ea
(D4943) Shrinkage Factors of Soils, Wax Method.....	85/ea
(C131/C535/CT211) L.A. Abrasion Resistance	\$318/ea
(C142/T112) Clay Lumps and Friable Particles	164/ea

SOIL AND AGGREGATE PROPERTIES (CONTD.)

(C123/T113) Light Weight Particles	265/ea
(D3744/CT229/T210) Durability Index Fine	212/ea
(D3744/CT229/T210) Durability Index Coarse.....	212/ea
(CT227) Cleanness Value.....	212/ea
(D4791) Flat & Elongated Particles	212/ea
(D693/CT205) Percent Crushed Particles.....	212/ea
(D5821) Percent of Fractured Particles, Coarse Aggregate ...	212/ea
(C40/CT213/T21) Organic Impurities	106/ea
(C235) Soft Hardness (Scratch Hardness)	133/ea
(C88/CT214/T104) Sulfate Soundness	588/ea
(C1252/T304) Uncompact Void Content, Fine Aggregate	212/ea
(C127/CT206/T85) Coarse Specific Gravity	186/ea
(C128/CT207/T84) Fine Specific Gravity	212/ea
(D854/CT209/T100) Specific Gravity of Soil	239/ea
(C29/CT212/T19) Unit Weight & Percent Voids.....	133/ea
(D2419/CT217/T176) Sand Equivalent.....	186/ea
(D4318/CT204/T89/T90) Plastic Index (Plastic/Liq. Limit)	292/ea
(D4318/CT204/T89) Liquid Limit	159/ea
(D4318/CT204/T90) Plastic Limit	159/ea
(C330) Spec. for Lightweight Aggregates, Struc. Concrete ..	Quote

SHEAR STRENGTH

(D2166) Unconfined Compression.....	\$106/ea
(D3080/T236) Direct Shear (3 points)	424/set
(D3080/T236) Direct Shear Addtl. Points/ea. residual pass	\$159/ea
(D2850) Unconsolidated-Undrained Triaxial Shear	122/ea
(D2850) Unconsolidated-Undrained Triaxial Staged	170/ea
(D4767) Consolidated-Undrained Triaxial Shear	281/ea
(D4767) Consolidated-Undrained Triaxial Staged	360/ea
(EM1110) Consolidated-Drained Triaxial Shear.....	398/ea
(EM1110) Consolidated-Drained Triaxial Staged	509/ea

MASONRY**

Concrete Block Test (Sets of 3 Required):

(C140) Unit Weight Moisture Content & Absorption	\$371/ea
(C140) Moisture Content/Absorption (ea. addtl. specimen)	133/ea
(C140) Compression Test.....	318/ea
(C140) Compression Test (ea. addtl. specimen)	133/ea
(C426) Linear Drying Shrinkage	371/ea
(C109/UBC 21-16) Mortar Cylinder (2"x4")	32/ea
(C942) Grout Prism (3"x3"x6"), trimming included	37/ea
Masonry Prism (Assemblage):	
(C1314) 8"x8"x16" - 8"x12"x16"	\$212/ea
(C1314) 8"x16"x16" - 10"x12"x16"	239/ea

LABORATORY TESTS* (CONTINUED)

<u>Pre-stressing Wire & Tendon Tests:</u>		(C1314) 12"x12"x16" - 12"x16"x16"	\$265/ea
(A421) Tensile Strength, Single Wire.....	\$212/ea	(C1314) Larger than 12"x16"x16"	Quote
(A416) Tensile Strength, 7-Wire Strand	\$265/ea	<u>Brick Test (Set of 5 Specimens):</u>	
<u>High Strength Bolt, Nut, & Washer Tests:</u>		(C67) 24-Hour Absorption, Cold Water	\$265/set
(A325/A490) Tensile Test on Bolts.....	\$133/ea	(C67) 5-Hour Absorption, Boiling Water.....	\$265/set
(A563) Proof Load Test on Nuts	\$133/ea	(C67) Compression Test or Modulus of Rupture	\$318/set
(A325/A490) Hardness Test on Bolts.....	\$80/ea	(C67) Each Additional Specimen	\$106/ea
(A536) Hardness Test on Nuts.....	\$80/ea	CONCRETE**	
(F436) Hardness Test on Washers	\$80/ea	<u>Mix Designs:</u>	
<u>Weld Specimen Tests:</u>		(ACI211/ACI214) Concrete Mix Design	\$477/ea
(E164) Ultrasonic Examination	Quote	(ACI211/ACI214) Review of Concrete Mix Design	\$477/ea
Machining & Prep of Test Specimen.....	Cost + 20%	(C192) Concrete Trial Mix (includes equipment & labor) ..	\$689/ea
(E381) Macrotech Test (3 Faces)	\$376	<u>Concrete Properties:</u>	
ASPHALT TESTING			
<u>Asphalt Properties:</u>			
(D2726/CT308/T166) Bulk Spec. Grav. Compacted HMA	\$133/ea	(C39/CT521/T22) Comp. Strength, Concrete Cyl.....	\$32/ea
(D1560/CT366) Stabilometer Value (HVEEM)	\$265/ea	(C42/CT521/T22) Comp. Strength, Concrete/Gunite Core ...	\$64/ea
(D2041) Theoretical Max Specific Gravity	\$212/ea	(C78/CT523) Flex. Strength of 6"x6"x21" Concrete Beam ...	133/ea
(D5444) Sieve Analysis of Extracted Asphalt	\$265/ea	(C174) Length Measuring of Drilled Cores.....	\$106/ea
(D6307/CT382) Percent Asphalt, Ignition Method.....	\$212/ea	(C1140) Shotcrete Panel-Coring & Testing (Set of 3).....	\$371/set
(D1188) Unit Weight of Asphalt Core.....	117/ea	(C1140) Shotcrete Panel (each addtl. specimen)	\$133/ea
MISCELLANEOUS TESTING SERVICES			
<u>Calibration of Hydraulic Ram:</u>			
100 Ton & Under.....	\$318/ea	(C496) Static Modulus of Elasticity	\$265/ea
101 Tons - 200 Tons	424/ea	(C496) Drying Shrinkage (Set of 3, up to 28 days)	\$689/set
<u>Use of Universal Testing Machine:</u>			
UTM with One Operator	\$477/ea	(C642) Spec. Gravity, Absorp., Voids in Hardened Concrete	\$101/ea
Additional Technician	Regular Tech Rate	(F1869) Vapor Emission Rate, Concrete Subfloor	\$80/ea
<u>Spray Applied Fireproofing:</u>			
(E605/E736) Fireproofing Oven Dry Density/Thickness ...	\$159/ea	*2X Surcharge on rush turn-around for laboratory testing.	
**Fee applies for sample storage, testing, or disposal.			

VIBRATION MONITORING SERVICES

Initial Set-Up & Baseline Readings (Each).....	\$3,180	Monitoring (Monthly).....	\$6,360
Installation (Two Stations).....	\$3,710	Monitoring (Weekly)	\$2,120
Installation (Each Additional Station).....	\$2,120	Monitoring (Daily).....	\$530
Meetings, Additional Reporting (Hourly).....	\$170	Emergency Site Visit.....	\$678

1. Listed are typical charges for the services most frequently performed by Geocon. Prices for unlisted services as well as special quotations for programs involving volume work will be provided upon request. Laboratory test prices shown are for laboratory work only, and include reporting of routine results not calling for comments, recommendations or conclusions.
2. Sampling and testing is conducted in substantial conformance with the latest applicable or designated specifications of the American Society for Testing and Materials, Caltrans, American Association of State Highway and Transportation Officials, or other pertinent agencies.
3. Saturday, night work, and overtime hours are charged at time and one-half; Sundays and holidays at double time.
4. Equipment and materials will be billed at cost plus 15%. Outside services including subcontractors and rental of special equipment are billed at cost plus 15%. Hourly services are billed portal to portal from closest office in accordance with the stated hourly rates herein, with a minimum two-hour charge
5. Invoices will be submitted at four-week intervals. Terms of payment are met upon presentation of invoice. Invoices become delinquent thirty (30) days from invoice date and subject to one and one-half percent (1-1/2%) service charge per month, or the maximum rate allowed by law, whichever is lower. If Client objects to all or any portion of any invoice, Client will so notify Geocon in writing within fourteen (14) calendar days of the invoice date, identify the cause of disagreement, and pay that portion of the invoice not in dispute. The parties will immediately make every effort to settle the disputed portion of the invoice. Payment on delinquent invoices will first be applied to accrued interest and then to the principal amount. All time spent and expenses incurred (excluding any attorney's fees and costs) in connection with collection of any delinquent amount will be paid by Client to Geocon per Geocon's current fee schedule.
6. City must provide prior written approval for all equipment, materials, and outside services prior to being incurred.

EXHIBIT C

INSURANCE REQUIREMENTS – PROFESSIONAL SERVICES

1. Provision of Insurance. Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Consultant agrees to provide insurance in accordance with requirements set forth here. If Consultant uses existing coverage to comply and that coverage does not meet these requirements, Consultant agrees to amend, supplement or endorse the existing coverage.

2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

3. Coverage Requirements.
 - A. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California.

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City of Newport Beach, its City Council, boards and commissions, officers, agents, volunteers and employees.

- B. General Liability Insurance. Consultant shall maintain commercial general liability insurance, and if necessary excess/umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate. The policy shall cover liability arising from bodily injury, property damage, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

Consultant shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

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

Consultant shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

- D. Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and four million dollars (\$4,000,000) in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the Effective Date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the Services required by this Agreement.
- E. Excess/Umbrella Liability Insurance. If any Excess or Umbrella Liability policies are used to meet the limits of liability required by this contract, then said policies shall be "following form" of the underlying policy coverage, terms, conditions, and provisions and shall meet all of the insurance requirements stated in this contract, including, but not limited to, the additional insured and primary & non-contributory insurance requirements stated herein. No insurance policies maintained by the City, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Consultant's primary and excess/umbrella liability policies are exhausted.

Consultant shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
- A. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City of Newport Beach, its City Council, boards and commissions, officers, agents, volunteers, employees or shall specifically allow Consultant or others providing insurance evidence in

compliance with these requirements to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subconsultants.

- B. Additional Insured Status. All liability policies including general liability, excess/umbrella liability, and automobile liability, if required, but not including professional liability, shall provide or be endorsed to provide that City of Newport Beach, its City Council, boards and commissions, officers, agents, volunteers, employees shall be included as insureds under such policies.
 - C. Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.
 - D. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for each required coverage.
 - E. Subconsultants. Consultant shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subconsultants. For CGL coverage subconsultants shall provide coverage with a format at least as broad as CG 20 38 04 13. Limits of liability for General Liability and Professional Liability (Errors & Omissions) in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000)
5. Additional Agreements Between the Parties. The parties hereby agree to the following:
- A. Evidence of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such

insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

- B. City's Right to Revise Requirements. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant sixty (60) calendar days' advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation.

- C. Right to Review Subcontracts. Consultant agrees that upon request, all agreements with subconsultants or others with whom Consultant enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees. Consultant shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subconsultants. For CGL coverage, subconsultants shall provide coverage with a format at least as broad as CG 20 38 04 13.

- D. Enforcement of Agreement Provisions. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.

- E. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

- F. Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.

- G. City Remedies for Non-Compliance. If Consultant or any subconsultant fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend Consultant's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Consultant or reimbursed by Consultant upon demand.

- H. Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

- I. Consultant's Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 8

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Charles Springer, Senior Management Analyst - 949-718-3466,
cspringer@newportbeachca.gov

TITLE: Waste Infrastructure System Enterprise Agreement (WISE Agreement)

ABSTRACT:

The City of Newport Beach participates in a landfill Waste Disposal Agreement (WDA) with the County of Orange that provides guaranteed landfill capacity and disposal rates. As the WDA neared expiration, the Orange County City Managers Association (OCCMA), negotiating on behalf of Orange County cities, secured a one-year extension of the WDA through June 30, 2026, allowing additional time for negotiations. Orange County Waste & Recycling (OCWR) and OCCMA have now developed and agreed to a new, 10-year WDA, now referred to as the Waste Infrastructure System Enterprise (WISE) Agreement, with an effective date of July 1, 2026.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve the Waste Infrastructure System Enterprise Agreement (WISE Agreement) with the County of Orange, to succeed the existing landfill waste disposal agreement, and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

Through negotiations with OCCMA, OCWR indicated the current WDA limits annual rate increases to the Consumer Price Index, and does not account for rising operational, regulatory and environmental compliance costs. OCWR also indicated that additional capital was needed to fund the Brea Olinda landfill closure and to significantly expand the capacity of the landfill in San Juan Capistrano over the course of the next 10-year term. Additionally, OCWR's initial new replacement landfill agreement proposed increasing disposal rates from \$43.76 per ton (FY 2025-26 rate) to \$82 in the first year and rates were projected to rise to nearly \$107 by 2035.

OCCMA and OCWR undertook extensive negotiations and reached a more balanced WISE agreement that includes a phased-in rate structure for the first three years of the term. Per the new WISE agreement which will be effective July 1, 2026, the landfill disposal rates will increase annually as shown below. Starting in FY 2029-30, the rates will then increase annually based on CPI.

Fiscal Year	Contract Rate
2026–27	\$67/ton
2027–28	\$74/ton
2028–29	\$81/ton
2029–30	\$81/ton + CPI

The new landfill disposal costs will be passed along to the City through its four, waste collection and disposal contracts. Additionally, the City’s non-exclusive commercial franchise haulers will be required to adopt an amended Franchise Hauler Acknowledgment (Attachment B), which will be integrated into their franchise agreements and allow them to receive the same landfill disposal rates as the City.

The following key provisions were also negotiated and included in the WISE Agreement:

- An annual “true-up” process will begin in 2030 that may freeze CPI adjustments depending on OCWR’s cost recovery and tonnage revenue. Cities may initiate a ‘meet and confer’ process with review by an independent consultant.
- Review and annual notification language to ensure continued OCCMA participation to improve transparency and oversight of OCWR’s financial status and implementation of the landfill agreement.
- Removal of language that would have made cities financially responsible for hauler non-payment.
- Adoption of a blended CPI index (60% Solid Waste, Water, and Sewer; 40% All Urban Consumers).
- Removal of the requirement that all residential organic waste must be sent to OCWR; the County will offer optional organic waste processing services.

Cities must adopt the WISE agreement by April 30, 2026, to avoid being charged “non-participant” disposal rates which are up to 10% higher. The “participation threshold” for the WISE agreement to become effective requires that cities that represent at least 50% of the refuse disposal sent to the County landfills ratify the document. The WISE agreement is for 10 years, running through June 30, 2036, with one optional 10-year extension.

FISCAL IMPACT:

With the adoption of the WISE agreement, City general fund annual refuse disposal costs are projected to increase by approximately \$1,500,000 starting in FY 2026-27 (from \$9,568,081 to \$11,120,420); then increasing up to approximately \$2,450,000 in additional

costs in FY 2029-30 (from \$9,568,081 to \$11,994,938); and then by a CPI adjusted rate thereafter. The proposed FY 2026-27 Operating Budget will include sufficient funding to cover any cost increases for the upcoming fiscal year. Refuse collection and disposal costs will be expensed to the following Municipal Operations Department accounts.

<u>Account Name</u>	<u>Org Number</u>	<u>Object Number</u>
Contracted Services	0108551	811017
Beach Trash Can Collection	0108551	811031
Residential Refuse Collection	0108551	851006

Additional necessary funding for future years will be programmed during the annual budget process.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Waste Infrastructure System Enterprise Agreement

Attachment A

WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT
("WISE AGREEMENT")

Between

THE COUNTY OF ORANGE, CALIFORNIA

and
the

CITY OF NEWPORT BEACH

Dated March 24, 2026

County Authorization Date:

City Authorization Date:

March 24, 2026

County Notice Address:

City Notice Address:

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

City Manager
City of Newport Beach
100 Civic Center Drive
Newport Beach CA 92660

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ORGANIC SERVICES AGREEMENT

WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It is, therefore, agreed as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

succeeds to the duties and powers thereof.

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

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

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

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

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

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

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

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

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

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

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

“Imported Acceptable Waste” means Acceptable Waste that is generated outside of the geographical boundaries of the County and delivered to the Waste Infrastructure System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the

prime rate established from time to time by the Bank of America, N.A. or its successors and assigns, plus 2%, whichever is lower.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of California.

“Term” shall mean the term of this Agreement.

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

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

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

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

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

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

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

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

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

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

“WISE” means Waste Infrastructure System Enterprise.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II REPRESENTATIONS AND WARRANTIES

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

(A) Existence. The City is a charter city validly existing under the Constitution and laws of the State.

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

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

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

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

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

SECTION 3.1 DELIVERY OF WASTE.

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

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

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

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

(E) Controllable Waste Flow Enforcement.

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

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

certification, under the penalty of perjury, of the amounts of Controllable Waste received and Residue remaining from processing at such Transfer Station.

(2) The City acknowledges and agrees that in the event of a breach of the Waste Disposal Covenant by the City, the City shall pay the County an amount equal to the amount that the City would have been required to pay to the County had the Waste Disposal Covenant not been breached, which shall be calculated by: (1) subtracting the number of tons actually delivered during the month(s) of the breach from the number of tons that were delivered during the same month(s) closest in time when there was no such breach, even if such month(s) closest in time was prior to the Term, and (2) multiplying such amount by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2). In the event that the County terminates the Agreement as a result of such breach, the damages due as a result of such termination shall be equal to the average monthly deliveries by the City for the twelve (12) months prior to the commencement of the breach multiplied by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2), multiplied by the number of months that would have remained in the Term of the Agreement had the termination not occurred. The parties recognize that if the City fails to meet its obligations hereunder, the County will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of such damages. Therefore, the parties agree that the damages specified above represent a reasonable estimate of the amount of such damages, considering all of the circumstances existing on the date hereto, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

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

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

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

(I) City Actions Affecting County. The City agrees to carry out and fulfill its responsibilities under this Agreement and Applicable Law so as to permit full and timely compliance by the County with its covenants

and agreements with the State. In particular, the City agrees not to conduct, authorize or permit any disposal services for Controllable Waste to be provided in competition with the Disposal Services provided by the County hereunder, and not to take or omit to take any action with respect to Controllable Waste, its collection, transportation, transfer, storage, treatment, processing, or disposal that may materially and adversely affect the County's ability to achieve such timely compliance. Notwithstanding the foregoing, the City shall not be required to deny any permit or license or refuse to grant any approval while exercising its police powers.

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

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

SECTION 3.2 PROVISION OF WASTE INFRASTRUCTURE SERVICES BY THE COUNTY.

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

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

(C) Designated Facilities. County and City will coordinate in determining the primary landfill used for disposal and processing of Controllable Waste. The Department shall immediately advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the County to receive Controllable Waste at any particular landfill within the Waste Infrastructure System, its effect on the County's ability to perform its obligations hereunder, and the County's best estimate of the probable duration. The Department shall confirm such advice in writing within twenty four (24) hours of the occurrence of any such inability. The County shall use its best efforts to resume normal operation of the landfill used by the City as soon as possible. In the event a situation, event or circumstance results in the partial or complete inability of the County to receive Controllable Waste

at any particular landfill within the Waste Infrastructure System the County shall have the right to redirect Controllable Waste to another landfill within the Waste Infrastructure System for the duration of the situation, event or circumstance; provided, however, that in such circumstances the County shall utilize reasonable efforts to first redirect waste which is not Controllable Waste. In no event shall the County be required to accept Controllable Waste if it does not have sufficient permitted disposal capacity within the Waste Infrastructure System.

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

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

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

SECTION 3.3 COUNTY RIGHT TO REFUSE WASTE.

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

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

(B) Identification of Unacceptable Waste. The Department shall have the right (but not the duty or the obligation) to inspect the vehicles of all Franchise Haulers delivering material to the Waste Infrastructure System, and may require that the Franchise Hauler remove any Unacceptable Waste from such vehicle before it is unloaded. If the Department determines that it is impractical to separate Controllable Waste from Unacceptable Waste in any vehicle, or if the Franchise Hauler delivering such waste is unwilling to make such separation, or if any vehicle is carrying waste which may spill or leak, then the Department may reject the entire vehicle, and the City shall forthwith

remove or cause the removal of the entire delivery from the Waste Infrastructure System. The Department may take all reasonable measures to prevent waste from being blown or scattered before and during unloading. The City shall cause the Franchise Haulers to observe and comply with Applicable Law, the operating rules and regulations of the Department, and the provisions of this Agreement prohibiting the delivery of Unacceptable Waste to the Waste Infrastructure System.

(C) Hazardous Waste and Hazardous Substances. The parties acknowledge that the Waste Infrastructure System has not been designed or permitted to accept Hazardous Waste or Hazardous Substances, and is not intended to be used in any manner or to any extent, for the handling, transportation, storage or disposal of Hazardous Waste, Hazardous Material or Hazardous Substances. Neither the County nor the City shall countenance or knowingly permit the delivery of Hazardous Waste or Hazardous Substances to the Waste Infrastructure System. City shall be responsible for the costs of removal, and any regulatory fines, associated with the knowing delivery of any Hazardous Substances to the Waste Infrastructure System by the City or its Franchise Hauler.

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

SECTION 3.4 UNINCORPORATED AREA ACCEPTABLE WASTE.

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

SECTION 3.5 MISCELLANEOUS OPERATIONAL MATTERS.

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

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

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

(D) Review of Records. Each Party may review the other Party's books and records with respect

to matters relevant to the performance by either Party under this Agreement or otherwise related to the operation of the Waste Infrastructure System to the extent allowed under the California Public Records Act (interpreted as if the Parties to this Agreement were natural persons for purposes of the Public Records Act).

SECTION 3.6 OTHER USERS OF THE DISPOSAL SYSTEM.

(A) On or Before April 30, 2026, the County shall have the right to enter into WISE Agreements with Orange County entities with respect to Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the County, including other cities in the County, Special Districts, Sanitary Districts, Franchise Haulers and Independent Haulers. Agreements entered into during this period shall have terms and provisions substantially identical to the terms and provisions of this Agreement; provided, however, that in no event shall such agreements have terms and provisions more favorable than the terms and provisions of this Agreement (including but not limited to the Contract Rate and availability of disposal capacity).

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

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

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

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

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

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

(2) Imported Acceptable Waste: Throughout the Term hereof, all revenues received by the County, pursuant to an Importation Agreement, for the disposal or processing of Imported Acceptable Waste into the Waste Infrastructure System (including Surcharges, and any and all fine, penalty, liquidated damages or

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

- (i) Calculation: Net Import Revenues are estimated to be 30% of the revenues received by the County from the disposal of Imported Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Waste Infrastructure System are located.)
- (ii) Distribution: Net Import Revenues shall be distributed as follows;
 - a. 50% of any Net Import Revenues shall be paid to the County General Fund.
 - b. 50% of such Net Import Revenues shall be paid to the Participating Cities (and to the County, with respect to the unincorporated area) listed in Appendix 1 for use for any purpose by the Participating City, including but not limited to State mandated solid waste programs. Payments of such amount to the County General Fund and the Participating Cities shall be made by the County within ninety (90) days after the end of each fiscal year. The portion of Net Import Revenues specified above payable to the Participating Cities shall be apportioned in the percentages set forth in Appendix 1.
 - c. The percentages set forth in Appendix 1 with respect to each Participating City shall be annually reviewed and adjusted every five (5) years by the County to reflect the percentage of deliveries of Acceptable Waste from each Participating City averaged over the last five (5) years. The County shall notify Participating Cities of the revised percentages in Appendix 1 within one hundred and twenty (120) days of the end of each fiscal year.

SECTION 3.7 COUNTY PROVISION OF WASTE DIVERSION SERVICES.

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

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

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

(D) Edible Food Recovery Programs. County is in the process of evaluating the options and feasibility of development of regional County-wide edible food recovery programs to assist Cities in meeting State mandated goals. The intent of Edible Food Recovery to address the food hierarchy and wasted food scale on a regional

level through collaboration of all jurisdictions, key local, State and federal stakeholders, the non-profit sector and business sector. City agrees to reasonably cooperate with County efforts and collaborate on data analysis and reporting to provide jurisdictions reports for compliance under SB 1383. If developed, Cities will be provided an opportunity to participate in this service on terms which shall be separately agreed upon by the Parties.

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

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

ARTICLE IV CONTRACT RATE

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

SECTION 4.2 CONTRACT RATE.

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

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

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

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

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

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

(vi) Capital Costs in excess of the Capital Costs at any point in time during the term

hereof exceeding the Cumulative Capital Costs set forth in Appendix 3;

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

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

- (1) reduce the costs of operating the Disposal System to the extent practicable; and
- (2) at the sole discretion of the County, utilize Unrestricted Reserves to pay costs of the Waste Infrastructure System.

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

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

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

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

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

(C) [RESERVED]

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

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

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

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

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

Step 1:

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

Step 2: Current Contract Rate x (1+ % increase in Contract Rate) = Contract Rate as of July 1 Year 2

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

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

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

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

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

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

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

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

(H) [RESERVED]

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

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

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

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

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

(4) Within three (3) days of the date of service by the County upon the Challenging Cities of the fully signed Expedited Rate Determination Stipulation, the County and the Challenging Cities shall jointly make *ex parte* application to the Orange County Superior Court in the Action for the issuance of an order reflecting the procedural requirements and timelines contained in the Expedited Rate Determination Stipulation, provided however, the timelines may be adjusted by the Court as it deems may be needed for its convenience. As part of such *ex parte* application, the County and the Challenging Cities shall expressly seek to confirm with the Orange County Superior Court the briefing schedule, and request a hearing date (effectively a trial date) in accordance with the procedures set forth in this Section 4.2(J).

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

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

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

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

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

(10) The Court shall be advised that the Parties request that it issue a written statement of decision and enter judgment within thirty (30) days of the date of the hearing in the Expedited Rate Determination,

although the Parties recognize that the Court has discretion to act as it deems appropriate in accord with applicable laws in connection with the timing thereof.

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

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

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

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

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

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

SECTION 4.4 BILLING OF THE CONTRACT RATE OR OTHER AMOUNTS DUE. The County shall continue to bill Contract Rates and other amounts due after the Commencement Date, in the same manner as it has

customarily billed tipping fees. Subject to the other provisions of this Agreement, the County shall have the right to modify or amend such manner of billing on reasonable notice to affected parties.

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

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

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

SECTION 4.7 ANNUAL UPDATE OF TEN-YEAR FINANCIAL PROJECTION. The County shall

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

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

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

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

ARTICLE V BREACH, ENFORCEMENT AND TERMINATION

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

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

SECTION 5.3 TERMINATION.

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

- (1) The City has given prior written notice to the County stating that a specified failure

or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the County and which will, in its opinion, give the City the right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

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

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

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

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

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

ARTICLE VI TERM

SECTION 6.1 EFFECTIVE DATE AND TERM.

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

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

(C) Contract Rate During Renewal Term. In connection with the parties' right to renew this

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

- (i) actual cost of operations;
- (ii) population growth;
- (iii) increase or decrease in available tonnage;
- (iv) economic and disposal market conditions in the Southern California region;
- (v) new regulatory requirements;
- (vi) Changes in Law;
- (vii) changes in transportation and technology;
- (viii) closure and expansion of nearby landfills;
- (ix) capacity of the Disposal System;
- (x) provision of new and/or expanded services; and
- (xi) available reserves which are in excess of the amount reasonably required as reserves.

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

SECTION 6.2 COMMENCEMENT DATE.

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

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

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

Commencement Date conditions shall be furnished to each party prior to or on the Commencement Date.

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

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

ARTICLE VII GENERAL PROVISIONS

SECTION 7.1 OPERATION AND MAINTENANCE OF THE WASTE INFRASTRUCTURE SYSTEM.

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

SECTION 7.2 UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

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

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

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

SECTION 7.3 INDEMNIFICATION. To the extent permitted by law, the County agrees that, it will protect, indemnify, defend (with counsel selected by County) and hold harmless the City from and against all Loss-and-Expense arising from the City's activity as an "arranger" (for purposes of and as such term is defined under CERCLA or

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

SECTION 7.4 RELATIONSHIP OF THE PARTIES. Neither party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The County is an independent contractor of the City and nothing in this Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 7.5 LIMITED RECOURSE.

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

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

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

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

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

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

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

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

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

SECTION 7.13 ASSIGNMENT OF AGREEMENT.

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

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

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

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

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

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

Signature Page to Follow

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

COUNTY OF ORANGE

Date _____

By _____
Director, OC Waste & Recycling

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____

Date _____

CITY OF NEWPORT BEACH

Date _____

By _____
Lauren Kleiman, Mayor
City Representative
City of Newport Beach

APPROVED AS TO FORM:

By Jose Montoya for
Aaron C. Harp
City Attorney

Date 3/5/26
3.5.26
AF

ATTEST:

By _____
Lena Shumway
City Clerk

Date _____

APPENDIX 1

ESTIMATED ANNUAL TONNAGE

APPENDIX 1
PERCENTAGE OF COUNTY ACCEPTABLE WASTE ATTRIBUTABLE TO PARTICIPATING CITIES
FOR PURPOSE OF SECTIONS 3.6(F) AND 6.2(b)

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

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

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

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

APPENDIX 2

CUMULATIVE TONNAGE

APPENDIX 2

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

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

APPENDIX 3
CUMULATIVE CAPITAL COSTS

APPENDIX 3

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

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

APPENDIX 4

FRANCHISE HAULER ACKNOWLEDGMENT

FRANCHISE HAULER ACKNOWLEDGMENT

THIS FRANCHISE HAULER ACKNOWLEDGMENT, dated as of [INSERT DATE] (the “Acknowledgment”), and between the City of Newport Beach (the “City”) and [INSERT HAULER NAME] (the “Franchise Hauler”).

WITNESSETH

WHEREAS, the City and the Franchise Hauler have heretofore entered into an agreement entitled [INSERT TITLE OF YOUR FRANCHISE AGREEMENT] dated as of [INSERT DATE FRANCHISE AGREEMENT WAS EXECUTED] (the “Franchise”); and

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

WHEREAS, the Franchise provides for the collection and disposal of certain municipal solid waste as described therein (“Franchise Waste”) generated within the City; and

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

WHEREAS, the City and the County have heretofore entered into a Waste Infrastructure System Enterprise Agreement (the “WISE Agreement”), dated as of March 24, 2026; and

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

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

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

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

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

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

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the

receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Capitalized terms used and not otherwise defined herein are used as defined in the WISE Agreement.

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

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

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

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

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

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

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

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

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

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

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

13. The Franchise Hauler agrees to assist the County in verifying tonnage collected by the Franchise

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

IN WITNESS WHEREOF, the parties have caused this Acknowledgment to be executed by their duly authorized officers or representatives as of ____ day of _____, 2026.

“CITY”

Signature: _____

Printed Name: _____

Title: _____

APPROVED AS TO FORM:

By _____

Aaron C. Harp
City Attorney

Date _____

“FRANCHISE HAULER”

Signature: _____

Printed Name: _____

Title: _____

APPENDIX 5

ORGANIC SERVICES AGREEMENT

ORGANIC SERVICES AGREEMENT

Between

THE COUNTY OF ORANGE, CALIFORNIA

and

Dated _____, 2025

County Authorization Date:

City Authorization Date:

County Notice Address:

City Notice Address:

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

ORGANIC SERVICES AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It is, therefore, agreed as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

shall they affect its meaning, construction or effect.

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

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

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

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

ARTICLE II REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

SECTION 3.1 DELIVERY OF ORGANIC WASTE.

(A) Organic Waste Covenant. Subject to the occurrence of the Commencement Date and throughout the Term of this OSA, and subject to available Organic Infrastructure capacity, the City shall exercise all

legal and contractual power and authority which it may possess from time to time to deliver or cause the delivery of all Controllable Organic Waste (up to City's Organic Tonnage Limit as provided in Attachment 3) to the Waste Infrastructure System in accordance with the terms of this OSA.

(B) Recycled City Organic Waste.

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

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

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

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

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

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

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

City agrees to the following terms:

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

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

SECTION 3.2 PROVISION OF ORGANIC PROCESSING SERVICES BY THE COUNTY.

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

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

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

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

within the Waste Infrastructure System.

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

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

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

SECTION 3.3 COUNTY RIGHT TO REFUSE ORGANIC WASTE.

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

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

SECTION 3.4 COUNTY PROVISION OF OTHER ORGANIC WASTE DIVERSION SERVICES.

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

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

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

ARTICLE IV ORGANIC CONTRACT RATE

SECTION 4.1 CHARGING AND SECURING PAYMENT OF ORGANIC CONTRACT RATE.

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

SECTION 4.2 ORGANIC CONTRACT RATE.

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

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

(C) Escalation.

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

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

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

ARTICLE V TERM

SECTION 5.1 EFFECTIVE DATE AND TERM.

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

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

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

ARTICLE VI GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

Signature Page to Follow

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

COUNTY OF ORANGE

Date _____

By _____
Director, OC Waste & Recycling

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____

Date _____

Date _____

By _____
[NAME]
City Representative
City of XX

Date _____

By _____
[NAME]
City Representative
City of XX

APPROVED AS TO FORM:

By _____
City Attorney

Date _____

Attachment 1

COUNTY OF ORANGE ORGANIC INFRASTRUCTURE

Attachment 1

COUNTY OF ORANGE ORGANIC INFRASTRUCTURE

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

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

Valencia Greenery (Co-Located at Olinda Alpha Landfill)

1942 N. Valencia Avenue
Brea, CA 92823

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

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

11002 Bee Canyon Access Road
Irvine, CA 92602

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

Capistrano Greenery (Co-Located at Prima Deshecha Landfill)

32250 Avenida La Pata
San Juan Capistrano, CA 92675

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

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

Attachment 2

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

Attachment 2

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

DESCRIPTION

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

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

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

CONTAMINANT DEBRIS

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

SIZE

The particle size of the PGM acceptable is between ½-inch and 3 inches in length between ½-inch and 1 inch in width and between ½-inch and 1 inch in thickness. No particle should exceed 3 inches in any dimension.

MOISTURE CONTENT

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

FOOD WASTE

Residential food waste mixed with PGM as part of a city organic collection program is acceptable provided that the food waste is free of contaminant debris (glass, plastic, food packaging, non-compostable silverware, soiled napkins, etc.). No commercial or source-separated food waste will be accepted except for cases where the County has entered

into an agreement with a City to accept specific source separated organic material as Additional Feedstock as described below.

SOURCE SEPARATED MANURE

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

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

ADDITIONAL FEEDSTOCK

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

CHANGES TO SPECIFICATIONS

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

Attachment 3

CITY ORGANIC TONNAGE LIMIT

Attachment 3

CITY ORGANIC TONNAGE LIMIT

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

Jurisdiction	Designated Greenery	City Organic Tonnage Limit		
		Daily Limit ¹	Monthly Limit ²	Annual Limit
TBD		_____ tons	_____ tons	_____ tons
TBD				
TBD				
TBD				

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

Attachment 4

ORGANIC INFRASTRUCTURE RESOLUTION

RESOLUTION NO. 19-19-031

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

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

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

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

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

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

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

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

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

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

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

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

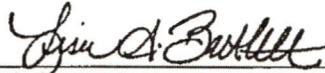
SECTION 1. OC Waste & Recycling (OCWR) shall research opportunities and use available county resources to develop strategies and programs to achieve state-imposed organics recycling mandates for County unincorporated areas and where feasible leverage and extend similar opportunities to serve other public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

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

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

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

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



CHAIRWOMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

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

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





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

Resolution No: 19-031
Agenda Date: 04/23/2019
Item No: 48



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

Robin Stiel, Clerk of the Board of Supervisors

By. _____
Deputy



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 9

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jaime Murillo, Community Development Director - 949-644-3209, jmurillo@newportbeachca.gov

PREPARED BY: Melinda Whelan, Assistant Planner - mwhelan@newportbeachca.gov, 949-644-3221

TITLE: 2025 General Plan and Housing Element Annual Progress Reports (PA2025-0008)

ABSTRACT:

California Government Code Section 65400 requires the City of Newport Beach to prepare and submit an annual report on the status of the City's General Plan and progress in its implementation, with a focus on the Housing Element. The Planning Commission reviewed and unanimously supported the 2025 General Plan and Housing Element Annual Progress Report (APR) at its meeting on March 5, 2026. For the City Council's consideration is the review and authorization to submit the APR to the State Office of Land Use and Climate Innovation (LCI) and to the State Department of Housing and Community Development (HCD).

RECOMMENDATIONS:

- a) Find the preparation, review and submission of the 2025 General Plan and Housing Element Annual Progress Report are not subject to the California Environmental Quality Act (CEQA) as the actions are not a project as defined by Section 15378(b)(2) of the Public Resources Code;
- b) Review the 2025 General Plan and Housing Element Annual Progress Report; and
- c) Authorize submittal of the 2025 General Plan and Housing Element Annual Progress Report to the State Office of Land Use and Climate Innovation and to the State Department of Housing and Community Development.

DISCUSSION:

2025 General Plan Annual Progress Report

California Government Code Section 65400 and the City's General Plan Implementation Program Imp 1.3 require the preparation of an annual report on the status and progress of the General Plan implementation. Following City Council review, the 2025 APR will be sent to LCI, formerly the Office of Planning and Research (OPR), and the Department of Housing and HCD, as required by State law. There is no standardized form or format for the preparation of the APR; however, the format and content follows the guidance

provided by the [APR Memo Reporting Year 2025](#) and the [HCD APR Instructions for Calendar Year 2018-2025](#), including the updated APR form specific to the Housing Element portion.

The APR (Attachment A) reflects the status of the implementation measures between January 1, 2025, and December 31, 2025 (Reporting Period), and does not reflect changes or updates that may have been directed since. The Newport Beach General Plan was adopted in November 2006 pursuant to available guidelines provided by the State at that time, pursuant to Government Code Section 65040.2 and consistent with Section 65400(a)(2). Since initial adoption, the City has updated the Housing and Circulation Elements in 2022, the Noise Element in 2023, and the Land Use Element in 2024. The APR includes a discussion of the status of each General Plan Implementation Program (Appendix A of Attachment A), a comprehensive status update on each Housing Element Implementation Program (Appendix B of Attachment A), and an analysis on the degree to which the City's existing General Plan complies with criteria identified in LCI's General Plan Guidelines. Staff believes the City has continued to achieve substantial progress in the implementation of the General Plan and especially the Housing Element. Some of the progress is evident in completed tasks such as the comprehensive Zoning Code Update in 2010; however, most progress is illustrated through ongoing tasks and long-term coordination efforts, with updates highlighted for 2025. The APR also summarizes identified priorities for land use decision making for the reporting period.

General Plan Update

The City embarked on a comprehensive update of the General Plan in 2019, but pivoted in 2020 to focus on preparing the 6th Cycle Housing Element (Housing Element), as well as an update to the Circulation Element.

The City continued to focus its efforts, which ultimately led to the City Council's initial adoption of the Housing Element on February 8, 2022. After several reviews and revisions with HCD, the City Council re-adopted a refreshed Housing Element on September 13, 2022. The update is a comprehensive statement of the City's housing policies and serves as a guide for the implementation of these policies. As required by State law, the update examines current housing needs, estimates future housing needs, and establishes goals, policies, and programs pertaining to those needs while demonstrating the capacity to accommodate the City's Regional Housing Needs Assessment (RHNA) allocation of 4,845 new housing units. Housing programs are responsive to current and future needs and established within the context of available community, state and federal economic and social resources, realistic quantified housing objectives, and affirmatively furthering fair housing (AFFH). On October 5, 2022, HCD determined the Housing Element is in full statutory compliance.

On October 25, 2022, the City Council adopted an updated Circulation Element that included several refreshed policies that are compliant with State law. For example, the updated Circulation Element contains policies related to complete streets and vehicle miles traveled (VMT). The policies were reviewed by the community through extensive outreach and remain consistent with the community's vision.

Simultaneously with the efforts to update the Housing Element and Circulation Element, the General Plan Update Steering Committee (GPUSC) began meeting in July 2022 to restart the comprehensive update efforts. In November 2022, the City Council appointed a 30-member General Plan Advisory Committee (GPAC) to help represent the community and guide potential policy changes.

In July 2023, the City contracted with Dudek to provide consulting services on the comprehensive General Plan Update. “Phase One” outreach for the comprehensive update to the General Plan was conducted from March 2024 to June 2024. The [Phase One Outreach Summary](#) was published in July 2024 and is available on the City’s project website. “Phase Two” outreach was conducted from October 5, 2024, to January 5, 2025. The [Phase Two Outreach Summary](#) was published in March 2025.

Starting in August 2025, several [Draft General Plan Elements](#) were published online for review. The most recent completed phase, “Phase Three” included an in-person General Plan Review open house on October 21, 2025, and a complementary virtual open house on October 22, 2025. The presentation made virtually is available online [here](#), and provides an overview of the hundreds of responses from Newport Beach residents and community members, collaboration with the GPAC, background analysis from Phases One and Two, and how this informed the draft elements for the 2050 General Plan. Comments on these drafts were accepted through November 17, 2025.

Information regarding the General Plan update efforts to date, including the initiation, evaluation, and overall process, draft elements, etc. can be found on the City’s project website and at [Newport, Together](#).

Housing Element Implementation

The comprehensive General Plan update effort is on a parallel track alongside the City’s implementation of the Housing Element. In November 2023, the City Council adopted an amendment to the Noise Element to adjust the policy framework surrounding housing proximate to John Wayne Airport. In July 2024, the City Council adopted an amendment to the Land Use Element to revise the necessary goals and policies to support housing production in the focus areas identified by the Housing Element. The Noise Element revisions can be found in [Exhibit A of Resolution No. 2023-72](#) and the Land Use Element revisions can be found in [Exhibit A of Resolution 2024-51](#).

Additionally, on September 24, 2024, the City Council adopted Zoning Code Amendments required to implement the Housing Element. These amendments included adding Housing Overlays into the Zoning Code (NBMC Section [20.28.050](#)). The details are provided below in the ***Policy Actions 1A through 1G Related to Housing Implementation*** Section of this staff report.

2025 Housing Element Annual Progress Report

Government Code Section 65400 requires that each city, including charter cities, provide an annual progress report on the status of the Housing Element of its General Plan. HCD has provided mandatory forms (Excel spreadsheets) and definitions for the housing portion of the report. The forms include six large tables (Tables A through F). Due to the large size and format of the tables, only a summary of the contents of each table is provided in the attached report. The complete forms will be made available online at <https://www.newportbeachca.gov/APR> and they will be submitted to HCD in electronic format.

The annual report requires the City to report all housing applications submitted in 2025 including building permits (Table A in APR) and all housing applications with a net increase in units approved and finalized in 2025 (Table A2 in APR). Table B includes the number of units for which permits were issued to demonstrate progress in meeting the City's RHNA goal. The Southern California Association of Governments (SCAG) prepared the RHNA for each jurisdiction within the SCAG region. SCAG, through the RHNA process, assigned Newport Beach a share of the region's new housing units needs for the 2021 - 2029 planning period to be a total of 4,845 new dwelling units further broken down by income category.

Housing production towards the 6th Cycle RHNA allocation is best summarized by Table B, which is included in the report and excerpted below, including above-moderate, moderate- and lower-income units.

Table B Summary: Regional Housing Needs Allocation Progress												
Income Level	RHNA	06/30/ 2021- 10/14/ 2021	Permitted Units Issued by Affordability									Total to Date
			2021	2022	2023	2024	2025	2026	2027	2028	2029	
Very Low	1,456		13	8	11	9	15					56
Low	930		21	14	18	28	18					99
Moderate	1,050	3	1	11	13	19	12					59
Above Moderate	1,409	2	31	7	1	33	64					138
Total RHNA	4,845											
Total Units Produced		5	66	40	43	89	109					352

While several efforts to accomplish various Housing Element Policy Actions are highlighted below, the Housing Element portion of the APR also includes status and/or progress of implementing each Housing Element Policy Action for the Reporting Period (Appendix B of Attachment A). Appendix B includes a detailed status report for each Housing Element Policy Action.

Significant Residential Development Projects with Affordable Units

Another highlight is significant residential projects that include an affordable housing component on sites identified as underutilized. These projects, which are at different stages of review, include: Newport Crossings Mixed-Use Project, Residences at 4400 Von Karman, Residences at Newport Airport Village, Newport Village Mixed-Use Project, 2510 West Coast Highway Mixed-Use Project, Residences at 1300 Bristol Street, Residences at 1400 Bristol Street, Residences at 1600 Dove Street, Residences at 1401 Quail Street, Apartments at 1526 Placentia Avenue, MacArthur Court Mixed-Use, 1470 Jamboree Road Mixed-Use, St. Michael's Multi-Family, Residences at 12 Corporate Plaza, Mixed-Use at 2332 West Coast Highway, Residences at 120 Newport Center Drive, and Apartments at 1 Park Newport Drive. Cumulatively, these projects have the potential to add 321 lower-income housing units and 15 moderate-income housing units to the city. Each project is detailed in the attached report.

Policy Actions 1A through 1G Related to Housing Implementation

Immediately after the Housing Element's adoption in September 2022, the City began efforts to implement the housing strategy. This predominantly included analyzing the General Plan Land Use Element for necessary amendments needed for consistency, drafting an overlay zoning text for the various focus areas, and creating objective design standards. The goal was to rezone the housing opportunity sites appropriately for housing development. The City worked with the General Plan Update Steering Committee and the General Plan Advisory Committee on this effort, held study sessions with the Planning Commission and City Council, and made draft documents available for public review and input to ensure a transparent process that is representative of the community's values.

In July 2024, the City Council adopted a General Plan Amendment to revise the necessary goals and policies within the City's Land Use Element to support housing production in the focus areas identified by the Housing Element. The Land Use Element revised policies and goals can be found in Exhibit A of [Resolution 2024-51](#).

On September 24, 2024, the City Council adopted Zoning Code Amendments to implement the Housing Element by providing the necessary zoning. These amendments included adding a Housing Opportunity (HO) Overlay Zoning District (Overlay) to the NBMC, Section [20.28.050](#), which provides procedures and development standards for future housing projects. The Overlay provides allowed uses, maximum dwelling unit limits for each subarea, and appropriate development standards such as height, parking, setbacks, and open space requirements. The Overlay also provides a streamlined review process for projects that include a minimum of 20% of units reserved for very low-and low-income households, which serves to incentive the provision of affordable housing through certainty and streamlined review.

Properties that are located within the Overlay are identified in the maps codified in Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the NBMC and provided below:

[HO-1 Airport Area Environs Area](#)

[HO-2 West Newport Mesa Area](#)

[HO-3 Dover-Westcliff Area](#)

[HO-4 Newport Center Area](#)

[HO-5 Coyote Canyon Area](#)

[HO-6 Existing 5th Cycle Sites](#)

The Zoning Code Amendment also added Section [20.48.185 \(Multi-Unit Objective Design Standards\)](#) to provide a minimum baseline design standard for all new multi-unit development (See the Section **Policy Action 3A: Objective Design Standards**).

Lastly, the City Council authorized the submittal of a Local Coastal Program Amendment (LCPA) to the California Coastal Commission (CCC) to amend the City's Coastal Land Use Plan and Title 21 (Local Coast Program Implementation Plan) to apply the new Overlay to applicable properties in the coastal zone. The City's LCPA was deemed complete in January 2025 and is tentatively scheduled for a hearing with the CCC in April 2026.

Since adoption of the Housing Overlay and during the reporting period, the City received 10 applications for projects on various sites within the identified HO Subareas. Two of these projects were approved in 2025, with the rest continuing review into 2026. With the increase in housing projects, the City is in progress of identifying process improvements and potential global issues with these projects to improve efficiency and timelines.

Policy Actions 1H, 1I, and 1J Related to Accessory Dwelling Units (ADUs)

In 2025, the City pursued several efforts related to revising its regulations pertaining to accessory dwelling units (ADUs) and incentivizing their development. The City adopted revisions to its ADU Ordinance to comply with SB 477, AB 2533, and SB 1211 which went into effect in 2024 and at the beginning of 2025. Among other things, these bills amended Government Code Section 66310 through 66342 to impose new limits on the City to regulate ADUs and JADUs. A summary of those updates and the bills that were addressed through the code amendment can be found below:

- SB 477 made changes to the numbering of the sections of Government Code for State ADU and JADU laws.
- AB 2533 made various changes to State ADU law (Gov. Code, § 66332) regarding unpermitted ADUs, which the City currently implements through its existing SAFE ADU Program. The [City's SAFE ADU program](#) is an initiative designed to help homeowners legalize existing unpermitted ADUs constructed before January 1, 2020. The program helps homeowners address potential code enforcement issues, liability concerns, and safety risks associated with unpermitted units. This

bill went into effect on January 1, 2025, and the City's SAFE ADU program has already been updated to comply with the provisions.

- SB 1211 made various changes to State ADU law (Gov. Code, §§ 66313, 66314, 66323) with regard to replacement parking and special streamlined units referred to as “66323 Units” (described below) on lots with existing or proposed multifamily dwellings. SB 1211 went into effect on January 1, 2025. This bill:
 - Defines “livable space” as a space in a dwelling intended for human habitation, as the term appears in Government Code sections 66313, subdivision (e), and 66323, subdivision (a)(3)(A).
 - Specifies that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced.
 - Authorizes up to eight detached ADUs on a lot with an existing multifamily dwelling (previously limited to two), provided that the number of ADUs does not exceed the number of existing units on the lot.
 - Prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a).
- SB 1211 also established “66323 Units” under Government Code Section 66323 and clarifies four categories of ADUs (and JADUs) that must be approved ministerially and are not subject to standards set forth in Government Code Sections 66314 through 66322 or the NBMC (i.e. “66323 Units”). These 66323 Units do not have to comply with the City's objective development and design standards, such as height, setbacks, and size limits. These ADUs must still comply with building code and health and safety requirements.

Subsequent to the City Council adopting a revised ADU ordinance to comply with the bills outlined above, the City Council authorized City staff to submit a Local Coastal Program Amendment to its implementation plan to ensure that the revisions made to the City zoning code (Title 20) are also reflected in the coastal zone through the implementation plan (Title 21) and that it conforms with State law updates. City staff submitted a Local Coastal Program Amendment at the end of 2025 to the California Coastal Commission. The application is currently under review and City staff anticipates that the amendment will be approved by the California Coastal Commission before the end of 2026.

In addition to the items mentioned above, City staff is preparing new code updates to comply with state law that was signed into law in 2025 and went into effect in 2026 (SB 477, AB 435, AB 2533, and SB 1211). City staff anticipates processing these code amendments in 2026 and sharing the updates with the CCC to ensure that the ADU regulations in the coastal zone are consistent with State law.

Website Enhancements: In the spring of 2023, the Community Development Department launched a comprehensive update to the Newport Beach ADU webpage. The webpage is intended to supplement the City's outreach and foster interest in constructing ADUs. The website continues to include a downloadable guidebook, interactive activities and

exercises to help homeowners plan their ADU, an online calculator to estimate costs, and standard plans. The website also includes resources to help the homeowner understand the different types of ADUs by providing links to development standards and processes. External resources are available for potential finance and grant opportunities for homeowners. Users can look up their property attributes including zoning and approximate lot size. An interactive mapping application is also included for residents to see the ADUs that are being constructed in their neighborhoods. The website is updated on a regular basis. For example, in 2025, updates were made regarding the revisions to the ADU code to ensure that the website provides members of the public with the most accurate information consistent with State law. City staff is currently working on updates to the ADU standard plans to reflect the recent building code cycle update. Those plans are anticipated to be available on the website in spring of 2026. The Newport Beach ADU web page can be found at <https://www.newportbeachca.gov/adu>.

In 2025, 61 ADUs were submitted for review. There were 38 ADUs that received building permits, including two Safe ADUs, and those contributed towards RHNA; and nine that received final inspections including one Safe ADU. Policy Action 1H calls for a total of 240 permitted ADUs for the entire Planning Period (2021-2029). To date, 204 ADUs have been permitted and based on the annual average the 240 units called for by Policy Action 1H will be met or exceeded by the 2026 reporting year.

Policy Action 3A: Objective Design Standards

The Zoning Code Amendment that approved the Housing Overlays also added Section [20.48.185 \(Multi-Unit Objective Design Standards\)](#) to provide a minimum baseline design standard for all new multi-unit development. The objective design standards are intended to result in quality design of multi-unit residential and mixed-use development. Review under the standards supports development that builds on context, contributes to the public realm, and provides high quality and resilient buildings and public spaces. These standards shall be applied uniformly and without discretion to enhance the built environment for both affordable and market-rate multi-unit residential development. The standards would apply to housing throughout the city that consists of a density of 20 dwelling units per acre or greater. Furthermore, the City prepared a [Checklist](#) for applicants to help streamline review of the objective design standards. In 2025, two Housing Overlay projects were approved with the Objective Design standards. Additionally, seven Housing Overlay projects were in a preliminary or applied status by the end of 2025. Four of the seven include affordable units.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

The General Plan Progress Report, including the Housing Element Progress Report, is not subject to CEQA, as the actions are not a project as defined in Section 15378(b)(2) of the Public Resources Code.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – General Plan and Housing Element Annual Progress Report 2025

Attachment A

General Plan Annual Progress Report
2025

City of Newport Beach General Plan Annual Progress Report



2025 Calendar Year

Approved For Submission
March XX, 2026

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Appendix B – Table D. Housing Element Implementation Program Status

1. Introduction

Consistent with Government Code Section 65400 and the City of Newport Beach (City) General Plan Implementation Program Imp 1.3, the General Plan Annual Progress Report (GP APR) was prepared using guidelines set forth by the California Office of Land Use and Climate Innovation (LCI) formerly Office of Planning and Research (OPR) and provides information for decision makers on the status of the General Plan and progress on implementation during the 2025 calendar year (Reporting Period). While a comprehensive update is underway and nearing completion, the current Newport Beach General Plan was last comprehensively updated and adopted in November 2006 pursuant to guidelines provided in Government Code Section 65040.2, and consistent with Section 65400(a)(2). There is no standardized form or format for the preparation of the General Plan Annual Progress Report; however, the report format and content follows the guidance provided by the [APR Memo Reporting Year 2025](#) and the [HCD APR Instructions for Calendar Year 2018-2025](#), including the updated APR form for the Housing Element Report.

2. Presentation and Acceptance by Local Legislative Bodies

The GP APR was presented to the City’s Planning Commission on March 5, 2026, and the City Council reviewed the report on March 24, 2026. At the conclusion of the review, which included receiving public comments, the City Council authorized submission to LCI and the State Department of Housing and Community Development (HCD), as required by State law.

3. General Plan Implementation

Included in the General Plan is [Implementation Program \(Chapter 13\)](#) that includes specific programs to carry out the goals and policies of the General Plan. Appendix A of this report evaluates and provides the status of the General Plan organized by each implementation program. The table below provides a quick status on each program:

Table 1 – Quick Status Update for Each Implementation Program					
Programs		Ongoing	Complete	Pending	N/A
1.1	Ensure that Private Development and Capital Improvements are Consistent with the General Plan	✓			
1.2	Update and Revise the General Plan to Reflect Changing Conditions and Visions	✓			
1.3	Prepare Annual General Plan Progress and Housing Element Implementation Reports	✓		✓	
2.1	Amend the Zoning Code for Consistency with the General Plan	✓			
3.1	Preparation of New Specific Plans			✓	
4.1	New “Planned Community” Development Plans	✓			

Table 1 – Quick Status Update for Each Implementation Program					
Programs		Ongoing	Complete	Pending	N/A
5.1	Review and Revise Coastal Land Use Plan for Consistency with the General Plan	✓			
6.1	Review the Subdivision Ordinance for Consistency with the General Plan		✓		
7.1	Review Building and Construction Code for Consistency with General Plan		✓		
7.2	Revise Fair Share Traffic Contribution Ordinance	✓			
7.3	Review and Update Transportation Demand Ordinance		✓		
8.1	Review Codes and Ordinances for Consistency with the General Plan and Update Periodically	✓			
8.2	Prepare New Codes, Ordinances, and Guidelines	✓			
9.1	Review City Council Policy Manual for Consistency with the General Plan	✓			
10.1	Maintain Up-to-Date Comprehensive Database (<i>Data such as built land use and traffic should be updated on a continuing basis, while data that is stable, such as seismic hazard zones, can be updated on a less frequent basis</i>)	✓			
10.2	Maintain Development Tracking and Monitoring Program	✓			
11.1	CEQA Review Development and Entitlement Applications	✓			
12.1	Evaluate Fiscal Benefits of Large Development Proposals and Annexations	✓			
12.2	Maintain and Update Fiscal Impact Model	✓			
13.1	Process Development Agreements	✓			
14.1	Adjoining Cities (<i>“Borders Committees” to collaborate with the cities of Irvine, Huntington Beach, and Costa Mesa</i>)	✓			
14.2	Coordinate with School Districts	✓			
14.3	Coordinate with Orange County	✓			
14.4	Coordinate with Orange County Transportation Authority (OCTA)	✓			
14.5	State of California Department of Housing and Community Development (HCD)	✓			
14.6	Coordinate with California Coastal Commission	✓			
14.7	Coordinate with the California Resources Agency, Department of Fish and Game (<i>now known as California Department of Fish and Wildlife</i>)	✓			
14.8	Coordinate with the California Department of Parks and Recreation	✓			
14.9	Coordinate with the California Department of Transportation (“Caltrans”)	✓			
14.10	Transportation Corridor Agencies (TCA)	✓			
14.11	California Public Utilities Commission (CPUC)	✓			
14.12	Coordinate with United States Army Corps of Engineers (“Corps”)	✓			

Table 1 – Quick Status Update for Each Implementation Program					
Programs		Ongoing	Complete	Pending	N/A
14.13	Coordinate with United States Fish and Wildlife Service	✓			
14.14	Coordinate with Environmental Protection Agency (EPA)	✓			
14.15	Coordinate with United States Postal Service (USPS) <i>(for the relocation of Mariners' Mile distribution facility)</i>		✓		
14.16	Other Agencies	✓			
15.1	Encourage Annexation of Banning Ranch Prior to Development	✓			
16.1	Improve Arterial Streets and Highways According to Classification	✓			
16.2	Monitor Traffic Conditions and Plan for and Fund Improvements	✓			
16.3	Construct Street and Highway Improvements	✓			
16.4	Monitor Roadway Conditions and Operational Systems	✓			
16.5	Maintain Consistency with Regional Jurisdictions <i>(Caltrans and Orange County to provide adequate roadway infrastructure plans and design standards such as the Orange County Master Plan of Arterial Highways)</i>	✓			
16.6	Local/Neighborhood Access Roads	✓			
16.7	Traffic Control	✓			
16.8	Provide Public Transportation	✓			
16.9	Manage Truck Operations	✓			
16.10	Improve Parking Supply and Management	✓			
16.11	Maintain Trails	✓			
16.12	Marine Transportation		✓		
17.1	Maintain and Implement Urban Water Management Plans and Encourage Conservation	✓			
18.1	Maintain and Implement Sewer Master Plan	✓			
19.1	Maintain Storm Drainage Facilities	✓			
20.1	Design, Fund, and Construct Streetscape Improvements	✓			
20.1	Design, Fund, and Construct Streetscape Improvements <i>(continued)</i>	✓			
20.2	Design, Fund, and Construct Waterfront Promenade			✓	
20.3	Fund and Construct Public View Sites	✓			
21.1	Review and Update Harbor and Tidelands Improvement Plans	✓			
21.2	Develop Harbor Area Management Plan (HAMP)		✓		
21.3	Events Management and Programs	✓			
21.4	Harbor Operations and Management	✓			
22.1	Maintain and Enhance Police and Fire Facilities	✓			
23.1	Maintain and Update Parks and Recreation Facility Plans	✓			
23.2	Maintain and Improve Parks and Recreation Facilities	✓			

Table 1 – Quick Status Update for Each Implementation Program					
Programs		Ongoing	Complete	Pending	N/A
23.3	Assess Recreation Needs	✓			
23.4	Maintain Recreation Programs for Newport Beach’s Residents	✓			
23.5	Requirements for Residential Developers	✓			
24.1	Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability	✓			
25.1	Implement Housing Element Programs	✓			
26.1	Enforce Codes and Ordinances	✓			
27.1	Seismic Compliance	✓			
28.1	Maintain Hazards Data Base	✓			
28.2	Maintain Emergency Preparedness, Response, and Recovery Programs	✓			
29.1	Educate the Community	✓			
29.2	Support of the Arts, Culture, and Historic Resources	✓			
29.3	Support Community Environmental and Recreation Initiatives	✓			
30.1	Maintain Annual Budgets for City Services and Improvements	✓			
30.2	Administer Impact and User Fees (<i>Development Impact Fees, Park Dedication and In-Lieu Fees, and Tideland Revenue Fees</i>)	✓			
31.1	Consider the Establishment of Community Facilities and Special Assessment Districts	✓			

4. Housing Element APR Report Requirements

Government Code Section 65400 requires that each city, including charter cities, prepare an annual progress report (APR) on the status of the General Plan Housing Element. The State Department of Housing and Community Development (HCD) has provided mandatory forms in an Excel workbook format and definitions for the reporting. The forms include 12 tables (Tables A, A2, B, C, D, E, F, F2, G, H, J, K, and L). A summary of the contents of each table is provided below. The complete forms are too large to include in this report and are available online at www.newportbeachca.gov/APR. The City’s 6th Cycle Housing Element (Housing Element) was originally adopted by City Council in February 2022, subsequently revised and re-adopted on September 2022, and certified as being statutorily compliant by HCD in October 2022. Table D includes the Implementation Programs from the certified Housing Element 2021-2029. The complete Table D is provided in Appendix B of this report.

Table A Summary – Housing Development Applications Submitted

Table A provides a complete listing of all housing applications, including discretionary and ministerial permits, submitted during the Reporting Period. The following table is a summary of the net totals of Table A.

Table A Summary – 2025 Housing Development Applications Submitted					
Unit Type	Affordability By Income				Total Submitted
	Very Low	Low	Moderate	Above Moderate	
Accessory Dwelling Units	18	31	20	1	70
Single-Unit	0	0	0	225	225
Multi-Unit	79	14	0	1,313	1,406
Total	97	45	20	1,539	1,701

Table A2 Summary – Annual Building Activity Summary

Table A2 is a comprehensive table that includes data on net new housing units and developments that have received any one of the following forms of project readiness during the Reporting Period: 1) an entitlement approval; 2) a building permit issued; or 3) a certificate of occupancy issued. These projects are organized by affordability level. Projects that result in a net zero or decrease in number of units are not reported in this table.

Table A2 Summary - 2025 Building Activity Summary – Net New Units					
Approved Entitlements		Building Permits Issued		Certificates of Occupancy Issued	
Affordable	Above Moderate Income	Affordable	Above Moderate Income	Affordable	Above Moderate Income
49 Low Income (Deed Restricted)	116	9 Very Low-Income (ADU) 6 Very Low-Income (Deed Restricted) 16 Low-Income (ADU) 2 Low-Income (Deed Restricted) 12 Moderate-Income (ADU)	1 (ADU) 63 Units	2 Very Low-Income (ADU) 4 Low-Income (ADU) 3 Moderate-Income (ADU)	1

Table B Summary – Regional Housing Needs Allocation Progress

Table B reports the number of units for which permits were issued to demonstrate progress in meeting the City’s share of the Regional Housing Needs Allocation (RHNA).

The Southern California Association of Governments (SCAG) prepared a RHNA to identify the housing needs for each jurisdiction within the SCAG region. SCAG, through the RHNA process, assigned Newport Beach a share of the region’s new housing units that should be constructed in the 2021 - 2029 planning period to satisfy housing needs

resulting from projected growth in the region. To accommodate projected growth in the region, SCAG determined the City’s share of RHNA to be a total of 4,845 new dwelling units. This includes 1,456 dwelling units affordable to very low-income households, 930 dwelling units affordable to low-income households, 1,050 dwelling units affordable to moderate-income households, and 1,409 dwelling units that are market rate or for above moderate-income households. It is important to note that the City adopted its Housing Element and received certification in September and October 2022, respectively.

In November 2023, the City Council adopted an amendment to the Noise Element to adjust the policy framework surrounding housing proximate to John Wayne Airport. In July 2024, the City Council adopted an amendment to the Land Use Element to revise the necessary goals and policies to support housing production in the focus areas identified by the Housing Element. The Noise Element revisions can be found in [Exhibit A of Resolution No. 2023-72](#) and the Land Use Element revisions can be found in [Exhibit A of Resolution 2024-51](#).

Additionally, the City Council adopted the necessary amendments to the Zoning Code required to implement the Housing Element’s Housing Strategy. These amendments included adding Housing Overlays into the Zoning Code (Section [20.28.050](#) of the NBMC). The amendments also added Section [20.48.185 \(Multi-Unit Objective Design Standards\)](#) to the NBMC to provide a minimum baseline design standard for all new multi-unit development.

Table B Summary: Regional Housing Needs Allocation Progress												
Income Level	RHNA	06/30/2021-10/14/2021	Permitted Units Issued by Affordability									Total to Date
			2021	2022	2023	2024	2025	2026	2027	2028	2029	
Very Low	1,456		13	8	11	9	15					56
Low	930		21	14	18	28	18					99
Moderate	1,050	3	1	11	13	19	12					59
Above Moderate	1,409	2	31	7	1	33	64					138
Total RHNA	4,845											
Total Units Produced		5	66	40	43	89	109					352

Table C Summary - Sites Identified or Rezoned to Accommodate Shortfall Housing Need

As noted, the City successfully rezoned all opportunity sites listed in Appendix B of the Housing Element during the Reporting Period with exception of those located in the Coastal Zone. The City's Local Coastal Program Amendment application was deemed filed by the California Coastal Commission's staff in January 2025, and a hearing is expected in March 2026 or soon thereafter. Table C largely reflects the data in the Housing Element's Appendix B.

Table D Summary - Program Implementation Status Pursuant to Government Code Section 65583

Table D provides the status and/or progress of implementing each Housing Element Policy Action for the Reporting Period. The Appendix B to this GP APR includes a detailed status report of each Housing Element Program. Some highlights from 2025 are excerpted below:

Efforts to Assist the Unhoused

The City continues to provide robust assistance to those who are unhoused in the community. For this reporting period, the following was accomplished:

- From the streets and vehicles, the City's homeless outreach and engagement team permanently housed six people, reunited five people with family, and placed four people into skilled nursing facilities.
- The Costa Mesa Bridge Shelter permanently housed six people and reunited three people with family.
- PATH (People Assisting the Homeless) continues to provide outreach and engagement services as a contracted service provider. PATH completed 66 shelter intakes (some duplicate individuals) at the Costa Mesa Bridge Shelter, the County's Yale Navigation Center, the Huntington Beach Navigation Center, the Buena Park Navigation Center, and the Bridges at Kraemer Place in Anaheim. PATH, in coordination with the Newport Beach Police Department (NBPD) and the City's Homeless Services Manager, completed a street census in November 2025. 13 people were surveyed and stated ties to Newport Beach. PATH continues to connect the people to services and resources.
- The outreach and engagement team completed three notable permanent housing placements in 2025. A person had over 80 contacts with the NBPD and City and County staff over six years. In October 2025, the person decided to call his father and reunified with him in another county. An older adult housed in a senior care facility in the State of New York boarded a bus and traveled cross-county to Newport Beach to locate her son. She experienced street-level homelessness

while the team located the senior care facility in New York. After medically clearing her for travel, the team bought a return bus ticket, tracked her progress, and confirmed she returned to her home. An older adult living in a vehicle was stranded for a week before neighbors called the City for assistance. The team convinced him to go to a hospital for treatment and an assessment. The man now resides in a skilled nursing facility.

Significant Residential Development Projects with Affordable Units

Table D1: Summary of Active Housing Projects with Affordable Units 2025

Project Name	Location	Project Description	Affordable Units	Key Dates / Status
Newport Crossings Mixed-Use	1660 Dove Street	350 apartment units	78 low-income units	Approved by Planning Commission Feb 21, 2019; Plan check submitted Nov 17, 2020; Permit-ready
Residences at 4400 Von Karman	4400 Von Karman	Rezoning to mixed-use; 299 market-rate units; 1-acre public park; jogging trail; parking structure	13 very low-income units (1 studio, 9 one-bedroom, 1 two-bedroom)	Development Agreement recorded Jan 23, 2025
Residences at Newport Airport Village	4540, 4570, 4600, 4630 Campus Dr; 4525, 4533, 4647 MacArthur Blvd	444 dwelling units (329 base + 115 density bonus); 202,989 sq. ft. retail/office/airport uses	37 very low-income units	Planning Commission approved Apr 18, 2024 (effective May 3, 2024); Plan check submitted Nov 2025
Newport Village Mixed Use	2000–2244 & 2001–2241 West Coast Hwy	17 condominiums; 181 apartments; ~60,000 sq. ft. commercial; 20% density bonus	9 very low-income units	Application deemed complete 2025; Planning Commission review anticipated 2026
Mixed-Use at 2510 West Coast Highway	2510 West Coast Hwy	35 dwelling units; 35% density bonus (9 units); waivers requested	3 very low-income units	Approved by Planning Commission Feb 18, 2021; City Council July 27, 2021; CCC approved Oct 13, 2021;

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Project Name	Location	Project Description	Affordable Units	Key Dates / Status
				Permits issued Feb 22, 2024; Under construction in 2025
Residences at 1300 Bristol Street	1300 Bristol Street	193 apartment units (50% density bonus); multiple waivers & concessions requested	24 affordable units (12 very low-income; 12 low-income)	Entitlements approved March 2022; In plan check in 2025
Residences at 1400 Bristol Street	1400 Bristol Street	229 apartment units (50% density bonus; 64 units via GPA)	23 very low-income units	Planning Commission Dec 7, 2023; City Council approved Apr 23, 2024; Demo completed 2024; In plan check in 2025
Residences at 1600 Dove Street	1600 Dove Street	282 units (94 density bonus; 49 via GPA)	28 affordable units (anticipated very low-income)	Approved by City Council Sept 9, 2024; Future entitlements pending
Residences at 1401 Quail Street	1401 Quail Street	67 condominium units	8 affordable units (6 very low; 2 low-income)	; City Council approved Apr 9, 2024; Demolition completed in Oct 2025 and under construction
Apartments at 1526 Placentia Avenue	1526 Placentia Ave	11-unit podium apartment (7 base + 4 density bonus)	1 very low-income unit	Submitted July 11, 2023; Zoning Administrator approved Jan 2025; Plan check 2025; Permits anticipated early 2026
MacArthur Court Mixed-Use (HO-1)	4665–4695 MacArthur Ct; 4770 Campus Dr	700 residential units; 10,000 sq. ft. retail; retain 2 office towers & parking garage	Up to 49 affordable units (7% of 700; site TBD)	City Council approved Development Agreement Oct. 2025; Rough grading permit issued Dec. 2025; Plan check submittals anticipated early 2026

Project Name	Location	Project Description	Affordable Units	Key Dates / Status
Mixed Use at 1470 Jamboree Road (HO-4)	1470 Jamboree Road	120 units; 11,600 sq. ft. commercial	9 very low-income; 9 moderate-income units	Applied March 2025; Deemed incomplete April 2025 and subsequently expired
St. Michael's Multi-Family (HO-4)	3233 Pacific View Drive	90-unit senior housing; 90 residential parking; 47 church parking	18 affordable units	Deemed incomplete Oct 2025; Full application in process
12 Corporate Plaza Residences (HO-4)	12 Corporate Plaza	76 dwelling units	12 affordable units (6 very low; 6 moderate)	Deemed incomplete March 2025 and subsequently expired
2332 West Coast Highway Mixed Use (HO-6)	2332 West Coast Hwy	19 apartments (14 base + 5 density bonus); ~2,000 sq. ft. commercial	3 low-income units	Application submitted Sept 30, 2025; Under review (pending CCC approval). Preliminary application in process.
Residences at 120 Newport Center Drive (HO-4)	120 Newport Center Drive	Allocation of future dwelling units; updated residential standards; AHIP	Future affordable units (per AHIP)	Approved by City Council April 2025
Apartments at 1 Park Newport Drive – (HO-4)	1 Park Newport Drive	366 apartments	15 Very Low-Income	Preliminary application deemed complete in Jan. 2025; Regular application anticipated in 2026

Policy Actions 1A-1G: Focus Area Amendments for Housing Implementation

Immediately after the Housing Element’s adoption in September 2022, the City began efforts to implement the housing strategy. This predominantly included analyzing the General Plan Land Use Element for necessary amendments needed for consistency, drafting an overlay zoning text for the various focus areas, and creating objective design

standards. The goal was to rezone the housing opportunity sites appropriately for housing development. The City worked with the General Plan Update Steering Committee and the General Plan Advisory Committee on this effort, held study sessions with the Planning Commission and City Council, and made draft documents available for public review and input to ensure a transparent process that is representative of the community's values.

In July 2024, the City Council adopted a General Plan Amendment to revise the necessary goals and policies within the City's Land Use Element to support housing production in the focus areas identified by the Housing Element. The Land Use Element revised policies and goals can be found in Exhibit A of [Resolution 2024-51](#).

On September 24, 2024, the City Council adopted Zoning Code Amendments to implement the Housing Element by providing the necessary zoning. These amendments included adding a Housing Opportunity (HO) Overlay Zoning District ("Overlay") to the NBMC, Section [20.28.050](#), which provides procedures and development standards for future housing projects. The Overlay provides allowed uses, maximum dwelling unit limits for each subarea, and appropriate development standards such as height, parking, setbacks, and open space requirements. The Overlay also provides a streamlined review process for projects that include a minimum of 20 percent of units reserved for very low- and low-income households, which serves to incentive the provision of affordable housing through certainty and streamlined review.

Properties that are located within the Overlay are identified in the maps codified in Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the NBMC and provided below:

[HO-1 Airport Area Environs Area](#)

[HO-2 West Newport Mesa Area](#)

[HO-3 Dover-Westcliff Area](#)

[HO-4 Newport Center Area](#)

[HO-5 Coyote Canyon Area](#)

[HO-6 Existing 5th Cycle Sites](#)

The Zoning Code Amendment also added Section [20.48.185 \(Multi-Unit Objective Design Standards\)](#) to provide a minimum baseline design standard for all new multi-unit development (See the Section **Policy Action 3A: Objective Design Standards**).

Lastly, the City Council authorized the submittal of a Local Coastal Program Amendment (LCPA) to the California Coastal Commission (CCC) to amend the City's Coastal Land Use Plan and Title 21 (Local Coast Program Implementation Plan) to apply the new Overlay to applicable properties in the coastal zone. The City's LCPA was deemed complete in January 2025 and is tentatively scheduled for a hearing with the CCC in April 2026.

Since adoption of the Housing Overlay and during the Reporting Period, the City took in nine projects on various sites within the identified HO Subareas. Two of these projects

were approved in 2025, with the rest continuing review into 2026. With the increase in housing projects, the City is in progress of identifying process improvements and potential global issues with these projects to improve efficiency and timelines.

Policy Actions 1H, 1I, and 1J Related to Accessory Dwelling Units (ADUs)

In 2025, the City pursued several efforts related to revising its regulations pertaining to accessory dwelling units (ADUs) and incentivizing their development. The City adopted revisions to its ADU Ordinance to comply with SB 477, AB 2533, and SB 1211 which went into effect in 2024 and at the beginning of 2025. Among other things, these bills amended Government Code Section 66310 through 66342 to impose new limits on the City to regulate ADUs and JADUs. A summary of those updates and the bills that were addressed through the code amendment can be found below:

- SB 477 made changes to the numbering of the sections of Government Code for State ADU and JADU Laws.
- AB 2533 made various changes to State ADU Law (Gov. Code, § 66332) regarding unpermitted ADUs, which the City currently implements through its existing SAFE ADU Program. The [City's SAFE ADU program](#) is an initiative designed to help homeowners legalize existing unpermitted ADUs constructed before January 1, 2020. The program helps homeowners address potential code enforcement issues, liability concerns, and safety risks associated with unpermitted units. This bill went into effect on January 1, 2025, and the City's SAFE ADU program has already been updated to comply with the provisions.
- SB 1211 made various changes to State ADU Law (Gov. Code, §§ 66313, 66314, 66323) with regard to replacement parking and special streamlined units referred to as "66323 Units" (described below) on lots with existing or proposed multifamily dwellings. SB 1211 went into effect on January 1, 2025. This bill:
 - Defines "livable space" as a space in a dwelling intended for human habitation, as the term appears in Government Code sections 66313, subdivision (e), and 66323, subdivision (a)(3)(A).
 - Specifies that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced.
 - Authorizes up to eight detached ADUs on a lot with an existing multifamily dwelling (previously limited to two), provided that the number of ADUs does not exceed the number of existing units on the lot.

- Prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a).
- SB 1211 also established “66323 Units” under Government Code Section 66323 and clarifies four categories of ADUs (and JADUs) that must be approved ministerially and are not subject to standards set forth in Government Code Sections 66314 through 66322 or the NBMC (i.e. “66323 Units”). These 66323 Units do not have to comply with the City’s objective development and design standards, such as height, setbacks, and size limits. These ADUs must still comply with building code and health and safety requirements.
- Subsequent to the City Council adopting a revised ADU ordinance to comply with the bills outlined above, the City Council authorized city staff to submit a Local Coastal Program Amendment to its implementation plan to ensure that the revisions made to the city zoning code (Title 20) are also reflected in the coastal zone through the implementation plan (Title 21) and that it conforms with State Law Updates. City staff submitted a Local Coastal Program Amendment at the end of 2025 to the California Coastal Commission. The application is currently under review and City staff anticipates that the amendment will be approved by the California Coastal Commission before the end of 2026.
- In addition to the items mentioned above, city staff are preparing new code updates to comply with State Law that was signed into Law in 2025 and went into effect in 2026 (SB477, AB435, AB2533, and SB1211). City staff anticipate processing these code amendments in 2026 and sharing the updates with the CCC to ensure that the ADU regulations in the coastal zone are consistent with State Law.
- *Website Enhancements:* In Spring of 2023, the Community Development Department launched a comprehensive update to the Newport Beach ADU webpage. The webpage is intended to supplement the City’s outreach and foster interest in constructing ADUs. The website continues to include a downloadable guidebook, interactive activities and exercises to help homeowners plan their ADU, an online calculator to estimate costs, and standard plans. The website also includes resources to help the homeowner understand the different types of ADUs by providing links to development standards and processes. External resources are available for potential finance and grant opportunities for homeowners. Users can look up their property attributes including zoning and approximate lot size. An interactive mapping application is also included for residents to see the ADUs that are being constructed in their neighborhoods. The website is updated on a regular basis. For example in 2025, updates were made regarding the revisions to the ADU code to ensure that the website provides members of the public with the most accurate information consistent with state law. City staff is currently working on

updates to the ADU standard plans to reflect the recent building code cycle update. Those plans are anticipated to be available on the website in spring of 2026. The Newport Beach ADU website can be found at <https://www.newportbeachca.gov/adu>.

In 2025, 61 ADUs were submitted for review. There were 38 ADUs that received building permits, including two Safe ADUs, and contributed towards RHNA; and ten that received final inspections including 1 Safe ADU.

Policy Action 3A: Objective Design Standards

As previously stated, the Zoning Code Amendment that approved the Housing Overlays also added Section [20.48.185 \(Multi-Unit Objective Design Standards\)](#) to provide a minimum baseline designed standard for all new multi-unit development. The objective design standards are intended to result in quality design of multi-unit residential and mixed-use development. Review under the standards supports development that builds on context, contributes to the public realm, and provides high quality and resilient buildings and public spaces. These standards shall be applied uniformly and without discretion to enhance the built environment for both affordable and market-rate multi-unit residential development. The standards would apply to housing throughout the City that consists of density of 20 dwelling units per acre or greater. Furthermore, the City prepared a [Checklist](#) for applicants to help streamline review of the objective design standards. In 2025, two Housing Overlay projects were approved with the Objective Design standards. Additionally, seven Housing Overlay projects were in a preliminary or applied status by the end of 2025. Four of the seven include affordable units.

Policy Action 6B: Repair Loans and Grant Programs for Seniors, Persons with Physical and Developmental Disabilities and Lower-Income Households

The City's Senior Housing Assistance Repair Program (SHARP) continues to successfully assist low-income seniors. In 2025, Habitat for Humanity and OASIS staff worked on two new projects and expended a total of \$51,126.80. The projects involved demolition and replacement of the roof, porch, and steps, as well as exterior/foundation repairs. To date, the program has used \$527,349.76 on a total of 22 projects.

Table E Summary – Commercial Development Bonus Approved Pursuant to Government Code Section 65915.7

This table does not apply for this Reporting Period because the City did not approve any commercial development bonus in exchange for the development of affordable housing during the Reporting Period. Pursuant to State Density Bonus Law, a commercial developer may be eligible for an increase in floor area, height, or other development standard exception if they partner with an affordable housing developer to provide affordable housing units.

Table F Summary – Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites Pursuant to Government Code Section 65583.1(c)(2)

This table does not apply for this Reporting Period because the City did not approve any eligible projects.

Table F2 Summary – Above Moderate Income Units Converted to Moderate Income Pursuant to Government Code Section 65400.2

This table does not apply for this Reporting Period because the City did not approve any eligible projects.

Table G Summary – Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of pursuant to Government Code Section 54230

This table does not apply for this Reporting Period because the City did not have any relevant transactions.

Table H Summary – Locally Owned or Controlled Lands Declared Surplus Pursuant to Government Code section 54221, or Identified as Excess Pursuant to Government Code Section 50569

Effective August 22, 2024, the City entered into an Exclusive Negotiating Agreement (ENA) which establishes a period of time during which the City will cooperate with a selected developer to refine the scope and terms of a lease agreement for a proposed project to redevelop a portion of the City-owned property located at 829 Harbor Island Drive, Newport Beach [APN 050-210-02]. The anticipated lease premises contains approximately 17,500 square feet of land and was therefore declared “exempt surplus land” by the City Council of the City of Newport Beach at its regular meeting on July 23, 2024, in compliance with SS 54221(b)(4) of the California Surplus Land Act (Government Code SS54222). The City is still within the term of the ENA but no actions were taken in 2025.

Table J Summary – Student Housing Development for Lower Income Students for which was Granted a Density Bonus Pursuant to Subparagraph (F) of Paragraph (1) of Subdivision (b) of Section 65915

This table does not apply for this Reporting Period because the City did not approve any eligible projects.

Table K Summary - Local governments are required to inform HCD about any local tenant preference ordinance the local government maintains when the jurisdiction submits their annual progress report on housing approvals and production, per Government Code 7061 (SB 649, 2022, Cortese). Effective January 1, 2023, local governments adopting a tenant preference are required to create a webpage on

their internet website containing authorizing local ordinance and supporting materials, no more than 90 days after the ordinance becomes operational.

This table does not apply for this Reporting Period because the City does not have a local tenant preference.

Table L Summary – Historical Resources Any sites within jurisdiction that were newly added to a National, State, or local register of historic places with the reporting year.

This table does not apply for this Reporting Period because the City did not have any sites that were newly added to historic registries.

5. General Plan Compliance with LCI’s General Plan Guidelines

Newport Beach General Plan Implementation Program 1.3 provides that the GP APR must specify the degree to which the General Plan complies with the General Plan Guidelines published by LCI and the date of its last revision. The Newport Beach General Plan was last comprehensively updated in 2006. It has since been amended 65 times, including three major Housing Element updates (2007, 2014, and 2022). The LCI published General Plan Guidelines pursuant to Government Code Section 65040.2 in 2017 to reflect more recent changes to Government Code Section 65302.

In February 2019, the City Council initiated a comprehensive review and update of the General Plan with the goal to bring it up to date with the requirements of Government Code Section 65302 consistent with the City’s changing vision to be identified through a robust public outreach process. In January 2020, after the release of the draft Regional Housing Needs Assessment (RHNA) allocations, the City pivoted its efforts away from a comprehensive update to focus on the Circulation Element and Housing Element. This re-focus was necessary to ensure the City was able to meet the statutory deadline for Housing Element Update adoption.

On September 13, 2022, the City Council re-adopted the 6th Cycle Housing Element. On October 5, 2022, the State Department of Housing and Community Development (HCD) determined the re-adopted Housing Element is statutorily compliant, including programs that affirmatively further fair housing. On October 25, 2022, the City Council also adopted an update to the Circulation Element mostly to refresh policy language for compliance with state law. This included addressing vehicle miles traveled (VMT) and complete streets.

Thereafter, the City began working with the community (1) to implement the Housing Element’s plan, and (2) to consider updates to the balance of the General Plan. In July of 2023, the City entered into an agreement with Dudek for consulting services on the comprehensive General Plan Update.

The August 2024 [General Plan Update Technical Diagnostic Memo](#), prepared by Dudek, analyzes the General Plan against State and Federal requirements. While it largely complies, several required elements need updating. Two primary shortcomings are as follows:

- The Safety Element does not fully address Climate Change as required by Government Code Section 65302(g). The City will update the Safety Element as part of the comprehensive update to address Climate Change in concert with an update to the City's Local Hazard Mitigation Plan.
- The General Plan currently does not address Environmental Justice as specified by Government Code Section 65302(h). Including Environmental Justice policies or adding a new separate element is not required until the City revises two or more elements of the General Plan. Environmental Justice policy considerations will be included in the updated elements, as appropriate.

The City is currently undertaking a comprehensive General Plan update discussed more below in Section 6 of this report.

6. Established Priorities for Land Use Decision-Making for 2025

In 2025, priorities on amendments and policies included the following and the status of each can be found in the referenced Implementation Programs in Appendix A:

Update and Revision to the General Plan to Reflect Changing Conditions and Visions (General Plan Implementation Program 1.2)

The General Plan was comprehensively updated in 2006. Staff reviews the General Plan on an ongoing basis to ensure it is maintained to reflect current conditions, issues, and visions.

As introduced in Section 5, the City embarked on a comprehensive update of the General Plan in 2019 but pivoted in 2020 to focus on preparing the Housing Element update, as well as an update to the Circulation Element.

The City continued to focus its efforts, which ultimately led to City Council's initial adoption of the Housing Element on February 8, 2022. After several reviews and revisions with HCD, the City Council re-adopted a refreshed Housing Element on September 13, 2022. The update is a comprehensive statement of the City's housing policies and serves as a guide for the implementation of these policies. As required by state law, the update examines current housing needs, estimates future housing needs, and establishes goals, policies, and programs pertaining to those needs while demonstrating capacity to accommodate the Regional Housing Needs Assessment (RHNA) allocation of 4,845 new

housing units. Housing programs are responsive to current and future needs and established within the context of available community, state, and federal economic and social resources, realistic quantified housing objectives, and affirmatively furthering fair housing (AFFH). On October 5, 2022, HCD determined the Housing Element is in full statutory compliance.

On October 25, 2022, the City Council adopted an updated Circulation Element that included several refreshed policies that are compliant with state law. For example, the updated Circulation Element contains policies related to complete streets and vehicle miles traveled. The policies were reviewed by the community through extensive outreach and remain consistent with the community's vision.

Simultaneous with the efforts to update the Housing Element and Circulation Element, the General Plan Update Steering Committee (GPUSC) began meeting in July 2022 to restart the comprehensive update efforts. In November 2022, the City Council appointed a 30-member General Plan Advisory Committee (GPAC) to help represent the community and guide potential policy changes.

In July 2023, the City contracted with Dudek to provide consulting services on the comprehensive General Plan Update. "Phase One" outreach for the comprehensive update to the General Plan was conducted from March 2024 to June 2024. The Phase One Outreach Summary was published July 2024 and is available on the City's project website [here](#). "Phase Two" outreach was conducted from October 5, 2024, to January 5, 2025. The Phase Two Outreach Summary was published in March 2025 and is available [here](#).

Starting in August 2025, several [Draft General Plan Elements](#) were published online for review. "Phase Three" included an in-person General Plan Review Open House on October 21, 2025, and a complementary virtual Open House on October 22, 2025. The presentation made virtually is available online [here](#), and provides an overview of the hundreds of responses from Newport Beach residents and community members, collaboration with the GPAC, background analysis from Phases One and Two, and how this informed the draft elements for the 2050 General Plan. Comments on these drafts were accepted through November 17, 2025.

Information regarding the General Plan update efforts to date, including the initiation, evaluation, and overall process, draft elements, etc. can be found on the City's website and at [Newport, Together](#).

This effort has been conducted on a parallel track alongside the City's Housing Element implementation. In November 2023, the City Council adopted an amendment to the Noise Element to adjust the policy framework surrounding housing proximate to John Wayne Airport. In July 2024, the City Council adopted an amendment to the Land Use Element to revise the necessary goals and policies to support housing production in the focus areas identified by the Housing Element. The Noise Element revisions can be found in [Exhibit A of Resolution No. 2023-72](#) and the Land Use Element revisions can be found in [Exhibit A of Resolution 2024-51](#).

On September 24, 2024, the City Council adopted Zoning Code Amendments to implement the 6th Cycle of the Housing Element by providing the necessary zoning. These amendments included adding a Housing Opportunity (HO) Overlay Zoning District (“Overlay”) to the NBMC, Section [20.28.050](#), which provides procedures and development standards for future housing projects. The Overlay provides allowed uses, maximum dwelling unit limits for each subarea, and appropriate development standards such as height, parking, setbacks, and open space requirements. The Overlay also provides a streamlined review process for projects that include a minimum of 20 percent of units reserved for very low- and low-income residents, which serves to incentive the provision of affordable housing by providing certainty and streamlined review. See previous Section ***Policy Actions 1A-1G: Focus Area Amendments for Housing Implementation*** for additional details.

Lastly, the City Council authorized the submittal of a Local Coastal Program Amendment to the California Coastal Commission (CCC) to amend the City’s Coastal Land Use Plan (and Title 21 [Local Coast Program Implementation Plan]) to apply the new housing opportunities from the 6th Cycle Housing Element to applicable properties in the coastal zone. The City filed the amendment application on August 16, 2024, with the CCC, and received a letter from CCC staff on January 7, 2025, confirming the City’s application is complete and pending a hearing date. The application was deemed complete in January 2025 and is tentatively scheduled for a hearing with the CCC in March 2026 or soon thereafter.

Title 17 (Harbor Code) Update (Implementation Program 8.1)

The City includes 48 miles of water frontage with the majority of this land abutting the harbor and bay. The management and updates of state of the art practices and technologies to keep the cohesion of land and water uses running smoothly is an important piece to General Plan Implementation. *Safety of Harbor Uses:*

- Using funds from the CA State Vessel Turn In Program (VTIP) and Surrendered or Abandoned Vessels (SAVE) grant programs, 20+ unwanted, abandoned, unsafe, and unsightly vessels were removed from Newport Harbor. In addition, the City successfully applied for and was granted \$100K in the newest SAVE cycle.
- A vessel entered the harbor in a dilapidated condition. The vessel continued to deteriorate, became disabled, and began taking on water. The vessel was at serious risk of sinking and creating a significant environmental hazard given its condition and the presence of several forms of hazardous materials onboard. The vessel was impounded and was declared “marine debris,” hastening its removal, destruction and the elimination of any threat to human or marine life health. The former occupant of the boat is now housed in a local motel while he waits for a bed in a local shelter.

- The Southern California Unified Marine Working Group continued to convene, led by the Harbor Department. The group includes representatives from 20+ harbors in Southern California as well as representatives from CA Division of Boating and Waterways and the CA Department of Fish and Wildlife.
- Code Enforcement efforts continued to be a significant focus in the calendar year 2025, and specifically focused on the following: noise and other nuisance conditions during night and early morning hours; navigation, lighting enforcement, and dye-tabling of visiting vessels, live-aboard permittees, and mooring sub-permittees - multiple berthing situations that present potentially unsafe conditions.
- Continued monitoring, testing, and repair when necessary, of the vessel sanitation system pump-out equipment at the five City-owned pump-out facilities and Marina Park.
- Conducted safety and water quality training drills independently as well as in collaboration with the California National Guard Marine Command, US Coast Guard and the CA Department of Fish and Wildlife Office of Spill Response.

Regulation and transfer of mooring permit applications and titles:

- The new Mooring License program continues to be popular and maintains full utilization for when there is turnover between tenants. All 17 moorings in the program are licensed and there is a waiting list of more than 80 people.
- The application for a pilot project to reorganize and optimize the utilization of the C-Mooring Field was denied by the California Coastal Commission.
- The CA State Lands Commission has issued a draft letter offering guidance to the City on how to improve its management of the tidelands in trust. The Commission has expressed concern over the process related to transferability, equity between mooring permittees and residential dock permittees, the presence of live-aboard permits, and the methods by which rates for mooring permittees and residential pier permits are quantified.
- More than 75 mooring permits were transferred in calendar year 2025. The transfer price paid as reported on the transfer forms adds up to \$1,247,400. Of the 75 transfers processed, 38 were reported at \$0 because the transfer was between family members or only involved adjusting the second permittee. Across the transfers where a transfer price was paid and reported, the average price per lineal foot paid was \$923.32.

Title 20 (Zoning Code) Update Related to State Mandates (Implementation Program 8.2)

The City continues to closely monitor changes in state legislation and strives to keep the Newport Beach Municipal Code up to date. The following are three highlights that help substantiate this.

- In November 2024, as discussed in detail in the previous section, the City Council adopted Zoning Code Amendments required for implementation of the Housing Element. These amendments included adding Housing Overlays into the Zoning Code and objective design standards to provide a baseline standard for all new multi-unit development. See the previous section for more details. In 2025, two housing projects were approved under the new Housing Overlays and both included the objective design standards. Eight housing projects within Housing Overlays were in various stages of preliminary applications at the end of 2025.
- In 2025, the City adopted revisions to its ADU Ordinance to comply with SB 477, AB 2533, and SB 1211 which had previously gone into effect in 2024 and at the beginning of 2025. Among other things, these bills amended Government Code Section 66310 through 66342 to impose new limits on the City to regulate ADUs and JADUs. In December 2025, the City submitted an LCP Amendment No. LCP-5-NPM-25-0077-1 for the ADU updates approved by City Council implementing SB 477, AB 2533, and SB 1211. A summary of these updates are provided under the ADU section of this report. City staff also began preparations for a new code amendment related to State Law updates that were signed into Law in 2025 and went into effect in 2026 (SB477, AB435, AB2533, and SB1211). City staff anticipate processing these code amendments in 2026 and sharing the updates with the CCC to ensure the ADU regulations in the coastal zone are consistent with State Law.
- Lastly, the City continued the comprehensive land use and mobility study (Study) to consider ways to enhance and improve the Corona del Mar (CdM) commercial corridor with the following actions:
 - In August 2025, City staff held a successful community open house to share draft goals and actions for the Study and obtain feedback from the residents, business owners, and property owners.
 - In October 2025, City staff held a community update meeting to share the Study recommendations that were revised based on the feedback from the open house. A draft of the Corridor Atlas was shared.
 - In November 2025, the City Council held a study session for staff to present the Study's results and recommendations related to updating land uses, parking solutions, safety and mobility improvements, and corridor identity. The changes were well received and City Council directed staff to proceed with all of the recommendations from the Study. Initiation of the related General Plan, Local Coastal Program, and NBMC were scheduled for early 2026.

- All open house, community meeting, and study session materials along with updates are provided on the [Corona Del Mar Commercial Corridor Study website](#).

Title 20 (Zoning Code) and Title 21 (Local Coastal Program Implementation Plan) Update Related to Accessory Dwelling Units (Implementation Program 8.2)

Refer to the discussion on page 16 of this report regarding efforts related to revising the City's regulations pertaining to accessory dwelling units.

Maintaining Up-to-Date Comprehensive Database (Implementation Program 10.1)

The City's Geographical Information System (GIS) data is updated regularly to provide up-to-date, parcel-specific information including specific lot information, planning (zoning, land entitlements, building, code enforcement, environmental layers, general information [contours, assessor, easement, etc.]), general services, harbor, hazards including flood and seismic, fire, police, public works, parking, street and utilities. New layers are added whenever necessary and appropriate. For example, in 2025 the City added a layer to identify the new Housing Opportunity Overlay properties.

Maintaining Development Tracking and Monitoring Program (Implementation Program 10.2)

The City continues to fine-tune a parcel-specific database that accounts for all existing development. The database includes statistics for non-residential floor area and residential dwelling units. The database is used for site-specific information or compiled to provide information by any geography needed, from a single lot to a neighborhood, statistical area, or citywide. The land use data is available by Statistical Area as directed by the General Plan. The data was used to update the land use inputs of the Newport Beach Traffic Analysis Model (NBTAM) consistent with the Orange County Transportation Analysis Model (OCTAM).

As required by Section 423 of the City Charter, the Planning Division tracks increases in development limits approved by General Plan amendments (GPA) for a period of 10 years. If a proposed amendment exceeds the established thresholds of 40,000 square feet of non-residential development, 100 dwelling units, 100 AM peak hour traffic trips or 100 PM peak hour traffic trips on its own or, when combined with 80% of previously approved General Plan amendment(s) located in the same Statistical Area, the amendment is considered a "major amendment." Approval or denial of a "major amendment" is determined by a vote of the electorate. The GPA/Charter Section 423 tracking tables are available for public review at the General Plan information page on Newport Beach's Community Development Department's Planning Division website at <https://www.newportbeachca.gov/chartersection423>.

Staff continues to update the database of all transfers of development rights in each statistical area, as they occur. Land Use Element policies LU4.3 (Transfer of

Development Rights), LU 4.7 (Redevelopment and Transfer of Development Rights), and LU6.14.3 (Transfers of Development Rights – Newport Center) allow development rights and intensity (e.g. square footage) to be transferred in certain circumstances without an amendment to the General Plan. The policies are primarily implemented by Chapter 20.46 (Transfer of Development Rights) of the Newport Beach Municipal Code and the North Newport Center Planned Community Development Plan.

The transfer of development tables are located at the following webpage: <https://www.newportbeachca.gov/developmenttransfertables>.

APPENDIX A. General Plan Implementation Program Status

Programs		Status
1.1	Ensure that Private Development and Capital Improvements are Consistent with the General Plan	<p>Ongoing</p> <ol style="list-style-type: none"> 1. All private development projects require consistency with the General Plan. Consistency is ensured through the application of zoning requirements. Discretionary applications require the adoption of a finding that the project is consistent with the General Plan based upon facts. 2. In June 2025, the City Council confirmed that the Fiscal Year 2025-26 Capital Improvement Program (CIP) was consistent with the General Plan when it approved the CIP with the adoption of the budget. <p>For reference, in November 2012 the residents approved Measure EE, a City Charter amendment. Section 707 of the City’s Charter was amended eliminating the need for the Planning Commission to recommend any proposed Public Works items to the City Council.</p>
1.2	Update and Revise the General Plan to Reflect Changing Conditions and Visions	<p>Ongoing</p> <p>The General Plan was last comprehensively updated in 2006. Staff reviews the General Plan on an ongoing basis to ensure it is maintained to reflect current conditions, issues, and visions. The City embarked on a comprehensive update of the General Plan in 2019 but pivoted in 2020 to focus on preparing the 6th Cycle Housing Element update, as well as an update to the Circulation Element.</p> <p>The City continued to focus its efforts, which ultimately led to City Council’s initial adoption of the Housing Element on February 8, 2022. After several reviews and revisions with HCD, the City Council re-adopted a refreshed Housing Element on September 13, 2022. The update is a comprehensive statement of the City’s housing policies and serves as a guide for the implementation of these policies. As required by state law, the update examines current housing needs, estimates future housing needs, and establishes goals, policies, and programs pertaining to those needs while demonstrating capacity to accommodate the Regional Housing Needs Assessment (RHNA) allocation of 4,845 new housing units. Housing programs are responsive to current and future needs and established within the context of available community, state, and federal economic and social resources, realistic quantified housing objectives, and affirmatively furthering fair housing (AFFH). On October 5, 2022, HCD determined the Housing Element is in full statutory compliance.</p>

Programs		Status
		<p>On October 25, 2022, the City Council adopted an updated Circulation Element that included several refreshed policies that are compliant with state law. For example, the updated Circulation Element contains policies related to complete streets and vehicle miles traveled or “VMT.” The policies were reviewed by the community through extensive outreach and remain consistent with the community’s vision.</p> <p>Simultaneous with the efforts to update the Housing Element and Circulation Element, a new General Plan Update Steering Committee (GPUSC) was appointed by City Council and began meeting in July 2022 to restart the comprehensive update efforts. Shortly thereafter, the City Council established and appointed a 30-member General Plan Advisory Committee (GPAC) to represent the community and provide advisory guidance on how the General Plan should be refreshed and updated.</p> <p>In July 2023, the City contracted with Dudek to provide consulting services on the comprehensive General Plan Update. “Phase One” outreach for the comprehensive update to the General Plan was conducted from March 2024 to June 2024. The Phase One Outreach Summary was published July 2024 and is available on the City’s project website here. “Phase Two” outreach was conducted from October 5, 2024, to January 5, 2025. The Phase Two Outreach Summary was published in March 2025 and is available here.</p> <p>Starting in August 2025, several Draft General Plan Elements were published online for review. “Phase Three” included an in-person General Plan Review Open House on October 21, 2025, and a complementary virtual Open House on October 22, 2025. The presentation made virtually is available online here, and provides an overview of the hundreds of responses from Newport Beach residents and community members, collaboration with the GPAC, background analysis from Phases One and Two, and how this informed the draft elements for the 2050 General Plan. Comments on these drafts were accepted through November 17, 2025.</p> <p>Information regarding the General Plan update efforts to date, including the initiation, evaluation, and overall process, draft elements, etc. can be found on the City’s website and at Newport, Together.</p>
1.3	<p>Prepare Annual General Plan Progress and Housing Element Implementation Reports</p>	<p>Ongoing – 2024 report completed and submitted; 2025 report pending</p> <p>The Annual Report for 2024 was reviewed by the City Council and submitted to the Governors Office of Land use and Climate Innovation (LCI) formerly the Office of Planning and Research (OPR) and State of California Department of Housing and Community Development (HCD) in April 2025. Implementation Program 1.3 also states that that the report must specify the degree to which the General Plan complies with the General Plan Guidelines published by LCI and the date of its last revision. The Newport Beach General Plan was last comprehensively updated in 2006. It has since been amended 65times, including three major Housing Element updates (2007, 2014,</p>

Programs		Status
		<p>and 2022). The LCI published General Plan Guidelines pursuant to Government Code Section 65040.2 in 2017 to reflect more recent changes to Government Code Section 65302. In February 2019, the City Council initiated a comprehensive review and update of the General Plan with the goal to bring it up to date with the requirements of Government Code Section 65302 consistent with the City’s changing vision to be identified through a robust public outreach process. In January 2020, after the release of the draft Regional Housing Needs Assessment (RHNA) allocations, the City pivoted its efforts away from a comprehensive update to focus on the Circulation Element and Housing Element. On October 5, 2022, HCD determined the Housing Element is in full statutory compliance. On October 25, 2022, the City Council adopted an updated Circulation Element that included several refreshed policies that are compliant with state law. See Program 1.2 for update.</p>
<p>2.1</p>	<p>Amend the Zoning Code for Consistency with the General Plan</p>	<p>Ongoing</p> <p>A Comprehensive Zoning Code Update, consistent with the 2006 General Plan, was adopted by City Council in October 2010. In July 2024, the City Council adopted a General Plan Amendment to revise the necessary goals and policies within the City’s Land Use Element to support housing production in the focus areas identified by the 6th Cycle Housing Element. The Land Use Element revised policies and goals can be found in the Resolution 2024-51 in Exhibit A.</p> <p>On September 24, 2024, the City Council adopted Zoning Code Amendments to implement the Housing Element by providing the necessary zoning. These amendments included adding a Housing Opportunity (HO) Overlay Zoning District (Overlay) to the NBMC , Section 20.28.050, which provides procedures and development standards for future housing projects. The Overlay provides allowed uses, maximum dwelling unit limits for each subarea, and appropriate development standards such as height, parking, setbacks, and open space requirements. The Overlay also provides a streamlined review process for projects that include a minimum of 20 percent of units reserved for very-low- and low-income residents, which serves to incentive the provision of affordable housing.</p> <p>Properties that are located within the Overlay are identified in the maps codified in Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the NBMC and provided below:</p> <p>HO-1 Airport Area Environs Area HO-2 West Newport Mesa Area HO-3 Dover-Westcliff Area HO-4 Newport Center Area HO-5 Coyote Canyon Area HO-6 Existing 5th Cycle Sites</p>

Programs		Status
		<p>The Zoning Code Amendment that approved the Housing Overlays also added Section 20.48.185 (Multi-Unit Objective Design Standards) to the NBMC, to provide a baseline set of objective standards that would apply to all new multi-unit development consisting of at least 20 dwelling units per acre. Furthermore, the City prepared a Checklist for applicants to help streamline review of the objective design standards. In 2025, two Housing Overlay projects were approved with the Objective Design standards. Additionally, seven Housing Overlay projects were in a preliminary or applied status by the end of 2025.</p> <p>After the City completes its comprehensive update to the General Plan, the Zoning Code will be updated to ensure any inconsistencies between the updated General Plan and the Zoning Code are resolved.</p>
3.1	Preparation of New Specific Plans	<p>Pending in 2026</p> <p>Within the Airport Area, Uptown Newport and Koll Center elected to meet their “regulatory plan” requirements (General Plan Policy LU 6.15.10) through a Planned Community Development Plan as allowed pursuant to Implementation Program 4.1.</p> <p>In furtherance of Housing Element Policy Actions 1A (Airport Environs Sub Area), 4E (Airport Area Policy Exceptions for Affordable Housing), and 4J (Airport Environs Sub Area Environmental Constraints) the City initiated the preparation of a Specific Plan for the Airport Area in 2025. In May 2025, the City released a request for proposals for consulting services to prepare the specific plan. After completing the evaluation, the City selected Kimley-Horn and Associates as the consultant most qualified to perform the services and scheduled the contract for approval by the City Council in early 2026. The City anticipates completion of the Specific Plan by early 2028.</p> <p>Lastly, while not a specific plan, the City continued the comprehensive land use and mobility study (Study) to consider ways to enhance and improve the Corona del Mar (CdM) commercial corridor with the following actions:</p> <ul style="list-style-type: none"> • In August 2025, City staff held a successful community open house to share draft goals and actions for the Study and obtain feedback from the residents, business owners, and property owners. • In October 2025, City staff held a community update meeting to share the Study recommendations that were revised based on the feedback from the open house. A draft of the Corridor Atlas was shared. • In November 2025, the City Council held a study session for staff to present the Study’s results and recommendations related to updating land uses, parking solutions, safety and mobility improvements, and corridor identity. The changes were well received and City Council directed staff to proceed with all of the Recommendations from the Study. Initiation of the related General Plan, Local Coastal Program, and NBMC were scheduled for early 2026.

Programs		Status
		<ul style="list-style-type: none"> All open house, community meeting, and study session materials along with updates are provided on the Corona Del Mar Commercial Corridor Study webpage.
4.1	New “Planned Community” Development Plans	<p>Ongoing</p> <p>The City will promote the establishment of planned community development plans when it is appropriate to do so for future development that is consistent with the General Plan.</p>
5.1	Review and Revise Coastal Land Use Plan for Consistency with the General Plan	<p>Ongoing</p> <p>The Coastal Land Use Plan (CLUP) was amended to be consistent with the 2006 General Plan in 2009. When the City approves an amendment of the General Plan that affects property in the Coastal Zone, the City prepares necessary amendments to the CLUP. The General Plan amendment is held in abeyance until the corresponding CLUP amendment is certified by the California Coastal Commission (CCC) and accepted by the City Council.</p> <p>On August 16, 2024, the City Council authorized the submittal of a Local Coastal Program Amendment to the California Coastal Commission (CCC) to amend the City’s Coastal Land Use Plan and Title 21 (Local Coast Program Implementation Plan) to apply the new Housing Opportunity (HO) Overlay to applicable properties in the coastal zone. The City’s application for the amendment was deemed complete in January 2025 and is currently under review by the CCC. A hearing is anticipated March 2026 or soon thereafter.</p>
6.1	Review the Subdivision Ordinance for Consistency with the General Plan	<p>Complete</p> <p>The Subdivision Code was reviewed and updated in 2009 and 2010 consistent with this program.</p>
7.1	Review Building and Construction Code for Consistency with General Plan	<p>Ongoing</p> <p>The City adopted, with some local amendments, the 2025 edition of the building codes in late 2025. The adopted 2025 code became effective January 1, 2026. The next updates will be in 2028 and effective in 2029.</p>

Programs		Status
7.2	Revise Fair Share Traffic Contribution Ordinance	<p><i>Partially Complete and Ongoing</i></p> <p>The City continues to adjust the fee annually for changes in the Consumer Price Index (CPI), but will explore opportunities to revise the ordinance, as deemed necessary.</p>
7.3	Review and Update Transportation Demand Ordinance	<p><i>Complete</i></p> <p>The Transportation Demand Management Ordinance was reviewed and updated as a part of the comprehensive Zoning Code Update in 2010 (see Chapter 20.44 [Transportation Demand Management Requirements] of the Zoning Code).</p>
8.1	Review Codes and Ordinances for Consistency with the General Plan and Update Periodically	<p><i>Complete and Ongoing</i></p> <p>Codes and Ordinances are revised for consistency with the General Plan on an as-needed basis. The Zoning Code was comprehensively updated in 2010, and Subdivision Code was updated in 2009 and 2010 for consistency with the General Plan. The following are specifically recommended (sections from the Implementation Measure are italicized):</p> <p><i>A) Requirements for live-aboard vessels pertaining to the integrity, quality, and safety of Harbor uses, environmental protection, and impacts on the public, waterfront owners/lessees, and adjoining properties;</i></p> <ul style="list-style-type: none"> • Using funds from the CA State Vessel Turn In Program (VTIP) and Surrendered or Abandoned Vessels (SAVE) grant programs, 20+ unwanted, abandoned, unsafe, and unsightly vessels were removed from Newport Harbor. In addition, the City successfully applied for and was granted \$100K in the newest SAVE cycle. • A vessel entered the harbor in a dilapidated condition. The vessel continued to deteriorate, became disabled, and began taking on water. The vessel was at serious risk of sinking and creating a significant environmental hazard given its condition and the presence of several forms of hazardous materials onboard. The vessel was impounded and was declared “marine debris,” hastening its removal, destruction and the elimination of any threat to human or marine life health. The former occupant of the boat is now housed in a local motel while he waits for a bed in a local shelter. • The Southern California Unified Marine Working Group continued to convene, led by the Harbor Department. The group includes representatives from 20+ harbors in Southern California as well as representatives from CA Division of Boating and Waterways and the CA Department of Fish and Wildlife. • Code enforcement efforts continued to be a significant focus in the calendar year 2025, and specifically focused on the following: noise and other nuisance conditions during night and early morning hours;

Programs	Status
	<p>navigation, lighting enforcement, and dye-tabling of visiting vessels, live-aboard permittees, and mooring sub-permittees - multiple berthing situations that present potentially unsafe conditions.</p> <ul style="list-style-type: none"> • Continued monitoring, testing, and repair when necessary, of the vessel sanitation system pump-out equipment at the five City-owned pump-out facilities and Marina Park. • Conducted safety and water quality training drills independently as well as in collaboration with the California National Guard Marine Command, US Coast Guard and the CA Department of Fish and Wildlife Office of Spill Response. <p>B) <i>Regulation and transfer of mooring permit applications and titles</i> – Managed by the City’s Harbormaster’s Office on an ongoing basis.</p> <ul style="list-style-type: none"> • The new Mooring License program continues to be popular and maintains full utilization for when there is turnover between tenants. All 17 moorings in the program are licensed and there is a waiting list of more than 80 people. • The application for a pilot project to reorganize and optimize the utilization of the C-Mooring Field was denied by the California Coastal Commission. • The CA State Lands Commission has issued a draft letter offering guidance to the City on how to improve its management of the tidelands in trust. The Commission has expressed concern over the process related to transferability, equity between mooring permittees and residential dock permittees, the presence of live-aboard permits, and the methods by which rates for mooring permittees and residential pier permits are quantified. • More than 75 mooring permits were transferred in calendar year 2025. The transfer price paid as reported on the transfer forms adds up to \$1,247,400. Of the 75 transfers processed, 38 were reported at \$0 because the transfer was between family members or only involved adjusting the second permittee. Across the transfers where a transfer price was paid and reported, the average price per lineal foot paid was \$923.32. <p>C) <i>Standards for the design and siting of bulkheads, pier, and similar structures to address their potential visual impacts</i> – Current City Council approved Harbor Standards state that the bulkhead height is required to be 10 feet Mean Lower Low Water (MLLW). On March 23, 2021, the City Council approved updated Waterfront Project Design Guidelines and Standards, Harbor Design Criteria Commercial & Residential Facilities. The guidelines require that any structure permitted within the years 2021 through 2025 must have a minimum bulkhead elevation of 10.9 feet (NAVD 88) with a design for adaptability elevation of 14.4 feet (NAVD 88).</p> <p>D) <i>Standards and policies specified by the Noise Element to protect sensitive noise receptors, residents and businesses from unwanted noise impacts from traffic, JWA operations, construction activities, truck deliveries,</i></p>

Programs		Status
		<p><i>special events, charter and entertainment boats, and similar sources</i> – Reviewed and implemented on an ongoing basis through project review consistent with the Airport Land Use Environs Plan (AELUP), by Code Enforcement, Harbormaster’s Office, and building inspectors. In 2023, the City adopted amendments to the Zoning Code and General Plan related to noise in the airport area, which were necessary to implement the 6th Cycle Housing Element. The amendments included adding regulations to Section 20.30.080 (Noise) of the NBMC that would serve to protect sensitive noise receptors from potential airport noise.</p>
8.2	Prepare New Codes, Ordinances, and Guidelines	<p>Ongoing</p> <p>The comprehensive Zoning Code update was adopted in November 2010, by the City Council. The following are specifically recommended (sections from the Implementation Measure are italicized):</p> <p>A) A <i>“commercial-residential” interface ordinance that regulates use, activity, and design of commercial properties located on shallow parcels directly abutting residential neighborhoods</i> - The Zoning Code includes development standards that address the commercial and residential interface to minimize potential land conflicts.</p> <p>B) <i>Design guidelines for the renovation or reconstruction of housing in existing neighborhoods to assure that they complement the character of existing development; these may be applied to specific neighborhoods or citywide</i> – The 2010 Zoning Code attempted to regulate third floor mass and bulk through the use of NBMC Section 20.48.180 (Residential Development Standards and Design Criteria), which includes third floor area limits, third floor step backs for enclosed floor area, and open space standards to increase building modulation. However, the third floor limits did not apply to unenclosed covered deck areas or unfinished attics, resulting in building designs with third levels (enclosed and unenclosed) that visually appear larger and bulkier than the code intended. Furthermore, these standards did not apply to Balboa Island (R-BI) and the Multiple Residential (RM) zoning districts. On November 24, 2020, the City Council adopted Ordinance No. 2020-28 amending the residential design standards to reduce the bulk and mass associated with future single-unit and two-unit developments by clarifying the definition of gross floor area, regulating covered third floor decks, and expanding the application of third floor area and open volume standards.</p> <p>C) <i>An ordinance or guidelines for the preservation of historic buildings and/or properties; this shall be developed in consideration of guidelines published by the State Historic Preservation Office</i> – Staff continues to review projects subject to the California Environmental Quality Act (CEQA) to address historic preservation. An ordinance has not been prepared at this time due to competing priorities and staff resources.</p> <p>D) <i>An ordinance managing parking in commercial and mixed-use corridors and districts characterized by deficient parking; this may provide for the establishment of parking districts in which new parking may be developed in public or private shared facilities or structures or other facilities, as well as procedures for the funding of these</i></p>

Programs	Status
	<p><i>improvements</i> – The City has launched a comprehensive land use and mobility study (Study) to consider ways to enhance and improve the Corona del Mar (CdM) commercial corridor. As detailed in Program 3.1, In November 2025, the City Council held a study session for staff to present the Study’s results and shared goals related to updating land uses, parking solutions, safety and mobility improvements, and corridor identity. A key component of the project was evaluating holistic parking solutions that balance the needs of all users, including residents, and business and commercial property owners. The study recommendations were well received and City Council initiation for the General Plan, Local Coastal Program, and NBMC amendments were scheduled for early 2026. All open house, community meeting and study session materials along with updates are provided on the Corona Del Mar Commercial Corridor Study website.</p> <p>Also See Program 16.10 for an update on parking.</p> <p>On February 12, 2019, the City Council adopted amendments to Title 20 and Title 21 necessary to address changes in State law (Senate Bill 1069 and Assembly Bill 2299, Statutes of 2016, and Senate Bill 229 and Assembly Bill 494, Statutes of 2017) that require jurisdictions to amend their local ordinances to conform to California Government Code Section 65852.2. The ordinances expanded opportunities in the City for the conversion and construction of new Accessory Dwelling Units (ADUs) to any residential lot with existing or proposed single-unit development.</p> <ul style="list-style-type: none"> • In 2025, the City pursued several efforts related to revising the City’s regulations pertaining to accessory dwelling units and incentivizing their development. In 2025, the City adopted revisions to its ADU Ordinance to comply with SB 477, AB 2533, and SB 1211, which went into effect in 2024 and at the beginning of 2025. Among other things, these bills amended Government Code Section 66310 through 66342 to impose new limits on the City to regulate ADUs and JADUs. A summary of those updates and the bills that were addressed through the code amendment can be found below: <ul style="list-style-type: none"> ○ SB 477 made changes to the numbering of the sections of Government Code for State ADU and JADU Laws. ○ AB 2533 made various changes to State ADU Law (Gov. Code, § 66332) regarding unpermitted ADUs, which the City currently implements through its existing SAFE ADU Program. The City’s SAFE ADU program is an initiative designed to help homeowners legalize existing unpermitted ADUs constructed before January 1, 2020. The program helps homeowners address potential code enforcement issues, liability concerns, and safety risks associated with unpermitted units. This bill went into effect on January 1, 2025, and the City’s SAFE ADU program has already been updated to

Programs	Status
	<p>comply with the provisions.</p> <ul style="list-style-type: none"> ○ SB 1211 made various changes to State ADU Law (Gov. Code, §§ 66313, 66314, 66323) with regard to replacement parking and special streamlined units referred to as “66323 Units” (described below) on lots with existing or proposed multifamily dwellings. SB 1211 went into effect on January 1, 2025. This bill: <ul style="list-style-type: none"> ▪ Defines “livable space” as a space in a dwelling intended for human habitation, as the term appears in Government Code sections 66313, subdivision (e), and 66323, subdivision (a)(3)(A). ▪ Specifies that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced. ▪ Authorizes up to eight detached ADUs on a lot with an existing multifamily dwelling (previously limited to two), provided that the number of ADUs does not exceed the number of existing units on the lot. ▪ Prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a). ● SB 1211 also established “66323 Units” under Government Code Section 66323 and clarifies four categories of ADUs (and JADUs) that must be approved ministerially and are not subject to standards set forth in Government Code Sections 66314 through 66322 or the NBMC (i.e. “66323 Units”). These 66323 Units do not have to comply with the City’s objective development and design standards, such as height, setbacks, and size limits. These ADUs must still comply with building code and health and safety requirements. ● Subsequent to the City Council adopting a revised ADU ordinance to comply with the bills outlined above, the City Council authorized city staff to submit a Local Coastal Program Amendment to its implementation plan to ensure that the revisions made to the city zoning code (Title 20) are also reflected in the coastal zone through the implementation plan (Title 21) and that it conforms with State Law Updates. City staff submitted a Local Coastal Program Amendment at the end of 2025 to the California Coastal Commission. The application is currently under review and City staff anticipates that the amendment will be approved by the

Programs		Status
		<p>California Coastal Commission before the end of 2026.</p> <ul style="list-style-type: none"> In addition to the items mentioned above, city staff are preparing new code updates to comply with State Law that was signed into Law in 2025 and went into effect in 2026 (SB477, AB435, AB2533, and SB1211). City staff anticipate processing these code amendments in 2026 and sharing the updates with the CCC to ensure that the ADU regulations in the coastal zone are consistent with State Law. <i>Website Enhancements:</i> In Spring of 2023, the Community Development Department launched a comprehensive update to the Newport Beach ADU webpage. The webpage is intended to supplement the City's outreach and foster interest in constructing ADUs. The website continues to include a downloadable guidebook, interactive activities and exercises to help homeowners plan their ADU, an online calculator to estimate costs, and standard plans. The website also includes resources to help the homeowner understand the different types of ADUs by providing links to development standards and processes. External resources are available for potential finance and grant opportunities for homeowners. Users can look up their property attributes including zoning and approximate lot size. An interactive mapping application is also included for residents to see the ADUs that are being constructed in their neighborhoods. The website is updated on a regular basis, for example in 2025 updates regarding the revisions to the ADU code were made to ensure that the website provides members of the public with the most accurate information consistent with state law. City staff are currently working on updates to the ADU standard plans to reflect the recent building code cycle update. Those plans are anticipated to be available on the website in spring of 2026. The Newport Beach ADU website can be found at https://www.newportbeachca.gov/adu. <p>In 2025, 61 ADUs were submitted for review. There were 38 ADUs that received building permits, including two SAFE ADUs, and contributed towards RHNA; and nine that received final inspections including 1 SAFE ADU.</p>
9.1	Review City Council Policy Manual for Consistency with the General Plan	<p>Ongoing</p> <p>In 2025, there were no City Council Policies amended.</p>
10.1	Maintain Up-to-Date Comprehensive Database (Data such as built	<p>Ongoing</p> <p>The City's Geographical Information System (GIS) data is updated regularly to provide up-to-date parcel-specific information including specific lot information (agreements), planning (zoning, land entitlements, building, code</p>

Programs		Status
	<p><i>land use and traffic should be updated on a continuing basis, while data that is stable, such as seismic hazard zones, can be updated on a less frequent basis)</i></p>	<p>enforcement, environmental layers, general information [contours, assessor, easement, etc.]), general services, harbor, hazards including flood and seismic, fire, police, public works, parking, street and utilities. New layers are added whenever necessary and appropriate. For example, in 2025 the City added a layer to identify the new Housing Opportunity (HO) Overlay properties.</p>
<p>10.2</p>	<p>Maintain Development Tracking and Monitoring Program</p>	<p>Ongoing</p> <p>The City continues to fine-tune a parcel-specific database that accounts for all existing development. The database includes statistics for commercial floor area and residential dwelling units. The database is used for site-specific information or compiled to provide information by any geography needed, from a single lot to a neighborhood to statistical area, or citywide. The land use data is available by Statistical Area as directed by the General Plan. The data is currently being used to update the land use portion of the Newport Beach Traffic Model (NBTAM).</p> <p>As required by Section 423 of the City Charter, the Planning Division tracks increases in development limits approved by General Plan amendments (GPA) for a period of 10 years. If a proposed amendment exceeds the established thresholds of 40,000 square feet of non-residential development, 100 dwelling units, 100 AM peak hour traffic trips, or 100 PM peak hour traffic trips on its own or, when combined with 80% of previously approved General Plan amendment(s) located in the same Statistical Area, the amendment is considered a “major amendment.” Approval or denial of a “major amendment” is determined by a vote of the electorate. The GPA/Charter Section 423 tracking tables are available for public review at the General Plan information page on Newport Beach’s Community Development Department’s Planning Division website at the following: https://www.newportbeachca.gov/chartersection423</p> <p>Land Use Element policies LU4.3 (Transfer of Development Rights), LU 4.7 (Redevelopment and Transfer of Development Rights), LU6.14.3 (Transfers of Development Rights – Newport Center) allow development rights (e.g. square footage) to be transferred in certain circumstances without an amendment to the General Plan. The policies are primarily implemented by Chapter 20.46 (Transfer of Development Rights) of the Newport Beach Municipal Code and the North Newport Center Planned Community Development Plan. The transfer of development tables is located at the following webpage: https://www.newportbeachca.gov/developmenttransfertables</p>

11.1	CEQA Review and Development and Entitlement Applications	<p>Ongoing</p> <p>All private and public development projects and programs defined as a “project” pursuant to the California Environmental Quality Act (CEQA) are reviewed and evaluated for compliance.</p>
12.1	Evaluate Fiscal Benefits of Large Development Proposals and Annexations	<p>Ongoing</p> <p>The City continues to examine the fiscal benefits of large development proposals consistent with Implementation Policy 12.1. No annexations were considered during the reporting period.</p>
12.2	Maintain and Update Fiscal Impact Model	<p>Ongoing</p> <p>The fiscal impact model was historically maintained by Applied Development Economics, Inc. on behalf of the City. The model calculates public service impacts for specific land uses that support the residential population, the employment base and the visitor population in the City. It also calculates the public revenues that each type of land use typically generates for the City, including property taxes, sales taxes, and other taxes, as well as a variety of user charges and fees. The output from the fiscal impact model can be modified to address these circumstances for each individual project and the fiscal year the project is proposed. In 2025, maintenance of the fiscal impact model was transferred to a new consultant, Keyser Martson Associates, Inc. It will continue to be refined and updated on an as-needed basis.</p>
13.1	Process Development Agreements	<p>Ongoing</p> <p>The City requires Development Agreements for projects in accordance with Chapter 15.45 of the Municipal Code and where required by the General Plan. In 2025, the City completed negotiations on two development agreements including the Residences at MacArthur Court Mixed-Use Project and the North Newport Center Planned Community Amendments. Additionally, the City initiated negotiations on two other projects including the Fairway 3 Project and 1300 Dove Residences. Negotiations are ongoing with the Saunders Self Storage Project.</p>
14.1	Adjoining Cities (“Borders Committees” to collaborate with the cities of Irvine, Huntington Beach, and Costa Mesa)	<p>Ongoing</p> <p>The City continues to provide robust assistance to those who are unhoused in the community. For this reporting period, the following was accomplished:</p> <ul style="list-style-type: none"> From the streets and vehicles, the City’s homeless outreach and engagement team permanently housed six people, reunited five people from the streets with family, and placed four people into skilled nursing facilities.

		<ul style="list-style-type: none"> • The Costa Mesa Bridge Shelter permanently housed six people and reunited three people with family. • PATH (People Assisting the Homeless) continues to provide outreach and engagement services as a contracted service provider. PATH completed 66 shelter intakes (some duplicated individuals) at the Costa Mesa Bridge Shelter, the County’s Yale Navigation Center, the Huntington Beach Navigation Center, the Buena Park Navigation Center, and the Bridges at Kraemer Place in Anaheim. PATH, in coordination with the Newport Beach Police Department and homeless services manager, completed a street Census in November 2025. 13 people were surveyed and stated ties to Newport Beach. PATH continues to connect the people to services and resources. • The outreach and engagement team three notable permanent housing placements in 2025. A person had over 80 contacts with the Newport Beach Police Department and City and County staff over six years. In October 2025, the person decided to call his father and reunified with him in another county. An older adult housed in a senior care facility in the State of New York boarded a bus and traveled cross-county to Newport Beach to locate her son. She experienced street-level homelessness while the team located the senior care facility in New York. After medically clearing her for travel, the team bought a return bus ticket, tracked her progress, and confirmed she returned to her home. An older adult living in a vehicle was stranded for a week before neighbors called the City for assistance. The team convinced him to go to a hospital for treatment and an assessment. The man now resides in a skilled nursing facility.
14.2	Coordinate with School Districts	<p>Ongoing</p> <p>Staff works with Newport Mesa Unified School District, Santa Ana Unified School District, and Coast Community College District (“School Districts”) on the identification and acquisition of potential school sites and expansion of existing facilities on an as-needed basis. Should the need arise, Public Works staff will monitor traffic conditions at school locations. The City works with the School Districts on joint-use agreements for public recreational uses of school properties on an as-needed basis. School fees are assessed during the issuance of building permits when applicable.</p>
14.3	Coordinate with Orange County	<p>Ongoing</p> <p>The City continues to work with Orange County on various programs affecting land use and development, affordable housing, transportation, infrastructure, resource conservation, environmental quality, fire risk reduction efforts, management of Newport Harbor and Upper Newport Bay; and John Wayne Airport operations and improvement plans on an as-needed basis.</p>
14.4	Coordinate with Orange County	<p>Ongoing</p>

	Transportation Authority (OCTA)	The Deputy Public Works Director/City Engineer is on the Technical Advisory Committee (TAC) for OCTA, which meets monthly and consists of most of the Public Works Directors in Orange County, to discuss and make recommendations to the OCTA and its board on the allocation of funding. Additionally, Staff attends OCTA Traffic Forums along with other Orange County agencies on a biannual basis to discuss regional traffic items and traffic signal synchronization.
14.5	State of California Department of Housing and Community Development (HCD)	Ongoing The 2025 General Plan Annual Progress Report, including the Housing Element Report, will be sent to HCD on or prior to the deadline in April 2026.
14.6	Coordinate with California Coastal Commission	Ongoing <ul style="list-style-type: none"> • Big Canyon Restoration - Phase 3 (formerly 2B/C). This proposed project at the mouth of Big Canyon Nature Park contains jurisdictional wetlands and requires permits from the California Coastal Commission, Army Corps of Engineers with concurrence from U.S. Fish and Wildlife Service, Regional Water Quality Control Board, and California Department of Fish and Wildlife. Construction started in November 2025 and the project is expected to be complete by July 2026. CEQA has been completed, and all permits have been obtained. Under an agreement currently in preparation with the California Department of Fish and Wildlife, City will manage the construction and pay the contractor. The City will be reimbursed from grants funds awarded to the project. The project is estimated to cost seven million dollars. • Planning and Public Works staff routinely communicate directly with Coastal Commission staff on an as-needed basis regarding implementation of the Local Coastal Program. The following are Coastal Commission Actions related to LCP Amendments in 2025: <ul style="list-style-type: none"> ○ On April 11, 2023, the City received a letter from the California Coastal Commission requiring the installation of protection fencing and monthly bird monitoring. The fence was installed mid November 2023 along with informative signs on the fence. Since then, the City has complied with the cease and desist order. The City consulted with Glenn Lukos Associates to conduct bi-monthly monitoring of the plovers during the monitoring season (July through March). The City reported back to the Coastal Commission on a monthly basis with a report of the two separate visits during the month. The info includes the total number of plovers and where they were observed. It also included weather conditions. The City fulfilled the second year of monitoring and continued to comply with the cease and desist order. In March 2025, the 2024/2025 monitoring concluded with no further action requested by the California Coastal Commission. The City will continue to comply with the cease and desist order by consulting with Glenn Lukos Associates to conduct bi-monthly monitoring of the

plovers during the monitoring season for 2025/2026.

- On September 11, 2023, the City submitted a two-part LCP Amendment (LCP-5-NPB-23-0039-3) to the Coastal Commission for their review and approval. The two parts include: Part A) Request to amend the certified Implementation Plan (IP) of the City's Local Coastal Program (LCP) revising regulations pertaining to commercial parking; and, Part B) Request to amend the Implementation Plan (IP) of the City's certified Local Coastal Program (LCP) to establish the Special Flood Hazard (VE) Overlay District. The amendment was deemed incomplete by the California Coastal Commission on January 5, 2024, deemed complete on April 14, 2024, and a one-year extension granted on June 14, 2024. Part A Amendment was approved by the Coastal Commission in June 2025 and adopted by City Council in July 2025. Part B Amendment was approved by the Coastal Commission in July 2025 with modifications and adopted by City Council in October 2025.
- On, February 28, 2023, the City submitted request to the Coastal Commission for Coastal Development permit (CDP) jurisdiction for lands meeting the criteria of Coastal Act Section 30613. This would provide the City with increased and consolidated CDP issuing authority for properties that are currently bisected with Coastal Commission jurisdiction, eliminating lengthy and costly reviews by both agencies. Throughout 2024, City and Coastal Commission staff have conducted regular working sessions to refine the jurisdiction boundaries and finalize the request. Completion of this project is anticipated in 2026.
- On October 4, 2023, the City submitted a coastal development permit request to reconfigure the 5.5-acre Mooring Field C from single-row to double-row moorings. Mooring Field C currently has 55 moorings and may have up to 62 moorings upon completion of the proposed Project. The application was deemed complete by the California Coastal Commission (CCC) on July 19, 2024. City staff worked extensively with CCC staff addressing concerns and ultimately received a positive staff recommendation in support of the project. When deemed complete, the application was more than 3,500 pages. The CCC denied the project at the February 2025 hearing due to public comments raised regarding safety and liability.
- On February 8, 2024, the City submitted a three-part LCP Amendment (LCP-5-NPB-24-0004-1) to the Coastal Commission for their review and approval. Part A Amendment - Establishing regulations permitting short term lodging within the MU-W2 (Mixed-Use Water) and MU-CV/15th Street (Mixed-Use Cannery Village and 15th Street) coastal zoning districts; changing the maximum cap of short term lodging permits from 1,550 permits Citywide to: 1) 1,475 permits in residential districts; and 2) 75 permits within the MU-W2 and MU-CV/15th Street zoning districts; and correcting an inconsistency in the definition and use of short term lodging and bed and breakfast inn to mean a rental of 30 days or less. Part B Amendment - Allow land use changes to a previously approved

		<p>mixed-use project which consists of a tennis club, hotel, and residential components. The amendment includes: 1) modifying the density and intensity limit for the number of tennis courts from 7 to 4 courts and adds 14 pickleball courts; 2) converting 3 of the 5 allowed single-family residences to attached residential condominium units; 3) establishing new development standards for attached residential condominiums; and 4) revising the density and intensity limits for the hotel from 27 to 41 short-term guest rental rooms. Additionally, the maximum allowable gross floor area increases from 28,300 to 47,484 square feet, and square footage for ancillary hotel uses are included. Part C Amendment (Code Cleanup) - 1) Deletion of Chapter 21.34 (Conversion or Demolition of Affordable Housing); 2) Creating a coastal development permit (CDP) exemption for tentative parcel maps involving the subdivision of airspace within multi-unit dwellings for condominium purposes; 3) Correcting, updating and/or clarifying the references to State law throughout; 4) Changing references from “Building Director” or “Planning Director” to “Community Development Director”; and, 5) Clarifying the definition of “Code” to mean the Newport Beach Municipal Code. The amendment was deemed complete on February 23, 2024, and an extension granted on May 8, 2024. The California Coastal Commission approved Part A (with modifications), B (with modifications) and C (with modifications) in May 2025. Final approval by the City Council was in August 2025.</p> <ul style="list-style-type: none"> ○ On August 8, 2024, the City submitted an LCP Amendment (LCP-5-NPB-24-0004-2) to the Coastal Commission for their review and approval for a request to amend the Implementation Plan (IP) and the Coastal Land Use Plan (CLUP) of the City’s certified Local Coastal Program (LCP) to establish the Housing Opportunity (HO) Coastal Zoning Districts in the Coastal Zone. The project was deemed incomplete and resubmitted in December 2024, then deemed complete January 2025. A hearing with the California Coastal Commission is anticipated in March 2026 or soon thereafter. ○ In December 2025, the City submitted an LCP Amendment No. LCP-5-NPM-25-0077-1 (Accessory Dwelling Unit Regulations) for the ADU updates approved by City Council implementing SB 477, AB 2533, and SB 1211. See update in Program 8.2.
<p>14.7</p>	<p>Coordinate with the California Resources Agency, Department of Fish and Game (now known as California Department of Fish and Wildlife)</p>	<p>Ongoing</p> <ol style="list-style-type: none"> 1. Planning and Public Works staff routinely communicate with California Department of Fish and Wildlife with regards to the management of Upper Buck Gully and the upper Newport Bay. 2. Recreation and Senior Services staff continues to work as a partner with the University of California, Irvine; Orange County Public Health; OC Parks; California Department of Fish and Wildlife; and the Back Bay Science Center.

<p>14.8</p>	<p>Coordinate with the California Department of Parks and Recreation</p>	<p>Ongoing</p> <p>The City, through its Natural Resource Division of the Recreation and Senior Services Department, coordinates with the California Department of Fish and Wildlife, California State Parks, the County, education, and non-governmental organizations (NGOs) to protect natural resources through implementation of state and local legislation, enforcement, monitoring, and to provide education programming at Big Corona del Mar and Little Corona del Mar State Beach, Crystal Cove, and Upper Newport Bay. Coordination highlights from 2025 include the following:</p> <ol style="list-style-type: none"> 1. Natural Resource Division continued to work with various City departments on issues concerning natural resources and strategies to inform and educate the public. 2. Natural Resource Division continued to work with the MPA Watch (Marine Protected Area Watch Program - Human Use), along with serving as an active member of the Orange County Marine Protected Area Council (OCMPAC). 3. The Natural Resource Division staff engaged with the public at our tidepool areas within the Marine Protected Area, in order to discourage illegal collecting and educate visitors about the rules of the protected area. 4. The Natural Resource Division partnered with other City departments, Newport Bay Conservancy, Newport Dunes Resort and Marina, California Department of Fish and Wildlife and California Coastal Commission to run the Fostering interest in Nature (FiiN) program. The program is a three-day, two-night science camp program located within the Upper Newport Bay MPA for Title I fifth grade students. In the Fall of 2025, 431 students attended during the 8-week program.
<p>14.9</p>	<p>Coordinate with the California Department of Transportation (“Caltrans”) of</p>	<p>Ongoing</p> <p>The City’s Public Works Department coordinates with Caltrans on an as-needed basis for the review of improvements to the State Highway System or impacts on the system by development, construction and/or special events:</p> <ul style="list-style-type: none"> • The City continues to coordinate with Caltrans in review of upcoming projects and as a project team member for current construction projects including the ongoing SR-55 (Newport Blvd/Hospital Rd) traffic signal upgrade (completed - 2024), and SR-1 (Coast Hwy) pavement and traffic signal rehabilitation projects. <p>West Coast Highway Coordination with Caltrans Paving Project (completed 2025):</p> <ul style="list-style-type: none"> • Caltrans paved Coast Highway from the Santa Ana River to Jamboree Road. • The City implemented the new Caltrans policy and lowered all manholes/valve covers prior to paving • The City also coordinated with Orange County Sanitation District (OCSD) to have their facilities lowered and

		<p>raised to grade along with the City’s facilities.</p> <p>Newport Boulevard Project</p> <ul style="list-style-type: none"> • Caltrans is working on a multi-agency project spanning from Coast Highway to north of SR-55. • The work in Newport Beach includes striping class-2 bike lanes from Industrial Way to Coast Highway, fiber optics, and minor signal upgrades.
<p>14.10</p>	<p>Transportation Corridor Agencies (TCA)</p>	<p>Ongoing</p> <p>City staff continually works with the Transportation Corridor Agencies (TCA) regarding the San Joaquin Hills (SR-73) Toll Road and continuously implements TCA’s Major Thoroughfare and Bridge Fee Program through the Municipal Code. Impact fees are collected by the City when a building permit is issued. Councilmember Grant is the city representative on the TCA board. TCA conducted a pricing analysis and the result determined they do not recommend any reduction in pricing at this time due to a minimal increase in number driver utilization toll.</p>
<p>14.11</p>	<p>California Public Utilities Commission (CPUC)</p>	<p>Ongoing</p> <p>The City works with the California Public Utilities Commission (CPUC) to explore funding for the undergrounding of utilities. To date, the City has adopted several underground utility districts, including property owner funded assessment districts, to provide funding for undergrounding projects. Most of the funding for undergrounding in the City has come from these assessment districts using CPUC Rule 20B. In years past, the City received funding allocation from Southern California Edison (SCE) for Rule 20A undergrounding projects. In 2013, the City Council adopted a Utility Undergrounding District on Balboa Boulevard from Coast Highway to 23rd Street and directed staff to proceed with Rule 20A, an undergrounding project along Balboa Boulevard. However, the 20A program was suspended by the CPUC at their June 8, 2021, commission meeting. SCE will only complete “Active” 20A underground projects; Balboa Boulevard being the last City project, which was completed in 2024. The City Council approved four Rule 20B Utility Underground Assessment Districts in the past several years, upon a positive resident vote: one adjacent to the Balboa Boulevard Rule 20A project (AD-111), and a 2018 approved district for the west side of Balboa Island (AD-113), and two districts approved in 2021 for the remaining portions of Balboa Island (AD-124) and a small area on Santa Ana Avenue near Cliff Drive (AD-120-2). All these assessment districts are in various stages of completion. AD-111 on the Balboa Peninsula and AD-113 in west Balboa Island were completed in 2024 and AD-120 was completed in 2025. The remaining AD-124 is scheduled for completion in 2028. Staff also continues to work with other resident groups in Balboa Peninsula, Harbor Highlands, Newport Heights and Corona del Mar for possible other Rule 20B projects, though activity has somewhat slowed with only Newport Heights having any momentum.</p>

<p>14.12</p>	<p>Coordinate with United States Army Corps of Engineers (“Corps”)</p>	<p>Ongoing</p> <p>City staff regularly coordinates with the Corps. The following list provides highlights of more recent coordination efforts or coordinated projects:</p> <ol style="list-style-type: none"> 1. Public Works staff continues to strategize and coordinate with the Corps on the next phase of dredging the Lower Bay and Balboa Yacht Basin to the federally authorized and approved depths. The City completed all of the pre-project planning including sediment testing/approval, design, engineering, environmental review and permitting (with Corps input). Dredging began in December 2025. 2. Big Canyon Restoration - Phase 2A. Complete. 3. Big Canyon Restoration – Phase 3 (formerly called Phase 2B/C). This proposed project is at the mouth of Big Canyon Nature Park and contains a wetlands Design and permits are complete. Project construction began in November 2025. Project is expected to be substantially complete by July 2026. Under an agreement currently in preparation with the California Department of Fish and Wildlife, City will manage the construction and pay the contractor. City will be reimbursed from grants funds awarded the project. The project is estimated to cost seven million dollars. Big Canyon Restoration Phase 3 has also provided an educational opportunity for both the community and for local environmental programs. Recently, the Newport Bay Conservancy hosted environmental graduate students from UC Irvine to visit the site, observe construction and speak to City engineers. 4. San Diego Creek Interceptor (formerly called the Newport Bay Water Wheel) – The Trash Interceptor is in San Diego Creek just upstream of the Jamboree Road Bridge and was completed in March 2025. The Interceptor is actively collecting and removing floating trash and debris. The facility is managed by staff from Public Work’s Municipal Operation Division.
<p>14.13</p>	<p>Coordinate with United States Fish and Wildlife Service</p>	<p>Ongoing</p> <p>Big Canyon Habitat Restoration and Water Quality Improvement Project – Phase 2A and Phase 3 contains jurisdictional wetlands and requires permits from the California Coastal Commission, Army Corps of Engineers with concurrence from U.S. Fish and Wildlife Service, Regional Water Quality Control Board and California Department of Fish and Wildlife. Phase 2A was completed in early 2022. For Phase 3 - Project began in November 2025. Project is expected to be substantially complete by July 2026. CEQA has been completed, and all permits have been obtained. Under an agreement currently in preparation with the California Department of Fish and Wildlife, City will manage the construction and pay the contractor. City will be reimbursed from grants funds awarded the project. The project is estimated to cost seven million dollars.</p>

		<p>Western Snowy Plover (WSP) Habitat Management Plan – Planning Division staff is in the process of creating a management plan for the portions of ocean-facing beach designated as critical habitat. Coordination with U.S. Fish and Wildlife Service and the California Coastal Commission has occurred and will continue to occur for the preparation of a revised draft plan. In the interim, the City has installed protective fencing and is conducting monthly monitoring and reporting the California Coastal Commission.</p>
14.14	Coordinate with Environmental Protection Agency (EPA)	<p>Ongoing</p> <p>The City coordinates with the U.S. EPA in collaboration with other resource agencies in the protection of terrestrial and marine resources and sediment disposal sites for future dredging projects on an as-needed basis when projects are within the U.S. EPA jurisdiction.</p>
14.15	Coordinate with USPS (for relocation of the Mariners' Mile distribution facility)	<p>Complete</p> <p>The USPS distribution facility was relocated to Santa Ana and Anaheim. The USPS maintains a location in the Mariners' Mile area offering typical retail mail services.</p>
14.16	Other Agencies	<p>Ongoing</p> <p>The City continuously works with the following agencies that are involved in the development of capital improvement and conservation programs:</p> <ul style="list-style-type: none"> • Energy providers, such as Southern California Edison and Southern California Gas Company • Telecommunications service providers on a case-by-case basis • Santa Ana Regional Water Quality Control Board • Metropolitan Water District • South Coast Air Quality Management District • Southern California Association of Governments (SCAG) • California State Parks • National Marine Fisheries Service
15.1	Encourage Annexation of Banning Ranch Prior to Development	<p>Ongoing</p> <p>The City's goals and policies encourage the annexation of the entire Banning Ranch property prior to any development. However, it is notable that in 2023, most of Banning Ranch was acquired by a private party for use and conservation as permanent open space, referred to as the Randall Preserve. The Randall Preserve, via the Mountains Recreation and Conservation Authority (MRCA), are currently working on resource management plans, coastal resiliency strategies, public access plans, and tribal access and engagement plans.</p>

16.1	Improve Arterial Streets and Highways According to Classification	<p>Ongoing</p> <p>This is an ongoing effort that is citywide; however, a recent example is the West Coast Highway (SR-1) and Old Newport Boulevard Intersection Improvements – The project will improve West Coast Highway at Old Newport Boulevard to provide for a third westbound through lane, a right turn lane, and a bike lane. The project's environmental document (IS/ND) was adopted in 2018. The City applied and received OCTA Measure M2 grant funding for right-of-way acquisition and construction. The City is working on final design and permitting.</p>
16.2	Monitor Traffic Conditions and Plan for and Fund Improvements	<p>Ongoing</p> <ol style="list-style-type: none"> 1. Traffic Engineering Staff continues to operate the Traffic Management Center to monitor and respond to traffic issues during and after normal work hours, Holidays, peak summer season, special events and construction projects. 2. Traffic Signal Rehabilitation Programs (see Program 16.4). 3. Installation of additional CCTV Cameras includes field surveillance cameras for integration into the City Traffic Management Center to monitor and change the traffic signal system depending on traffic conditions. 4. The City participates in a multi-agency Bristol Street signalized intersection corridor upgrade which is being led by the City of Santa Ana and includes the City Costa Mesa. The project is funded through the OCTA 2025 call for projects. The design phase is scheduled to start in the second half of 2026.
16.3	Construct Street and Highway Improvements	<p>Ongoing</p> <p>Refer to Program 16.1 for discussion regarding the West Coast Highway (SR-1) and Old Newport Boulevard Intersection Improvements.</p> <p>The City maintains a Pavement Management Plan and performs roadway pavement resurfacing projects to maintain roadways at a high level. Roadways are improved through replacement of deteriorated roadway surfaces with new concrete or asphalt pavement, including new traffic striping and traffic sign cleanup. Local and neighborhood streets are maintained through the annual roadway slurry seal program.</p>

16.4	Monitor Roadway Conditions and Operational Systems	<p>Ongoing</p> <p>The City continues to monitor and improve traffic flow through proactive maintenance and updates to the City's modern traffic signal system.</p> <p>The City has teamed up with the Orange County Transportation Authority (OCTA) and the City of Irvine to update traffic signal communication, control equipment and coordination along MacArthur Boulevard, through the Measure M2 grant-funded projects. These projects are being led by the City of Irvine and are in the Operation and Maintenance phase.</p>
16.5	Maintain Consistency with Regional Jurisdictions (<i>Caltrans and Orange County to provide adequate roadway infrastructure plans and design standards such as the Orange County Master Plan of Arterial Highways</i>)	<p>Ongoing</p> <p>The City monitors the regional Arterial Program, OCTA's Master Plan of Arterial Highways, and the Countywide traffic model to ensure consistency. Public Works staff coordinates with regional jurisdictions on an as-needed basis. The City is scheduled to update the Circulation Element in 2026 including updates to adapt to OCTA's MPAH requests.</p> <p>The City has been working with private property owners along West Coast Highway in Mariner's Mile to dedicate property for the future buildout of the roadway in compliance with the Orange County MPAH. Individual projects with large frontages will be required to improve the roadway as well.</p>
16.6	Local/Neighborhood Access Roads	<p>Ongoing</p> <p>Public Works staff works with local neighborhood groups on an as-needed basis when traffic issues arise. The City maintains standards that ensure safe and efficient access for emergency vehicles.</p> <p>The City maintains the Pavement Management Plan and performs roadway pavement resurfacing projects to maintain roadways at a high level. Roadways are improved through replacement of deteriorated roadways surfaces with new concrete or asphalt pavement, including new traffic striping and traffic sign cleanup. Local and neighborhood streets are maintained through the annual roadway slurry seal program.</p>

<p>16.7</p>	<p>Traffic Control</p>	<p>Ongoing</p> <p>The following projects were implemented to improve traffic congestion through conventional and innovative methods of traffic control:</p> <ol style="list-style-type: none"> 1. The Annual Traffic Signal Rehabilitation Program will rehabilitate traffic signals along the Balboa Peninsula (completed February 2025). 2. The Annual Traffic Signal Rehabilitation Program will rehabilitate traffic signals within the airport area and anticipate the work to be completed by June 2026. 3. The Public Works Department maintains the traffic signal system through an ongoing Traffic Signal Maintenance agreement with a contractor that specializes in traffic signal maintenance. 4. Roadway signage and striping is maintained as needed by the City’s Municipal Operations Division of the Public Works Department. Large-scale signage and striping maintenance/replacement is accomplished through the Capital Improvement Program.
<p>16.8</p>	<p>Provide Public Transportation</p>	<p>Ongoing</p> <p>The City continuously looks for opportunities to support the upgrade and enhancement of existing facilities, as well as encourage the development of additional public transportation services and facilities. The City provides shuttle bus services for the Oasis Senior Center clients on an as-needed basis. The City also continuously works with the Orange County Transportation Authority (OCTA) for countywide bus services.</p> <p>The City operates the Balboa Peninsula Trolley (Trolley), a local transit service, on the Balboa Peninsula during the summer. The free service generally runs from 10:00 a.m. to 9:30 p.m. on Saturdays and Sundays from Memorial Day weekend through Labor Day, as well as on July 4, making 22 stops along the peninsula. The program is partially funded by the OCTA Measure M2 (Project V) program. The program finished it’s seventh and final year in 2024. However, the City applied for and was awarded additional Project V grant funds to facilitate procurement of five new trolley vehicles and continue operating the Trolley program for another seven years (2025-2031). The new trolleys may be used to expand trolley services to other areas of the City, including CdM.</p>
<p>16.9</p>	<p>Manage Truck Operations</p>	<p>Ongoing</p> <p>Trucks are required to obtain a Haul Route Permit through Public Works required to use designated haul routes.</p>

<p>16.10</p>	<p>Improve Parking Supply and Management</p>	<p>Ongoing</p> <p>Parking availability can be challenging especially during the summer when many thousands of people visit coastal areas. West Newport, Balboa Peninsula, Mariners’ Mile, and Corona del Mar experience high parking demand. Parking conflicts can hold back commercial and economic activities. Creating new parking requires larger parcels of land and is often expensive. To help manage parking, the City requires new development to provide off-street parking in accordance with the Zoning Code and Local Coastal Program thereby ensuring adequate parking supply.</p> <p>On April 17, 2019, the City submitted a Local Coastal Program Amendment (LC2017-001) to the California Coastal Commission to add the Balboa Village Parking Management Overlay District to the certified Local Coastal Program Implementation Plan. On February 23, 2021, the City Council approved modifications to the Balboa Village overlay provided by the California Coastal Commission. Near the end of 2021, the City prepared a parking management plan for the Balboa Village overly (PM-1) and it was approved by Coastal Commission in 2022. Building off the Balboa Village effort, the City Council directed staff in 2021 to study the development of Parking Management Overlay Districts in other activity nodes within the City. The City retained a parking consulting firm to assist with this effort and is actively studying other parking management tools such as curbside management and code updates to address parking requirements in light of the increase in rideshare and other alternative forms of transportation. Because the efforts dovetailed with Corona del Mar Study at a Council Study Session, the contract with the consultant was modified to pivot study to support the Corona del Mar Planning effort. As previously discussed under Program 8.2, the City launched a comprehensive land use and mobility study (Study) to consider ways to enhance and improve the Corona del Mar (CdM) commercial corridor including parking solutions that balance the needs of all users.</p> <p>In 2023, the City Council adopted an ordinance to adjust commercial parking requirements. The City submitted the accompanying Local Coastal Program Amendment in the fourth quarter of 2023 to the California Coastal Commission. The Local Coastal Program Amendment was approved by the California Coastal Commission in June 2025 and City Council in July 2025. The amendments streamlined certain waivers of commercial parking requirements by allowing the Community Development Director to approve shared parking agreements and minor waivers of parking when curb space is available or shared mobility options are provided. The amendments also modified parking requirements for certain uses such as restaurants and fast casual restaurants.</p>
<p>16.11</p>	<p>Maintain Trails</p>	<p>Ongoing</p> <p>The City continues to maintain existing bike paths and trails that are within the City’s jurisdiction. The City continues to review and expand bicycle facilities during roadway reconstruction projects. The City continues on-street bike lane maintenance and improvements via roadway reconstruction projects.</p>

<p>16.12</p>	<p>Marine Transportation</p>	<p>Complete</p> <p>The City’s Harbor Commission studied the feasibility of a water taxi in the harbor. A fixed route and an on-demand system were examined. Constraints include providing appropriate accessible locations to pick-up and drop-off passengers in a safe manner. Due to the size of the harbor, number of vessels, and cost, the fixed route model was deemed infeasible. The on-demand system was deemed infeasible due to low demand for the service. Either way, a significant public subsidy was identified and there was no funding source. As a result, further study of a water transportation service was abandoned.</p>
<p>17.1</p>	<p>Maintain and Implement Urban Water Management Plans and Encourage Conservation</p>	<p>Ongoing</p> <p>The U.S. Drought Monitor shows a shift from “abnormally dry” to “no drought”.</p> <p>A new Water Use Objective was signed into law late 2024 requiring water use reporting for the previous fiscal year for all water suppliers beginning January 2025. This report defines a water use objective. This calculation is based upon the water need in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters. The calculation will include reasonable amounts of system water loss, along with consideration of other unique local uses (i.e., variances) and “bonus incentive,” or credit, for potable water reuse, using the standards adopted by the Board.</p> <p>Efficient water use is the most cost-effective way to achieve long-term conservation goals, as well provide the water supply reliability needed to adapt to the longer and more intense droughts climate change is causing in California. Although it does not impose individual mandates for homeowners or businesses, the mandates will focus on urban water suppliers – not customers. Specifically, the bills call for creation of new urban efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions.</p> <p>For more information, visit: https://www.waterboards.ca.gov/publications_forms/publications/factsheets/docs/water_efficiency_bill_factsheet.pdf</p> <p>One component to achieving water use standards and minimizing water loss, is the large investment the City made in installing automated metering Infrastructure [AMI metering]. Along with deploying AMI, the City and its customers are able to track their respective water usage in hourly increments. Armed with this information, leaks are detected quickly, and customers are informed of how much water they use. As a complement to the AMI installations, the City has partnered with Aquatrax, a web and mobile application portal allowing each customer to visualize their respective water consumption and historical trends.</p>

18.1	Maintain and Implement Sewer Master Plan	<p>Ongoing</p> <p>The Public Works Department continues to implement the adopted Sewer Master Plan with projects throughout the City.</p> <p>A vigorous sanitary system overflow (SSO) prevention plan, which includes good investments in our Wastewater Master Plan, use of closed-circuit television (CCTV) program to monitor the system, and an aggressive lift-station cleaning program continues.</p>
19.1	Maintain Storm Drainage Facilities	<p>Ongoing</p> <p>The City provides an annual budget allocation for ongoing maintenance of the City’s storm drain system. Additionally, the City identifies additional system enhancements in the City’s Capital Improvement program.</p> <p>Storm drain facility improvements are estimated at \$18M. Projects include:</p> <ol style="list-style-type: none"> 1. Newport Bay Trash Interceptor –Completed in March 2025. 2. Big Canyon Project Phase 3A– Under construction, anticipated completion 2026. 3. Balboa Island Storm Drain Improvements – In September 2024, the City Council adopted the Mitigated Negative Declaration and the design and permitting is underway. 4. Street sweeping program consisted of 35,107 curb miles swept, removing 5,663 tons (dry) of debris. 5. The City’s 86 tidal valves are operated/maintained on a regular basis. 6. Six miles of channel and 3,240 catch basins were cleaned, yielding 650 tons of debris. A total of 435 Inlet Guards were re-installed after the winter season to assist in keeping trash/debris from entering the storm drain system/bay/ocean.
20.1	Design, Fund, and Construct Streetscape Improvements	<p>Ongoing</p> <p>This is an ongoing effort that is budgeted through the City’s Capital Improvement program.</p> <p>MacArthur Boulevard Pavement Rehabilitation and Median Improvements on MacArthur Boulevard from Jamboree Road to Campus Drive. Design began in 2024, and construction scheduled to start in June 2026 with anticipated completion in July 2027:</p>

		<ul style="list-style-type: none"> • City is designing the new medians with landscaping on MacArthur Boulevard from Jamboree Road to Campus Drive, to improve the appearance of the street as it serves as an entrance to the City. • The median construction will include planting trees and shrubs. The new trees will consist of Forest Pansy, African Tulip, and Date Palms. The new understory plants will consist of California-friendly drought-tolerant plants such as Natal Plum, colorful Red Yucca accents, Blue Glow agave, Coast Rosemary, and Vitex Purpurea. • These efforts will create an inviting corridor for visitors entering the City and create a sense of arrival into Newport Beach.
20.2	Design, Fund, and Construct Waterfront Promenade	<p>On Hold</p> <p>A plan was created in 2005 for a walkway from Mariners' Mile to Lido Village along Newport Harbor; however, the plan is on hold due to lack of funding. The City continues to require private property owners to provide vertical and lateral access to the water as properties are developed and there is a nexus.</p>
20.3	Fund and Construct Public View Sites	<p>Ongoing</p> <p>Public Works is working with the ad hoc committee for the development of a passive park at Lower Castaways. Lower Castaways offers views of the Back Bay. Public Works began working on a design anticipated to be presented to the ad hoc in early 2026.</p>
21.1	Review and Update Harbor and Tidelands Improvement Plans	<p>Ongoing</p> <p>The Tidelands Capital Plan (TCP) was originally implemented in 2012. The TCP is now called the Harbor and Beaches Master Plan. It is a living document managed by the Public Works Department, and it is that is annually reviewed and approved by the Harbor Commission and Finance Committee. It is updated and refined by staff throughout each year, including 2025.</p>
21.2	Develop Harbor Area Management Plan (HAMP)	<p>Complete</p> <p>In November 2010, the City Council approved the HAMP.</p>
21.3	Events Management and Programs	<p>Ongoing</p> <p>Chamber of Commerce, Harbor Resources, and Orange County Harbor Patrol continuously work together to plan and implement special events that take place in the Harbor such as the annual Christmas Boat Parade. City staff usually teams up with the Orange County Water District to provide education on how to protect our coast and waterways from trash at the Children's Water Education Festival which was held April 23-24, 2025.</p>

21.4	Harbor Operations and Management	<p>Ongoing</p> <p>A joint City/County study that evaluates the costs and efficiency of current services provided by the City and County in Newport Harbor and opportunities to realign these to reduce costs was considered in 2021 and had support from the LAFCO organization. The study did not move forward based on guidance from County leadership who felt the study was not needed at this time. A new study may be prioritized in the future based on needs and funding.</p>
22.1	Maintain and Enhance Police and Fire Facilities	<p>Ongoing</p> <p>Newport Beach Police and Fire Departments annually maintain and periodically update facilities and personnel to provide a high-level of service. This process is implemented through the City's budget process. Additionally, response times are monitored, and changes are proposed through the budget process.</p> <p>In September of 2024, the City Council approved a Coastal Development Permit for the demolition of an existing City fire station and library at 100 East Balboa Boulevard, and construction of a new 5,400 two-story City fire station (Fire Station No.1) and an attached 3,700 one story library (Balboa Branch Library). However, the project was appealed to the California Coastal Commission in October of 2024. Updates including are as follows:</p> <ul style="list-style-type: none"> • Community Development Department Director approved a staff approval for landscape changes in July 2025 • September 18, 2025, the Planning Commission upheld the director's determination • October 28, 2025, the City Council upheld Planning Commission approval • The California Coastal Commission had their hearing on December 10, 2025 where they found no substantial issue on the original CDP approved by the City Council in September 24, 2024
23.1	Maintain and Update Parks and Recreation Facility Plans	<p>Ongoing</p> <p>The Recreation and Senior Services Department reviews the status of the park system on an ongoing basis and improvements are recommended in the City's annual Capital Improvement Plan. Capital improvement plans approved in 2025 include:</p> <ol style="list-style-type: none"> 1. Replace synthetic turf and upgrade athletic field lights to LEDs at Bonita Creek Park 2. Install LED lighting at Newport Ridge Park Pickleball courts 3. Renovate Newport Island Park playground 4. Replace park assets identified in the Parks Maintenance Master Plan including fencing and shade elements.
23.2	Maintain and Improve Parks and Recreation Facilities	<p>Ongoing</p> <p>In 2025, the City accomplished the following:</p> <ol style="list-style-type: none"> 1. Ongoing maintenance of existing facilities;

		<ol style="list-style-type: none"> 2. Completed construction of fully accessible playground at San Miguel Park 3. Completed playground renovation at Newport Elementary School (city property) 4. Design for Spyglass Hill Park and Bonita Canyon Sports Park playgrounds (scheduled to be completed in 2026) 5. Replaced carpet at OASIS Community Center and Mariners Vincent Jorgenson Room 6. OASIS Community Center LED retrofit Phase 2 (design in progress) 7. Construction of Witte Lecture Hall (scheduled to be completed in 2026) 8. Resurfaced tennis courts at San Joaquin Hills Park and basketball courts at San Miguel Park 9. Install 15 AEDs at 13 youth sports athletic fields to comply with AB1467 by Jan 1, 2027 <p>15th Street Restrooms: In 2025, the existing public restrooms at the end of 15th Street have been identified as in need of replacement. A consultant was retained to provide public outreach, construction documents, and permit assistance for the replacement facility. The next steps will be an approval from State Parks and California Coastal Commission and building permits.</p>
23.3	Assess Recreation Needs	<p>Ongoing</p> <p>The Recreation and Senior Services Department continuously analyzes enrollment numbers in existing recreation programs and periodically initiates community surveys to assess the current needs of the community.</p>
23.4	Maintain Recreation Programs for Newport Beach's Residents	<p>Ongoing</p> <p>The Recreation and Senior Services Department provides recreation programs citywide. The Newport Navigator is a recreation guide for all recreation programs and services provided by the City. The Newport Navigator is produced quarterly in addition to a digital summer issue. Additionally, OASIS Newsletter is published monthly to promote Senior programs and services. The Parks, Beaches, and Recreation Commission (PB&R) acts in an advisory capacity to City Council for all matters pertaining to parks, beaches, recreation, parkways, and street trees. The following are Commission highlights from 2025:</p> <ul style="list-style-type: none"> • Community Service Awards: Judy Aprile, Fostering interest in Nature (FiiN) Partners: Newport Bay Conservancy and Newport Dunes; • Bench Donation– M Street Park; • City Park Signage Ad Hoc Subcommittee Preliminary Recommendations and Pilot Program Update; • The Great Rescue of 1925 Plaque; • Ocean Boulevard Vision Plan Conceptual Design; • 15th Street Restroom Renovation and Boardwalk Improvements Concepts;

		<ul style="list-style-type: none"> • Presentation on Parks and Trees Operations; • Big Canyon Eagle Scout Project; • Light request for Newport Mesa Soccer Club (Bonita Canyon Sports Park Field #5); Pateadores (Bonita Creek Park Soccer/Football Field); Slammers Futbol Club (Arroyo Park); • General Plan Update: Harbor, Bay and Beaches Element, Natural Resources Element, and Recreation Element; • Presentation on Urban Forest Inventory Update for Corona del Mar and Citywide Canopy Cover Analysis; • Four Tree Reforestations Requested; • Ad-Hoc Committee appointments; and • Elections– Chair, Anne Yelsey & Vice Chair, Amy Waunch
23.5	Requirements for Residential Developers	<p>Ongoing</p> <p>Park fees are assessed for all new residential subdivisions pursuant to the Subdivision Map Act and the City’s Subdivision Code. Additionally, in the Airport Area all residential projects including for-rent products are required by General Plan Policy to dedicate a half-acre of parkland or pay in-lieu fees. Last adjusted in 2007, Resolution No. 2020-95 approved by City Council on November 10, 2020, adjusts the park fees pursuant to an appraisal. The adjusted rate went into effect January 9, 2021, and was phased-in over two years.</p> <p>In October of 2024, the City Council adopted Resolution 2024-75 which adjusted the park fees pursuant to an updated appraisal. The adjusted rate was phased in over one year.</p> <p>In November 2024 the City Council approved ordinances, a Nexus Study, Fee Schedule, and established a Development Impact Fee (DIF) Program (see Imp. Program 30.2) that will be applied to new development projects meeting certain criteria. The DIF program includes fees for Police, Fire, Recreation, Water, and Sewer facilities. The fees became effective in January 2025 and are adjusted annually for inflation.</p>
24.1	Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability	<p>Ongoing</p> <p>In June 2009, the City Council updated its Strategic Plan for Fiscal and Economic Stability through the Economic Development Committee (EDC). The Strategic Plan is designed to serve as a work program for the City Council, City staff, and the EDC to promote and sustain fiscal and economic vitality in Newport Beach. It is intended, in part, as a companion document for the General Plan (adopted in 2006), to assist the City in implementing portions of the General Plan that affect economic development in the City. The Strategic Plan includes goals and objectives to enhance the business climate in the community and focuses on a shorter time frame (three to five years) than does the General Plan, since economic conditions and priorities can change more rapidly than do planning goals related to community character and land use patterns. The Strategic Plan calls for regular reviews of progress and re-</p>

		assessments of priorities. The Strategic Plan continues to be reviewed and implemented each year.
25.1	Implement Housing Element Programs	<p>Ongoing</p> <p>The City implements Housing Element Programs through review of proposed residential projects. Programs are reviewed in the Housing Element Progress Report, provided as a part of the Annual General Plan Progress Report in Appendix B.</p>
26.1	Enforce Codes and Ordinances	<p>Ongoing</p> <p>The City enforces all Municipal Code Sections including but not limited to health and safety and zoning to implement the General Plan primarily on a complaint-driven basis.</p>
27.1	Seismic Compliance	<p>Ongoing</p> <p>The City continuously implements the Municipal Code and the California Building Code through the Building Division, which requires seismic retrofitting and strengthening to minimize damage in the event of a seismic geologic hazard.</p>
28.1	Maintain Hazards Data Base	<p>Ongoing</p> <p>The Police Department maintains a crime statistics database to keep track of the type and occurrence of criminal activities. The Fire Department relies on the Disaster Preparedness Division under the City's Emergency Management Program (see Program 28.2 and 29.1) for the planning of facilities, personnel assignments, and emergency response programs as related to natural hazards. Additionally, the City maintains hazard information in its Geographic Information System (GIS).</p>

<p>28.2</p>	<p>Maintain Emergency Preparedness, Response, and Recovery Programs</p>	<p>Ongoing</p> <p>On March 12, 2025, the City participated in the Statewide Tsunami Communications Drill. Representatives from Fire, Police, Lifeguards and the Harbor Department gathered at the City Emergency Operations Center (EOC) and discussed protocols and communication resources to be utilized during a tsunami event.</p> <p>On July 4, 2025, the Police Department Operations Center (DOC) was activated to support the field operations and interdepartmental coordination. Several briefings were held to ensure all departments were sharing intelligence and coordinating.</p> <p>On October 9, 2025, Orange County’s Regional Emergency Notification System, AlertOC, was tested with the help of 25 jurisdictions (24 cities and the County unincorporated areas) including Newport Beach, in conjunction with National Preparedness Month. The primary objective of the regional exercise was to test Alert OC’s capability, capacity, and effectiveness to deliver emergency notifications to the public during a major disaster, and to encourage residents to register their cell phone numbers. Approximately 33,000 (mostly landline) phone numbers were called during the test. The City’s public hotline received over 400 calls from residents. The hotline was staffed with representatives from the Police Department.</p> <p>The City’s Emergency Preparedness Committee (EPC) is comprised of representatives from each department and meets quarterly. The EPC works collaboratively to plan, train, and address all city emergency management threats.</p>
<p>29.1</p>	<p>Educate the Community</p>	<p>Ongoing</p> <p>The Police Department continued the use of the Newport Notified alert system for disseminating general and emergency information directly to the community. It is used to notify residents and subscribers about issues impacting safety, such as traffic advisories, crime alerts, and community updates. It is also used for emergency notifications related to power outages, evacuations, tsunamis, and other hazards where public safety is at risk.</p> <p>The City continuously educates the community through its various City Departments on services, programs, and key issues including land use zoning and development processes; development fees; code compliance; property and building maintenance and improvement techniques; financial assistance and affordable housing programs, public transportation; ride-sharing, energy conservation methods, waste reduction and recycling programs; hazards and emergency/disaster preparedness, evacuation, and response protocols and procedures; natural resources and their value; educational and cultural events and venues; parks and recreation, health and safety, and seniors and youth programs; and access to government services and elected officials. Significant events include:</p> <ul style="list-style-type: none"> • Emergency Siren System Test (1/3/25) • Emergency Siren System Test (2/7/25)

		<ul style="list-style-type: none"> • Emergency Siren System Test (3/7/25) • Emergency Siren System Test (4/4/25) • Emergency Siren System Test (5/2/25) • Emergency Siren System Test (6/6/25) • Emergency Siren System Test (7/4/25) • Emergency Siren System Test (8/1/25) • Emergency Siren System Test (9/5/25) • Emergency Siren System Test (10/3/25) • Emergency Siren System Test (11/7/25) • Emergency Siren System Test (12/5/25) <p>The Disaster Preparedness Division implemented several community outreach programs as they relate to emergency and disaster preparedness including AlertOC, which is a mass notification calling system for staff, residents, and businesses, The Community Emergency Response Team (CERT) program to certify residents as Disaster Service Workers, School Emergency Response Team (SERT) training sessions in public schools and private schools, and Business Emergency Response Team training sessions.</p>
29.2	Support of the Arts, Culture, and Historic Resources	<p>Ongoing</p> <p>The following list highlights relevant updates from 2025:</p> <p>Concerts on the Green. Three concerts were held during Summer 2025 with thousands of residents and guests in attendance during the series. Featured bands were Cassie B and Tijuana Dogs and after a seven-year hiatus, the City welcomed back the Pacific Symphony. Concerts took place in Civic Center Park.</p> <p>Cultural Arts Grants. In 2025, arts organizations were awarded a total of \$30,000 of grant funding to provide arts programs to the local community.</p> <p>Exhibits in the Central Library. The City Arts Commission maintains exhibit space at the Central Library. The Commission’s Art in Public Places Ad Hoc Subcommittee meets periodically to review artist’s submissions for the exhibition in the Central Library Lobby Gallery. Six artists’ works of art were displayed in the gallery space during 2025.</p> <p>Halloween Spooktacular. The City Arts Commission hosted a pumpkin painting booth at the 8th Annual Halloween Spooktacular presented by the Recreation and Senior Services Department. Over 400 pumpkins were decorated at the event.</p> <p>Holiday Ornament. The City Arts Commission gave out commemorative holiday ornaments to the Marina Park</p>

		<p>Community Center Family Fun Night attendees in December.</p> <p>Marina Park Concert. In October, residents and guests attended the annual Concert at Marina Park which featured 805 Social Club performing pop music numbers spanning the decades.</p> <p>Newport Beach Art Exhibition. The 58th Annual Newport Beach Art Exhibition took place in June 2025. The event featured 244 pieces of artwork by 139 artists. Attendees of the one-day art show enjoyed visiting with local artists and hearing live music with refreshments available in the Pavilion on the Civic Center Green. Children’s art activities were also offered to allow young artists an opportunity to express their own artistic creativity.</p> <p>Newport Beach Arts Foundation. The Newport Beach Arts Foundation, a private non-profit 501 (c) (3) organization, is dedicated to supporting the purposes and objectives of the arts programs of the City of Newport Beach. Their annual Art in the Park fine arts and artisans fair took place in September 2025.</p> <p>Sculpture Exhibition in Civic Center Park. With the 2024 change to a three-year exhibition period, Phases VIII and IX of the Sculpture Exhibition remained on display in Civic Center Park in 2025.</p> <p>Student Art Exhibition. The Newport Beach Student Art Exhibition opened to pre-K through 12th grade students Fall 2025. A total of 103 young artists participated in the program. Submitted artwork was displayed at the Central Library early 2026 and an awards ceremony recognizing exhibition winners was held during the City Arts Commission’s February 2026 regular meeting.</p> <p>In addition, the Witte Lecture Hall, which will enhance the City’s arts and culture programming, remains under construction as of 2025 and will include:</p> <ul style="list-style-type: none"> • Auditorium with approximately 275 seats at the Central Library site. • Construction underway in 2025, anticipated completion is mid-year 2026.
<p>29.3</p>	<p>Support Community Environmental and Recreation Initiatives</p>	<p>Ongoing</p> <p>The City supports any private groups’ efforts to acquire property to improve and enhance public access and recreational opportunities. The City has supported the Coastal Corridor Alliance’s efforts to acquire the Banning Ranch property (now the Randall Preserve) to preserve it as open space while advocating for development of approximately 10% of the site for housing including affordable housing to assist the City’s efforts to meet the 6th Cycle Regional Housing Needs Assessment (RHNA) allocation.</p> <p>The Peter & Mary Muth Interpretive Center ran by the Newport Bay Conservancy and Orange County Parks is a 10,000 square foot educational facility built into the side of one of the bluffs on the north side of the Bay. It is open daily with fee admission, provides exhibits and interactive displays on the nature and history of the Bay. Visitors learn about life in and around an estuary and why Upper Newport Bay is important. The knowledge and</p>

		<p>understanding gained gives people an even greater appreciation of the Bay when they take guided walking and water tours or explore the Bay on their own. The Interpretive Center provides community events throughout the year such tours and education events, and environmental clean-up events (The Peter & Mary Muth Interpretive Center).</p> <p>In 2024, the City began the process to explore establishing a community pool facility possibly at the Lower Castaways Park site. The following is a 2025 update:</p> <ul style="list-style-type: none"> • The ad hoc decided to identify alternate locations for the aquatic facility, and to RFP a developer to ground lease and build a passive park with some ancillary retail/food uses at Lower Castaways. • One proposal was received from the RFP. The ad hoc reviewed that proposal as well as a staff alternative to develop the park and lease the retail/restaurant pads. • Public Works is working a design for the City to perform the project. The designs will go back to the ad hoc in the beginning of 2026 and then to the full City Council before the project proceeds.
30.1	Maintain Annual Budgets for City Services and Improvements	<p>Ongoing</p> <p>Annual budgets are maintained and reviewed by the City Council annually. A Capital Improvement Plan (CIP) is included in the annual budget approved by City Council each year. In June 2025, the City Council approved the budget and CIP for the Fiscal Year 2025-26. In June 2025, the City Council approved the budget for the Fiscal Year 2025-26.</p>
30.2	Administer Impact and User Fees (Development Impact Fees, Park Dedication and In-Lieu Fees, and Tideland Revenue Fees)	<p>Ongoing</p> <ol style="list-style-type: none"> 1. Development impact fees including fair share traffic fees are assessed for each development project. The completion of updating the Fair Share Traffic Fee has been put on hold (see Program 7.2). 2. In November 2024 and effective 2025, the City Council approved a Nexus Study, Fee Schedule, and established a Development Impact Fee (DIF) Program. The fee schedule and DIF program was approved with no opposition from the development community. More information on this program and fees can be found in the Staff Report. The program will apply to new residential development planned in the 6th Cycle Housing Element and new nonresidential development. For nonresidential, language is included that incentivizes neighborhood serving uses and tax generating uses. 3. Park fees are assessed for all new residential subdivisions pursuant to the Subdivision Map Act and the City's Subdivision Code. Additionally, in the Airport Area all residential projects including for-rent products are required by General Plan Policy to dedicate a half-acre of parkland or pay in-lieu fees. Last adjusted in 2007, Resolution No. 2020-95 approved by City Council on November 10, 2020, adjusts the park fees pursuant to an appraisal. The adjusted rate went into effect January 9, 2021, and was phased-in over two years. In October of 2024, the City Council adopted Resolution 2024-75 which adjusted the park fees pursuant to an updated appraisal. The adjusted rate was phased in over one year.

		<ol style="list-style-type: none"> 4. Annually in January, the fees for onshore and offshore moorings escalate based on the Consumer Price Index. The new fees were implemented with the billing cycle beginning January 1, 2025. 5. Annually, the services of the Harbor Department and associated fees are evaluated. In 2025, the rate structure for mooring permits was proposed by the City Council and is still under review by the State Lands Commission. 6. In 2025 the City initiated a fee study for planning application fees. The results of the fee study are expected to be presented in 2026 for consideration.
31.1	Consider the Establishment of Community Facilities and Special Assessment Districts	<p>Ongoing</p> <p>City staff has been evaluating the potential need to establish a Community Facilities District for the Airport Area to potentially support additional public safety equipment and personnel. As an alternative to establishing financing districts, the City Council initiated a study of Development Impact fees as a way to fund future facility needs. The study was started in 2021 and completed in November 2024, and fees became effective in January 2025.</p>

APPENDIX B.

Government Code Section 65400 requires that each city, including charter cities, prepare an annual progress report (APR) on the status of the Housing Element of its General Plan. The State Department of Housing and Community Development provides mandatory forms (Excel spreadsheets) and definitions to meet State law reporting requirements. The forms include six large tables (Tables A through F). The complete Table D is provided below but the forms are too large to copy for this report and are available online at the following link: www.newportbeachca.gov/APR.

Table D - 2022 Housing Element Implementation Status Pursuant to Government Code Section 65583

Policy Action	Policy	Status
<p>1A: <i>Airport Environs Area</i></p>	<p>The City will establish a housing opportunity overlay district, or similar rezoning strategy, in the Airport Environs area for 172 acres of land to provide for the accommodation of at least 2,577 housing units in the Very Low, Low, Moderate and Above Moderate-income categories.</p>	<p><i>Complete, pending Local Coastal Program Amendment (LCPA) Approval</i></p> <p>Immediately after the Housing Element’s adoption in September 2022, the City began efforts to implement the housing strategy. This predominantly included analyzing the General Plan Land Use Element for necessary amendments needed for consistency, drafting an overlay zoning text for the various focus areas, and creating objective design standards. The goal was to rezone the housing opportunity sites appropriately for housing development. The City worked with the General Plan Update Steering Committee and the General Plan Advisory Committee on this effort, held study sessions with the Planning Commission and City Council, and made draft documents available for public review and input to ensure a transparent process that is representative of the community’s values.</p> <p>In July 2024, the City Council adopted an amendment to the Land Use Element to revise the necessary goals and policies to support</p>

Policy Action	Policy	Status
		<p>housing production in the focus areas identified by the Housing Element. The Land Use Element’s revised policies and goals can be found in Exhibit A of Resolution 2024-51.</p> <p>On September 24, 2024, the City Council adopted Zoning Code Amendments to implement the Housing Element by providing the necessary zoning. These amendments included adding a Housing Opportunity (HO) Overlay Zoning District (Overlay) to the NBMC , Section 20.28.050, which provides procedures and development standards for future housing projects. The Overlay provides allowed uses, maximum dwelling unit limits for each subarea, and appropriate development standards such as height, parking, setbacks, and open space requirements. The Overlay also provides a streamlined review process for projects that include a minimum of 20 percent of units reserved for very-low- and low-income residents, which serves to incentive the provision of affordable housing. The Zoning Code Amendment also added Section 20.48.185 (Multi-Unit Objective Design Standards to provide a baseline standard for all new multi-unit development (See the Status listed for Policy Action 3A).</p> <p>These amendments included adding Housing Overlays into the Zoning Code (Section 20.28.050) The following map is of the Airport Environs Area of the Overlay Areas: HO-1 Airport Area Environs Area</p> <p>The City Council also authorized the submittal of a Local Coastal Program Amendment to the California Coastal Commission (CCC) to amend the City’s Coastal Land Use Plan and Title 21 (Local Coast Program Implementation Plan) to apply the new Overlay to applicable properties in the coastal zone. The amendment was deemed complete in January 2025 and remains under review by the CCC.</p>

Policy Action	Policy	Status
		<p>Additionally, in furtherance of Housing Element Policy Actions 1A (Airport Environs Sub Area), 4E (Airport Area Policy Exceptions for Affordable Housing), and 4J (Airport Environs Sub Area Environmental Constraints) the City initiated the preparation of a Specific Plan for the Airport Area in 2025. In May 2025, the City released a request for proposals for consulting services to prepare the specific plan. After completing the evaluation, the City selected Kimley Horn and Associates as the consultant most qualified to perform the services and scheduled the contract for approval by the City Council in early 2026. The City anticipates completion of the specific plan by early 2028.</p>
<p><i>1B: West Newport Mesa</i></p>	<p>The City will establish a housing opportunity overlay, or similar rezoning strategy, in the West Newport Mesa area for 47 acres of land to provide for the accommodation of at least 1,107 housing units in the Very Low, Low, Moderate and Above Moderate-income categories.</p>	<p>Complete</p> <p>Please refer to the status listed for Policy Action 1A. These amendments included adding Housing Overlays into the Zoning Code (Section 20.28.050) The following map is of the West Newport Mesa of the Overlay Areas: HO-2 West Newport Mesa Area</p> <p>Two properties identified in the HO-2 Subarea are within the Coastal Zone and are in the City’s Deferred Certification Area or “DCA.” As such, those are likely to be removed from the Coastal Commission’s consideration of the City’s LCPA. Any housing projects on those properties must pursue separate authorization from the Coastal Commission.</p>
<p><i>1C: Newport Center</i></p>	<p>The City will establish a housing opportunity overlay, or similar rezoning strategy, in the Newport Center area for 163 acres of land to provide for the accommodation of at least 2,439 housing units in the Very Low, Low, Moderate and Above Moderate-income categories.</p>	<p>Complete, Pending LCPA Approval</p> <p>Please refer to the Status listed for Policy Action 1A. These amendments included adding Housing Overlays into the Zoning Code (Section 20.28.050) The following map is of the Newport Center of the Overlay Areas: HO-4 Newport Center Area</p>

Policy Action	Policy	Status
1D: <i>Dover/Westcliff</i>	The City will establish an overlay, or similar rezoning strategy, in the Dover / Westcliff area for 20 acres of land to provide for the accommodation of at least 521 housing units in the Very Low, Low, Moderate and Above Moderate-income categories.	Complete, Pending LCPA Approval Please refer to the Status listed for Policy Action 1A. These amendments included adding Housing Overlays into the Zoning Code (Section 20.28.050) The following map is of the Dover-Westcliff area of the Overlay Areas: HO-3 Dover-Westcliff Area
1E: <i>Banning Ranch</i>	The City will continue to pursue residential opportunities on a portion of the Banning Ranch site, consistent with existing General Plan policies to provide opportunities for up to 1,475 residential units at an average density of 50 dwelling units per acre.	On Hold In late 2022, the City began working with a consultant and the community to update the Land Use Element to support the adoption of an overlay zoning with objective design standards for the housing opportunity sites in accordance with the Implementation Actions of Subsection B in Section 4 (Housing Plan) of the Housing Element. In 2023, the majority of Banning Ranch was acquired by a private party for conservation purposes. While it remains a housing opportunity site due to pre-existing development intensity authorized by the current General Plan, it is not considered a site for the purpose of satisfying the City's RHNA allocation.
1F: <i>Coyote Canyon</i>	The City will rezone at least 34 acres of land on the Coyote Canyon site, as shown in Appendix B, to accommodate up to 1,530 housing units at an average density of 60 dwelling units per acre.	Complete Please refer to the Status listed for Policy Action 1A. These amendments included adding Housing Overlays into the Zoning Code (Section 20.28.050) The following map is of the Coyote Canyon area of the Overlay Areas: HO-5 Coyote Canyon Area
1G: <i>5th Cycle Housing Element Sites</i>	To comply with State law, the City will amend Title 20 of the Newport Beach Municipal Code (NBMC) to permit residential uses by-right for housing development projects in which at least 20% of the units are affordable to lower-income households.	Complete, Pending LCPA Approval Please refer to the Status listed for Policy Action 1A. These amendments included adding Housing Overlays into the Zoning Code (Section 20.28.050) The following map is of the Existing 5 th Cycle Sites of the Overlay Areas: HO-6 Existing 5th Cycle Sites

Policy Action	Policy	Status
<p>1H: Accessory Dwelling Unit Construction</p>	<p>The City will aggressively support and accommodate the construction of at least 240 ADUs by a variety of methods.</p>	<p>Ongoing</p> <p>In 2025, the City pursued several efforts related to revising its regulations pertaining to accessory dwelling units (ADUs) and incentivizing their development. The City adopted revisions to its ADU Ordinance to comply with SB 477, AB 2533, and SB 1211 which went into effect in 2024 and at the beginning of 2025. Among other things, these bills amended Government Code Section 66310 through 66342 to impose new limits on the City to regulate ADUs and JADUs. A summary of those updates and the bills that were addressed through the code amendment can be found below:</p> <ul style="list-style-type: none"> ○ SB 477 made changes to the numbering of the sections of Government Code for State ADU and JADU Laws. ○ AB 2533 made various changes to State ADU Law (Gov. Code, § 66332) regarding unpermitted ADUs, which the City currently implements through its existing SAFE ADU Program. The City's SAFE ADU program is an initiative designed to help homeowners legalize existing unpermitted ADUs constructed before January 1, 2020. The program helps homeowners address potential code enforcement issues, liability concerns, and safety risks associated with unpermitted units. This bill went into effect on January 1, 2025, and the City's SAFE ADU program has already been updated to comply with the provisions. ○ SB 1211 made various changes to State ADU Law (Gov. Code, §§ 66313, 66314, 66323) with regard to replacement parking and special streamlined units referred to as "66323 Units" (described below) on lots with existing or proposed multifamily

Policy Action	Policy	Status
		<p>dwelling. SB 1211 went into effect on January 1, 2025. This bill:</p> <ul style="list-style-type: none"> ▪ Defines “livable space” as a space in a dwelling intended for human habitation, as the term appears in Government Code sections 66313, subdivision (e), and 66323, subdivision (a)(3)(A). ▪ Specifies that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced. ▪ Authorizes up to eight detached ADUs on a lot with an existing multifamily dwelling (previously limited to two), provided that the number of ADUs does not exceed the number of existing units on the lot. ▪ Prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a). <p>○ SB 1211 also established “66323 Units” under Government Code Section 66323 and clarifies four categories of ADUs (and JADUs) that must be approved ministerially and are not subject to standards set forth in Government Code Sections 66314 through 66322 or the NBMC (i.e. “66323 Units”). These 66323 Units do not have to comply with the City’s objective development and design standards, such as height, setbacks, and size limits. These ADUs must still comply with building code and health and safety requirements.</p> <p>Subsequent to the City Council adopting a revised ADU ordinance to comply with the bills outlined above, the City Council authorized city staff to submit a Local Coastal Program Amendment to its</p>

Policy Action	Policy	Status
		<p>implementation plan to ensure that the revisions made to the city zoning code (Title 20) are also reflected in the coastal zone through the implementation plan (Title 21) and that it conforms with State Law Updates. City staff submitted a Local Coastal Program Amendment at the end of 2025 to the California Coastal Commission. The application is currently under review and City staff anticipates that the amendment will be approved by the California Coastal Commission before the end of 2026.</p> <p>In addition to the items mentioned above, city staff are preparing new code updates to comply with State Law that was signed into Law in 2025 and went into effect in 2026 (SB477, AB435, AB2533, and SB1211). City staff anticipate processing these code amendments in 2026 and sharing the updates with the CCC to ensure that the ADU regulations in the coastal zone are consistent with State Law.</p> <p><i>Website Enhancements:</i> In Spring of 2023, the Community Development Department launched a comprehensive update to the Newport Beach ADU webpage. The webpage is intended to supplement the City's outreach and foster interest in constructing ADUs. The website continues to include a downloadable guidebook, interactive activities and exercises to help homeowners plan their ADU, an online calculator to estimate costs, and standard plans. The website also includes resources to help the homeowner understand the different types of ADUs by providing links to development standards and processes. External resources are available for potential finance and grant opportunities for homeowners. Users can look up their property attributes including zoning and approximate lot size. An interactive mapping application is also included for residents to see the ADUs that are being constructed in their neighborhoods. The website is updated on a regular basis. For example in 2025, updates were made regarding the revisions to the ADU code to ensure that the website provides</p>

Policy Action	Policy	Status
		<p>members of the public with the most accurate information consistent with state law. City staff is currently working on updates to the ADU standard plans to reflect the recent building code cycle update. Those plans are anticipated to be available on the website in spring of 2026. The Newport Beach ADU website can be found at https://www.newportbeachca.gov/adu.</p>
<p><i>1I: Accessory Dwelling Units Monitoring Program</i></p>	<p>The City will annually monitor its progress in permitting an average of 30 ADUs annually, for a total of 240 ADUs during the planning period, in conjunction with Annual Housing Element Progress Report.</p>	<p>Ongoing</p> <p>In 2025, 61 ADUs were submitted for review. There were 38 ADUs that received building permits, including two Safe ADUs; and ten that received final inspections including 1 Safe ADU. The ADUs that received permits in 2025 will be counted towards the 6th Cycle RHNA.</p>
<p><i>1J: Accessory Dwelling Units Amnesty Program</i></p>	<p>The City will establish a program to allow owners with existing unpermitted ADUs to obtain permits to legalize the ADUs during the 2021-2029 planning period.</p>	<p>Complete</p> <p>In 2024, the City rolled out its Safe ADU program consisting of informational materials (i.e. webpage and public handout) advising property owners of the benefits of legalizing unpermitted units and the new opportunities (i.e., SB 897) and incentives (i.e., current fee waiver) available to them. The City's ADU webpage now includes a dedicated page to this effort where the attached flyer can also be obtained: https://www.newportbeachadu.org/safeadu. The flyer was also distributed in City water bills to notify property owners of the program.</p> <p>Additionally, the City was ready for changes to the Safe ADU program pursuant to AB2533 that went into effect on January 1, 2025. The City's Safe ADU program has already been updated to comply with the provisions. Two Safe ADU permits were issued and one finalized in 2025.</p>

Policy Action	Policy	Status
1K: <i>Inclusionary Housing Policy</i>	The City will investigate inclusionary housing policy options as an additional means to provide a variety of housing types and opportunities for very low, low- and moderate-income households in Newport Beach.	<p><i>In Progress</i></p> <p>In 2022, the City retained Keyser Marston Associates, Inc. (KMA) to prepare a financial evaluation for prospective inclusionary housing program options in the City. The City Council has held study sessions and continues to explore the appropriate policy choice that will encourage and not hinder affordable housing development. As a related action in 2023, the City Council revised the inclusionary requirement for the Residential Overlay in the Airport Area, reducing it from 30% to 15%. KMA's report showed that the 30% requirement could hinder housing production altogether. The City continued to study inclusionary housing in 2025 with technical support from KMA, including a study of inclusionary housing for a for-sale product in the Airport Area.</p>
2A: <i>Neighborhood Preservation</i>	The City will continue to improve housing quality and prevent deterioration of existing neighborhoods by strictly enforcing applicable Building Code, Fire Code, and Zoning Code regulations and abating Code violations and nuisances.	<p><i>Ongoing</i></p> <p>Building Inspectors and Code Enforcement Officers continually enforce code regulations, abatement violations, and nuisances. A quarterly report on code enforcement activities is available and kept on file at the City. The City Council awarded funding for the Senior Home Assistance Repair Program. (See Program 6B.)</p>
2B: <i>Residential Building Record Program</i>	The City will maintain and continue to implement the Residential Building Records (RBR) program to reduce and prevent violations of building and zoning ordinances	<p><i>Ongoing</i></p> <p>During the fourth quarter of 2023, the City Council opted to streamline real estate transactions through removal of the Residential Building Record (RBR) Program requirement. However, the Program remains available on a voluntary basis. This report allows the City to verify that its residential buildings meet zoning, building code, and life safety requirements as set forth by the City's Municipal Code and fulfill the State's requirement that all homes have both smoke detectors and seismic strapping of water heaters (California Health and Safety Code, Section 19211). In 2025, there were 111 RBRs processed.</p>

Policy Action	Policy	Status
<p>2C: <i>Preservation of At-Risk Units</i></p>	<p>The City will proactively seek to preserve as many affordable units as possible by reaching out to owners that want to opt out of Section 8 contracts and work with them to incentivize keeping the units as affordable.</p>	<p>Ongoing</p> <p>The City registered as a Qualified Preservation Entity with HCD as of 2012. When notification is received, City staff will evaluate the potential use of monies to preserve the affordable units. In December 2025, the City re-registered as a Qualified Preservation Entity with HCD.</p> <p>Pamphlets informing prospective tenants and landlords about the Orange County Housing Authority (OCHA) Section 8 program have been made available in the public lobby and information is posted on the City website.</p>
<p>3A: <i>Objective Design Standards</i></p>	<p>The City of Newport Beach will review existing entitlement processes for housing development and will eliminate discretionary review for all housing development proposals that include a minimum affordable housing component.</p>	<p>Complete</p> <p>The Zoning Code Amendment that approved the Housing Overlays also added Section 20.48.185 (Multi-Unit Objective Design Standards) to provide a minimum baseline design standard for all new multi-unit development. The objective design standards are intended to result in quality design of multi-unit residential and mixed-use development. Review under the standards supports development that builds on context, contributes to the public realm, and provides high quality and resilient buildings and public spaces. These standards shall be applied uniformly and without discretion to enhance the built environment for both affordable and market-rate multi-unit residential development. The standards would apply to housing throughout the City that consists of a density of 30 dwelling units per acre or greater.</p>
<p>3B: <i>SB Streamlining</i> 35</p>	<p>The City will establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of SB 35, Chapter 366 Statues 2017.</p>	<p>In Progress</p> <p>The City has not yet created written procedures; however, inquiries related to SB 35 are promptly and consistently responded to. According to HCD’s online determination, City is currently exempt from the streamlining provisions of SB35.</p>

Policy Action	Policy	Status
3C: <i>Preservation of Rental Opportunities</i>	The City will continue to maintain rental housing opportunities by restricting conversions of rental units to condominiums in a development containing 15 or more units unless the rental housing vacancy rate in Newport Beach is 5% or higher, and unless the property owner complies with condominium conversion regulations contained in Newport Beach Municipal Code Chapter 19.64.	Ongoing A vacancy rate survey is completed upon receiving an application for the conversion of 15 or more rental units to condominiums. No such projects of 15 or more units were submitted in 2025.
3D: <i>Priority Affordable Housing</i>	The City will continue to take all feasible actions to ensure expedient construction and occupancy for projects approved with lower- and moderate-income housing requirements.	Ongoing In 2025, the City received and expeditiously processed nine different preliminary applications for residential development. The City also continues to offer multi-departmental preliminary application meetings (Development Review Committee[DRC]) to assist in streamlining entitlement processes. DRC is a service that is offered free of charge to the development community.
3E: <i>Mortgage Revenue Bonds</i>	The City will continue to participate with the County of Orange in the issuance of tax-exempt mortgage revenue bonds to facilitate and assist in financing, development, and construction of housing affordable to low and moderate-income households.	Ongoing The City has continued its coordination with the County of Orange.
3F: <i>Annual Reporting Program</i>	The City will conduct an annual compliance-monitoring program for units required to be occupied by very low-, low-, and moderate-income households.	Ongoing Annual compliance monitoring has been conducted for 2025 and the report for the City's income- and rent-restricted units by Michael Baker International (consultant) found all units in compliance. The consultant also worked with landlords on compliance with rents and approving eligible rent increases under their agreements.

Policy Action	Policy	Status
3G: <i>Entitlement Assistance</i>	The City will provide entitlement assistance, expedited entitlement processing, and waive application processing fees for developments in which 5% of units are affordable to extremely low-income households.	Ongoing The City provides strong staffing presence at the public counter to expeditiously field any development inquiries. The City also continues to offer multi-departmental preliminary application meetings (Development Review Committee) to assist in streamlining entitlement processes and to facilitate an easier entitlement review. Development Review Committee is a service that is offered free of charge to the development community. In 2025, the City did not receive any applications for multi-unit developments that include extremely low-income households.
3H: <i>Prioritization of Affordable Housing Funds</i>	The City will give highest priority for use of Affordable Housing Fund monies to affordable housing developments providing units affordable to extremely-low-income households and senior households.	Ongoing The City did not receive any applications in 2025 related to this Policy Action.
3I: <i>Public Information About Affordable Housing</i>	The City will continue to maintain a brochure of incentives offered by the City for the development of affordable housing including fee waivers, expedited processing, density bonuses, and other incentives.	Ongoing A brochure is maintained and provided on the City website and in the public lobby. Additionally, during 2025, several developers took advantage of the City's various incentives for affordable housing including through the granting of density bonus, parking reductions, development standard waivers, and fee waivers.
3J: <i>Priority in Kind Assistance for Affordability</i>	The City shall provide more assistance for projects that provide a higher number of affordable units or a greater level of affordability.	Ongoing No projects proposed a larger number of affordable units than the minimum nor at greater affordability levels during the 2025 reporting period. However, in late 2024, the City adopted the Housing Opportunity (HO) Overlay Zoning District (Section 20.28.050 of the NBMC), which includes a provision to allow significant streamlining opportunities for housing development applications that include a higher proportion of affordable housing. Since adoption nine projects have submitted under the Overlay Zoning Districts and two project have been approved.

Policy Action	Policy	Status
<p><i>3K: Coastal Zone Development Affordability</i></p>	<p>The City shall follow Government Code Section 65590 and implement Municipal Code Titles 20.34 and 21.34 “Conversion or Demolition of Affordable Housing” for new developments proposed in the Coastal Zone areas of the City.</p>	<p>Complete</p> <p>On October 29, 2019, the Community Development Director determined that Newport Beach Municipal Code (NBMC) Chapters 20.34 and 21.34 (Conversion of Demolition of Affordable Housing) are no longer required. These chapters of the NBMC implement the Mello Act (Government Code Sections 65590 - 65590.1 Low- and Moderate-Income Housing Within the Coastal Zone). The regulations require the replacement of housing units lost within the coastal zone that are occupied by low- and moderate-income households under certain circumstances when feasible. Both the NBMC and the Mello Act provide when there is less than 50 acres in aggregate, of privately owned, vacant land available for residential use within the City’s coastal zone, and three miles therefrom, the replacement requirement is not required.</p> <p>The Planning Division completed a land use inventory to determine if 50 aggregate acres of privately owned, vacant land is available for residential use within the City’s coastal zone and within three miles inland of the coastal zone. The inventory conducted in October 2022, found less than 50 qualifying acres.</p>
<p><i>3L: Proactive Education and Outreach to Prospective Developers</i></p>	<p>The City will continue to advise and educate existing landowners and prospective developers of affordable housing development opportunities available within Banning Ranch, the Airport Area, West Newport Mesa, Dover-Westcliff, Newport Center, Mariners’ Mile, and Balboa Peninsula areas.</p>	<p>Ongoing</p> <p>City Community Development staff provides information to landowners and developers about affordable housing opportunities and staff encourage the inclusion of affordable housing units in new projects. There has been significant interest from landowners and developers within the various focus areas, including the submittal of development applications and preliminary applications, demonstrating that the City has provided effective outreach.</p>

Policy Action	Policy	Status
<p>3M: <i>Regional Coordination of Housing Issues</i></p>	<p>The City will continue to participate in other programs that assist production of housing.</p>	<p>Ongoing</p> <p>The City of Newport Beach is a participating member of the Orange County Housing Authority (OCHA). OCHA receives, distributes and monitors the Section 8 Vouchers for the City. OCHA has many housing programs that are offered and available to City residents and promote housing production. City Planning staff participate in in communication with the OCHA to stay up to date on all the programs, projects, and vouchers.</p> <p>City staff also actively participates on the Orange County Council of Governments (OCCOG) Technical Advisory Committee (TAC), which undertakes issue of regional importance, including housing production and affordability.</p>
<p>3N: <i>Housing Impact Studies</i></p>	<p>The City will continue to study housing impacts of proposed larger-scale, significant commercial/industrial projects during the development review process.</p>	<p>Ongoing</p> <p>The City rarely sees large commercial or industrial development that could significantly affect housing. The City will conduct a housing impact analysis when preparing an environmental impact report for a significant large-scale commercial or industrial project that includes a significant number of employees.</p>

Policy Action	Policy	Status
<p>3O: <i>Single Resident Occupancies (SROs)</i></p>	<p>Use State and federal funding to continue to provide assistance and make provisions for development of single-room occupancy (SRO) housing and other forms of housing for people experiencing homelessness in the City.</p>	<p>Ongoing</p> <p>In December 2024, the City Council authorized the City Manager and City Clerk to execute the Affordable Housing Loan Agreement between the City of Newport Beach and American Family Housing, LLC, (AFH) to loan \$3,000,000 to convert an existing Travelodge North Motel property at 1400 Bristol Street, Costa Mesa to permanent supportive housing for those experiencing or at risk of homelessness. AFH’s project to convert an existing 120-unit motel property into 78 total units of housing - 76 units of permanent supportive housing and two manager’s units (Project) is under construction with an expected completion date in the third quarter of 2026. Twelve studio units at the Project will be leased to eligible tenants with a connection to Newport Beach.</p> <p>PATH (People Assisting the Homeless) continues to provide outreach and engagement services as a contracted service provider. PATH completed 66 shelter intakes (some duplicated individuals) at the Costa Mesa Bridge Shelter, the County’s Yale Navigation Center, the Huntington Beach Navigation Center, the Buena Park Navigation Center, and the Bridges at Kraemer Place in Anaheim. PATH, in coordination with the Newport Beach Police Department and homeless services manager, completed a street Census in November 2025. 13 people were surveyed and stated ties to Newport Beach. PATH continues to connect the people to services and resources.</p>
<p>3P: <i>Residential Care Facilities</i></p>	<p>The City will review and amend the permitting procedures, application requirements, and development standards applicable to residential care facilities for persons of seven or more to ensure consistency with state and federal laws to promote objectivity and greater approval certainty.</p>	<p>In Progress</p> <p>City staff has continued to coordinate with HCD on this Policy Action. A relevant update to the Municipal Code is anticipated by the middle of 2026.</p>

Policy Action	Policy	Status
<p><i>4A: Affirmatively Furthering Fair Housing</i></p>	<p>The City will affirmatively further fair housing by taking meaningful actions in addition to resisting discrimination, that overcomes patterns of segregation and fosters inclusive communities free from barriers that restrict access to opportunity based on protected classes, as defined by State law.</p>	<p><i>In Progress</i></p> <p>The City intends to emphasize meaningful actions to overcome patterns of segregation and to foster inclusive communities free from barriers that restrict access to opportunity based on protective classes, as defined by State law. The City continues to maintain a contract for fair housing services with the Fair Housing Foundation and will participate in an update to the Orange County Regional Analysis of Impediments to Fair Housing when the next update occurs. The City is also collaborating with neighboring jurisdictions through the Orange County Council of Government (OCCOG) and its Regional Early Action Planning (REAP) on-call services bench, as there is an effort to streamline various housing element implementation program actions, including AFFH efforts, regionally.</p>
<p><i>4B: Streamlined Project Review</i></p>	<p>The City will provide a streamlined “fast-track” development review process for proposed affordable housing developments.</p>	<p><i>Ongoing</i></p> <p>The City provides a prioritized and expedited development review process for all affordable housing projects. In 2025, this included entitlement approval of the following project that included affordable units:</p> <ul style="list-style-type: none"> • Placentia Avenue Apartments – 1 very low-income affordable unit. <p>The following projects were also provided with an expedited review of development rights for future housing projects that include affordable units:</p> <ul style="list-style-type: none"> • MacArthur Court Mixed-Use - 49 affordable units (off-site) • 120 Newport Center Drive - Development Agreement and Affordable Housing Implementation Plan for the future

Policy Action	Policy	Status
		<p>development of affordable units in the North Newport Center Planned Community (PC-56)</p> <p>Additionally, three projects submitted preliminary applications under the City adopted the Housing Opportunity (HO) Overlay Zoning District (Section 20.28.050 of the NBMC). The Overlay also includes a provision to allow significant streamlining opportunities for housing development applications that include a higher proportion of affordable housing (i.e., 20%) which applies to the St. Michael's Multi-Family:</p> <ul style="list-style-type: none"> • 1470 Jamboree Road Mixed Use – 9 very low affordable units and 9 moderate affordable units (subsequently expired). • St. Michael's Multi-Family – 18 affordable units in senior housing development (now a full application in process). • 12 Corporate Plaza Residences – 6 very low affordable units and 6 moderate affordable units (subsequently expired).
<p><i>4C: Density Bonus and Incentives for Affordable Housing</i></p>	<p>The City will update its Density Bonus Ordinance (Newport Beach Municipal Code Chapter 20.32) to be consistent with State Law, as amended.</p>	<p>Complete and Ongoing</p> <p>The City continuously monitors changes to state density bonus law. The most recent amendment was to the Implementation Plan (IP) of the City's certified Local Coastal Program to incorporate standards and establish an approval process for considering density bonuses with housing development projects in the coastal zone. These amendments are required to ensure the City's regulations are in compliance with State law. The California Coastal Commission approved the amendment with suggested modifications on April 12, 2024. The City Council adopted the amendment on September 25, 2024.</p> <p>Additionally, monitoring efforts for compliance and consistency will continue in 2026.</p>

Policy Action	Policy	Status
<p><i>4D: List of Pre-Approved Development Incentives</i></p>	<p>The City will develop a pre-approved list of incentives and qualifications for such incentives to promote the development of affordable housing.</p>	<p><i>In Progress</i></p> <p>The City established a permit and plan check fee waiver program to incentivize the development of accessory dwelling units that continued through the end of 2024. Other potential incentives for affordable housing development, including ADUs, is in progress.</p>
<p><i>4E: Airport Area Policy Exceptions for Affordable Housing</i></p>	<p>The City shall maintain an exception to the minimum 10-acre village requirement for projects that include a minimum of 30% of the units affordable to lower-income households in the Airport Area.</p>	<p><i>Ongoing</i></p> <p>In 2023, the Newport Place Planned Community (PC-11) Development Plan was amended to modify the inclusionary requirement from 30% to 15% for residential projects. A report from KMA demonstrated that a 30% inclusionary requirement may hinder housing development. Therefore, the City maintained the exception to the minimum 10-acre village requirement for projects with affordable units.</p> <p>In furtherance of Housing Element Policy Actions 1A (Airport Environs Sub Area), 4E (Airport Area Policy Exceptions for Affordable Housing), and 4J (Airport Environs Sub Area Environmental Constraints) the City initiated the preparation of a Specific Plan for the Airport Area in 2025. In May 2025, the City released a request for proposals for consulting services to prepare the specific plan. After completing the evaluation, the City selected Kimley Horn and Associates as the consultant most qualified to perform the services and scheduled the contract for approval by the City Council in early 2026. The City anticipates completion of the specific plan by early 2028.</p>
<p><i>4F: Encourage Development of Opportunity Sites</i></p>	<p>The City will continue to encourage and facilitate residential and/or mixed-use development on sites listed in Appendix B by providing technical assistance to interested developers with site identification and entitlement processing.</p>	<p><i>Ongoing</i></p> <p>Since adoption of the Housing Opportunity (HO) Overlay Zoning District (Overlay), City staff has met with several property owners, prospective developers, and real estate brokers or agents to provide assistance and explanation of the overlay, including the development review process.</p>

Policy Action	Policy	Status
<i>4G: Annual RHNA Sites Inventory Monitoring</i>	The City will monitor and evaluate the development of vacant and underdeveloped parcels on an annual basis and report the success of strategies to encourage residential development in its Annual Progress Reports required pursuant to Government Code 65400.	Ongoing
<i>4H: Review Mixed-Use Zones</i>	The City will review established mixed-use land use categories and corresponding zoning regulations in the City and recommend policy or code changes to the City Council that reduce regulatory barriers and incentivize mixed-use residential development.	<p>In Progress</p> <p>The Southern California Association of Governments (SCAG) previously issued grant funds to the Orange County Council of Governments (OCCOG) to establish a technical consultant bench that would support OCCOG member agencies in completing Housing Element Implementation Programs. The partnership is referred to as the “Subregional Partnership Program 2.0.” In March 2025, the City applied to OCCOG for technical assistance to complete Housing Element Policy Action 4H: Review Mixed-Use Zones (Project), which is intended to review and identify opportunities to improve existing zoning regulations related to Mixed-Use zoning districts.</p> <p>In May 2025, OCCOG selected the City to receive technical assistance to complete the project. The City Council formally accepted assistance from OCCOG in January 2026 and will complete this study by mid-2026.</p>
<i>4I: Establish Mixed-Use Resort Opportunities</i>	The City will consider policies, regulations and/or interpretations to establish mixed-use resort opportunities.	<p>Complete</p> <p>In 2021, the Community Development Director issued Director’s Determination No. DD2021-001 Interpreting Accessory Residential as an Allowed Use within Resort Hotels (PA2021-096). DD2021-001 determined that residential uses are permitted as an accessory use to hotels subject to certain conditions.</p>

Policy Action	Policy	Status
<p><i>4J: Airport Environs Sub Area Environmental Constraints</i></p>	<p>The City will take actions to address potential environmental constraints in the Airport Environs Sub Area and ensure continued feasibility of sites, particularly for lower-income RHNA.</p>	<p><i>In Progress</i></p> <p>In 2023, the City adopted amendments to the Zoning Code and General Plan related to noise in the airport area, which were necessary to implement the 6th Cycle Housing Element. The amendments included adding regulations to Section 20.30.080 (Noise) of the NBMC that would serve to protect sensitive noise receptors from potential airport noise.</p> <p>In furtherance of Housing Element Policy Actions 1A (Airport Environs Sub Area), 4E (Airport Area Policy Exceptions for Affordable Housing), and 4J (Airport Environs Sub Area Environmental Constraints) the City initiated the preparation of a Specific Plan for the Airport Area in 2025. In May 2025, the City released a request for proposals for consulting services to prepare the specific plan. After completing the evaluation, the City selected Kimley Horn and Associates as the consultant most qualified to perform the services and scheduled the contract for approval by the City Council in early 2026. The City anticipates completion of the specific plan by early 2028.</p>
<p><i>4K: West Newport Mesa Environmental Constraints</i></p>	<p>The City will take actions to address environmental constraints and ensure feasibility of sites, particularly for lower-income RHNA, in the West Newport Mesa Area with regards to noise and pollutants.</p>	<p><i>In Progress</i></p> <p>Monrovia Townhomes were approved in 2025 under the Housing Overlay HO-2, for 89 residential townhomes within a predominately industrial area. The following conditions of approval were included in the adopted Resolution to mitigate potential noise issues with the existing surrounding uses:</p> <ul style="list-style-type: none"> • Residential structures shall be sound attenuated to provide interior noise levels acceptable for residential uses including a acoustic study. • A disclosure required to be provided to each prospective and future buyer of each residential unit on the site advising of the potential noxious characteristics including but not

Policy Action	Policy	Status
		<p>limited to increased ambient noise levels, odors, operations, deliveries, etc., of the nearby industrial uses which could adversely affect the prospective owner' s enjoyment of the property. The disclosure statement shall be included and recorded with the Conditions, Covenants and Restrictions (CC&Rs).</p>
<p>4L: Coyote Canyon Environmental Constraints</p>	<p>The City will take actions to address environmental constraints on the Coyote Canyon landfill site.</p>	<p>In Progress</p> <p>The City has been actively supporting the County and it prospective developer on an as-needed basis while they have considered development potential on the closed Coyote Canyon Landfill.</p>
<p>5A: Preservation of Affordability Covenants</p>	<p>The City will contact owners of 19 affordable units approaching the expiration of affordability covenants to obtain information regarding their plans for continuing affordability on their properties, inform them of financial resources available, and to encourage the extension of the affordability agreements for the developments listed beyond the years noted.</p>	<p>Ongoing</p> <p>Refer to the discussion under 2C above. The City will continue outreach efforts in 2025 to preserve affordability covenants.</p>
<p>5B: Section 8 Participation</p>	<p>The City shall maintain information on the City's website and prepare written communication for tenants and other interested parties about Orange County Housing Authority Section 8 opportunities and to assist tenants and prospective tenants acquire additional understanding of housing law and related policy issues</p>	<p>Ongoing</p> <p>The City continues to maintain a contract for fair housing services with the Fair Housing Foundation. The City maintains a robust housing webpage with information regarding housing opportunities and contact information for affordable housing providers and the Fair Housing Foundation.</p>

Policy Action	Policy	Status
<i>5C: Incentivize for Preserving of Affordability Covenants</i>	The City will investigate the potential for providing additional incentives or modify its current policy to incentivize property owners to maintain the affordability of units on their property during the 6th Cycle.	Ongoing
<i>5D: Mobile Home Park Conversions</i>	The City will continue to employ the provisions of NBMC Title 20 provision of the Mobile Home Park Overlay to maintain and protect mobile home parks in a stable environment with a desirable residential character.	Ongoing City Community Development staff continues to inform property owners and developers of the provisions of the City's MHP overlay. The City has used and will continue to make available the Senior Housing Assistance Repair Program (SHARP) funds to help senior residents repair their mobile homes if it is necessary to abate substandard living conditions.
<i>5E: Orange County Housing Authority Advisory Committee</i>	The City of Newport Beach will continue to participate as a member of the Orange County Housing Authority (OCHA) Advisory Committee and work in cooperation with the OCHA to provide Section 8 Rental Housing Assistance to residents of the community.	Ongoing Staff attends and maintains active communication with the OCHA Cities Advisory Committee. Staff continually works in cooperation with the County to provide Section 8 rental housing assistance to residents. A link to the Orange County Housing Authority website has been placed on the City website to provide information on the Section 8 program.
<i>5F: Water Efficiency for Residential Projects</i>	The City will continue to implement and enforce the Water Efficient Landscape Ordinance and Landscape and Irrigation Design Standards in compliance with AB 1881 (Chapter 559 Statutes 2006).	Ongoing All new development projects are reviewed for compliance with the City's Water Efficient Landscape Ordinance. The annual report on the City's Water Efficient Landscape Ordinance for 2025 was submitted to California Department of Water Resources on January 30, 2026.

Policy Action	Policy	Status
<i>5G: Energy Efficiency in Residential Projects</i>	The City will continue to require that any affordable housing developments that receive City assistance from Community Development Block Grant (CDBG) funds or from the City's Affordable Housing Fund shall be required, to the extent feasible, to include installation of energy efficient appliances and devices that will contribute to reduced housing costs for future occupants of the units.	Ongoing No affordable housing projects received funding via CDBG or the City's Affordable Housing Fund during the 2025 reporting period.
<i>6A: Homeless Program Assistance</i>	The City will continue to apply annually for United States Department of Urban Development Community Development Block Grant (CDBG) funds and allocate a portion of such funds to sub-recipients who provide shelter and other services for the homeless as well as submit Annual Action Plan to HUD in May of each year.	Ongoing The City applied for a grant allocation for the 2025 reporting period. The City submitted its Action Plan in May of 2025 and allocated a portion of the grant for the provision of homeless services – Families Forward and the Newport Beach Police Department Motel Voucher Program.
<i>6B: Repair Loans and Grant Programs for Seniors, Persons with Physical and Developmental Disabilities and Lower-Income Households</i>	The City, with OASIS Senior Center and Habitat for Humanity Orange County, has developed a Senior Home Repair Assistance Program (SHARP). Additionally, the City will continue to cooperate with the Orange County Housing Authority (OCHA) to pursue establishment of a Senior/Disabled or Limited Income Repair Loan and Grant Program to underwrite all or part of the cost of necessary housing modifications and repairs. Cooperation with OCHA will include continuing City of Newport Beach participation in the County Continuum of Care and continuing to provide CDBG funding.	Ongoing The City's Senior Housing Assistance Repair Program (SHARP) continues to successfully assist low-income seniors. In 2025, Habitat for Humanity and OASIS staff worked on two new projects and expended a total of \$51,126.80. The projects involved demolition and replacement of the roof, porch, and steps, as well as exterior/foundation repairs. To date, the program has used \$527,349.76 for a total of 22 projects.

Policy Action	Policy	Status
<p><i>6C: Leverage CDGB and other Federal Formula Grant Funding</i></p>	<p>The City shall make every effort to leverage CDBG and Federal formula grant annual funds from various agencies to further the City’s housing goals; these include, but are not limited to, State, Regional and private resources. The City of Newport Beach will continue to maintain a list of “Public and Private Resources Available for Housing and Community Development Activities” and maintain a list of resources on City website and update as necessary in the 6th Cycle.</p>	<p>Ongoing</p>
<p><i>6D: Child Daycare Facilities</i></p>	<p>The City will continue to encourage the development of daycare centers as a component of new affordable housing developments and grant additional incentives in conjunction with the review and approval of density bonus projects pursuant to NBMC Chapter 20.32 (Density Bonus).</p>	<p>Ongoing</p> <p>City Community Development Department staff requests developers include child daycare facilities in developments that include affordable housing.</p> <p>The City did not receive any applications in 2025 that included daycare centers.</p>
<p><i>6E: Housing Assistance for Seniors</i></p>	<p>The City shall continue to encourage senior citizen independence through the promotion of housing and services related to in-home care, meal programs, and counseling, and maintain a senior center that affords seniors opportunities to live healthy, active, and productive lives in the City</p>	<p>Ongoing</p> <p>The City supports a Meals on Wheels program that provides home-delivered meals to individuals who are homebound due to age, illness, or disability. Funding is provided through the CDBG program on a yearly basis.</p> <p>The Meals on Wheels program provides home-delivered meals to individuals who are homebound due to age, illness, or disability.</p> <p>The City also operates the OASIS Senior Center. Services include:</p>

Policy Action	Policy	Status
		<ul style="list-style-type: none"> • A multi-purpose center owned and operated by the City in partnership with the Friends of OASIS nonprofit dedicated to meeting needs of senior citizens and their families. • Classes in art, health & fitness, music & dance, foreign languages, technology, enrichment, and much more. • A state-of-the-art fitness center for those age 50 and older which provides a safe, comfortable, senior-friendly exercise environment for the active older adult including access to hire a personal trainer for individualized programs. Separate membership is required to join. • Regularly scheduled low-cost special events/socials such as luncheons, concerts, barbecues, and holiday parties. • Travel department coordination of day and overnight trips. • Curb-to-curb transportation program for residents of Newport Beach age 60 and older who are no longer driving to use for medical appointments, grocery shopping, banking, and to attend OASIS classes (fee required). • Social services information and referral for seniors and their families dealing with a need for caregiver services, housing, transportation, legal matters, and more. Informational and supportive counseling is available to seniors and their family members on an individual basis. • Various health resources and screenings for seniors, including flu shots, blood pressure, memory screenings, medication review, and health insurance counseling services. • Regularly scheduled support group meetings at the Center to help senior citizens and their families cope with stress, illness, life transitions, and crises. • Congregate lunch program for seniors age 60 and older that is funded by the federal government through the <i>Older Americans Act</i>. A donation is requested for meals, which are provided by Meals on Wheels OC.

Policy Action	Policy	Status
6F: <i>Emergency Shelters, Transitional and Supportive Housing</i>	The City of Newport Beach will amend certain sections of its Municipal Code in order to comply with State law to address: 'Supportive Housing Streamlined Approvals', 'Emergency and Transitional Housing Act of 2019', amending NBMC definitions to comply with California Government Code, and amending NBMC to ensure proper zoning of emergency, transitional, and supportive housing according to State law.	<i>In Progress</i> City staff has continued to coordinate with HCD on this Policy Action. A relevant update to the Municipal Code is anticipated by the middle of 2026. Staff intends to implement this Policy Action in conjunction with the amendments necessary to implement Policy Action 3P: Residential Care Facilities.
6G: <i>Senior Housing Priority Program</i>	The City seeks to develop explore the feasibility and appropriateness of proactive policies and programs to address and prioritize the needs of its senior population.	<i>Ongoing</i>
7A: <i>Supportive Housing/ Low Barrier Navigation Centers</i>	To comply with State law, the City of Newport Beach will adopt policies, procedures, and regulations for processing this type of use to establish a non-discretionary local permit approval process that must be provided to accommodate supportive housing and lower barrier navigation centers per State law.	<i>Pending</i>
7B: <i>Transitional and Supportive Housing</i>	In compliance with Senate Bill 2 (Chapter 364, Statutes 2017) and SB 745 Chapter 185, Statutes 2013) the City will ensure the Zoning Code is amended to encourage and facilitates emergency shelters and limits the denial of emergency shelters and transitional and supportive housing under the Housing Accountability Act.	<i>Ongoing</i> City staff has continued to coordinate with HCD on this Policy Action. A relevant update to the Municipal Code is anticipated by the middle of 2026. Staff intends to implement this Policy Action in conjunction with the amendments necessary to implement Policy Action 3P: Residential Care Facilities.

Policy Action	Policy	Status
7C: <i>Housing for Persons with Developmental Disabilities</i>	To accommodate residents with developmental disabilities, the City will review and prioritize housing construction and rehabilitation including supportive services targeted for persons with developmental disabilities.	<p>Ongoing</p> <p>During the 2025 reporting period, no projects were proposed that targeted the provision of housing or services for persons with developmental disabilities.</p>
7D: <i>Fair Housing Services</i>	The City of Newport Beach will continue to contract with an appropriate fair housing service agency for the provision of fair housing services for Newport Beach residents.	<p>Ongoing</p> <p>The City contracted with the Fair Housing Foundation (FHF) to provide these services. The Fair Housing Foundation provided the following trainings, seminars, and outreach activities for the City in 2025:</p> <ul style="list-style-type: none"> • Fair Housing Workshops – 2/6/25 & 9/3/25 • Contacts regarding FHF Services – 2/6/25 Newport Beach Police Department & Coastline College-Newport Beach Campus, 9/3/25 Boys & Girls Club of Newport Beach • Public Service Announcement – City of Newport Beach TV – 5/15/25 • Literature Distribution – 2,559 • Booths-5/17/25 Oasis Senior Center, 6/17/25 Newport Beach Public Library <p>The City maintains flyers provided by the FHF at the permit counter in the Civic Center. Additionally, the City’s housing website includes links and contact information for the FHF.</p>
8A: <i>Annual Reporting Program</i>	The City of Newport Beach shall report on the status of all housing programs as part of its annual General Plan Review and Annual Progress Report (APR).	<p>Ongoing</p> <p>This report is intended to satisfy this Policy Action for the 2025 reporting period.</p>

Policy Action	Policy	Status
<p><i>8B: Water and Sewer Service Providers</i></p>	<p>Pursuant to SB 1087, Chapter 727, Statutes of 2005, the City of Newport Beach is required to deliver its adopted housing element and any amendments thereto to local water and sewer service providers.</p>	<p>Pending</p> <p>The City received notice from HCD of the certification of the City's 6th Cycle Housing Element in October of 2022. Copies of the certified Housing Element were sent to all local water and sewer utility providers that supply the City.</p> <p>The Residences at 120 Newport Center development vesting rights approved by City Council in April 2025, included an amended Development Agreement and Affordable Housing Implementation Plan for future residential units and also approved a Water Supply Assessment (WSA) to evaluate the water supply availability for a project including more than 500 dwelling units pursuant to Section 21151.9 of the Public Resources Code (PRC) and Section 10910 et seq. of the Water Code and as contemplated in the City's Housing Implementation Program Final Program EIR.</p>



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jeff Boyles, Fire Chief - 949-644-3101, jboyles@nbfd.net

PREPARED BY: Raymund Reyes, Administrative Manager - 949-644-3352, rreyes@newportbeachca.gov

TITLE: Purchase of Replacement Cardiac Monitors and AutoPulse® Automatic Chest Compression Devices

ABSTRACT:

Newport Beach Fire Department (Nbfd) personnel are trained and prepared to respond to medical calls using a variety of specialized emergency medical services (EMS) equipment. Portable cardiac monitors allow staff to monitor patient vital signs, provide defibrillation and transmit electrocardiogram (ECG) data to hospitals to prepare for the patient's arrival. Mechanical cardiopulmonary resuscitation (mCPR) devices provide automated, consistent chest compressions to sudden cardiac arrest victims. New, improved versions of the existing monitors and mCPR devices are now available from Zoll Medical Corporation (Zoll). The Nbfd purchased its first AutoPulse mCPR devices in 2088 from Zoll and the devices have been instrumental in providing sustained high-quality CPR over the years. Staff is requesting approval to purchase new units to replace and upgrade the department's existing inventory.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve the selection and purchase of 24 Zoll Zenix® Monitor/Defibrillators and 11 Zoll AutoPulse® NXT mCPR devices and associated components and warranties, using cooperative selection and pricing under National Purchasing Partners (NPPGov) Contract PS 25850, and authorize the Administrative Services Department to issue the purchase orders; and
- c) Approve Budget Amendment No. 26-064 appropriating \$1,774,636.53 in increased expenditures in Account 75604-911024 (Fire Equipment) from the Newport Beach Fire Department's unappropriated Internal Service Fund (ISF) equipment fund balance.

DISCUSSION:

Electrocardiograms (ECGs or EKGs) are tests that record a heart's electrical activity and are used to monitor and diagnose a patient's heart condition. Portable cardiac monitors

are advanced life support systems that can perform various ECG functions on-scene and during transport. These include heart rate monitoring and pacing, defibrillation, oxygen/CO2 levels, and whether cardiopulmonary resuscitation (CPR) is being delivered adequately. ECGs serve as key pieces of equipment that assist firefighter-paramedics in providing life-saving care, especially for cardiac patients.

Zoll manufactured cardiac monitors have been purchased and used by the Nbfd for over two decades, and are found on every ambulance, fire engine, and one of the two fire trucks. The current X-Series© monitors have performed well; their durability and reliability, coupled with good warranties and proper maintenance, have allowed the department to operate them beyond the department's standard replacement cycle of five years. The oldest units were built in 2014, with newer units built in 2019 and 2023.

Towards the end of September 2025, Zoll released a replacement for the X-Series© called the Zenix©. The model incorporates various improvements (largely the result of feedback from various public safety agencies and hospitals) and additional features, including a better interface and larger touchscreen, optimization for pediatric patients, and improved workflows. Due to the design of the Zenix, operational procedures are different, and existing X-Series supplies, components and attachments are not interchangeable, requiring a full inventory replacement.

The Nbfd EMS Division requested a demonstration sample from Zoll and conducted various training and field trials. Based on these trials, the Nbfd would like to replace and upgrade its entire inventory of X-Series monitors with Zenix monitors, ensuring the department is utilizing the best lifesaving equipment when serving the community.

Mechanical CPR Devices

Mechanical CPR Devices provide automated chest compressions to sudden cardiac arrest patients and can be an effective alternative to manual chest compressions. They are particularly useful when moving or transporting a patient as compressions can continue uninterrupted, increasing their chances of survival. Orange County EMS guidelines mandate that some form of mCPR device be available for use by every Orange County fire department on every cardiac arrest patient.

AutoPulse© devices, also manufactured by Zoll, are found on every fire engine and fire truck (as they are typically the first apparatus on scene.) The AutoPulse has been in use by the Nbfd since 2008; devices are typically replaced on a seven-year cycle. Six of the 10 devices in the department's inventory were replaced in 2023, and four are due to be replaced in 2026.

Zoll has replaced the original AutoPulse for a new, improved model in early 2025 known as the AutoPulse NXT©. Improvements include a lighter, more compact design, better data integration, battery management and charging, controls on both sides of the device for ease of use, and easier decontamination. The NXT version is also designed to be compatible with the new Zenix monitor.

Attachments, supplies, chargers and batteries for the NXT are not interchangeable with the original AutoPulse, and service and support will be eventually phased out for the model in the department's inventory. In order to maintain consistent inventory and maintain a singular training regimen/operating process, the Nbfd would like to replace its entire inventory of AutoPulse devices with the AutoPulse NXT.

Selection

Per Administrative Policy AP-001, cooperative purchasing may be utilized if the procurement requirements of the cooperative meet the City' of Newport Beach's purchasing requirements. In most cases, cooperative procurements create an economy of scale, allowing manufacturers to sell in greater volume and pass the savings on to participating agencies through reduced pricing. NPPGov is a national cooperative procurement organization that offers publicly solicited contracts to various public agencies. Membership in the organization is free and there is no obligation to purchase through any solicitation. The City is an active member of NPPGov and has previously used cooperative pricing on various purchases (including prior cardiac monitor purchases.)

On May 12, 2025, the League of Oregon Cities served as a lead agency under NPPGov to publicly solicit proposals for medical products, monitors, data transmission, and other medical services. Six firms were awarded agreements, including Zoll. Zoll's Master Price Agreement (Contract No. PS25850) provides various discount rates for different medical product categories, including the Zenix and AutoPulse NXT.

FISCAL IMPACT:

Cardiac monitors and Autopulse devices are currently part of the Nbfd's equipment ISF replacement program. Monitors have a replacement cycle of five years, and Autopulse devices every seven years.

The monitors have proven to be reliable and robust, enabling the department to defer replacement and accrue additional savings into its Internal Service Fund (ISF) fund. There is sufficient funding in the Nbfd's unappropriated ISF equipment fund balance to support complete replacement purchases of its existing inventory of cardiac monitors and mCPR devices to the newest models.

If approved, the Nbfd would purchase 24 monitors (including additional backup/reserve units) for a total of \$1,434,780.60, and 11 AutoPulse NXTs for a total of \$339,855.93, including applicable trade-in credits, associated accessories, four-year warranties, and taxes. This equates to a cost per unit of \$59,783 per Zenix monitor, and \$30,896 per AutoPulse NXT. This is approximately \$1,819 higher per monitor and \$3,839 higher per AutoPulse NXT than previous ISF replacement estimates for existing models.

The Budget Amendment appropriates \$1,774,636.53 in increased expenditure appropriations in Account 75604-911024 (Fire Equipment) from the Nbfd's unappropriated ISF equipment fund balance.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

- Attachment A – NPPGov Intergovernmental Cooperative Purchasing Agreement
- Attachment B – Zoll Master Price Agreement PS 25850
- Attachment C – Quote 134496 Zoll Zenix©
- Attachment D – Quote 129247 Zoll AutoPulse NXT©
- Attachment E – Budget Amendment

Intergovernmental Cooperative Purchasing Agreement

This Intergovernmental Agreement (Agreement) is by and between the “Lead Contracting Agency” and participating government entities (“Participating Agencies”), that are members of National Purchasing Partners (“NPPGov”), including members of Public Safety GPO, First Responder GPO, Law Enforcement GPO, Education GPO and EMS GPO that agree to the terms and conditions of this Agreement. The Lead Contracting Agency and all Participating Agencies shall be considered as “parties” to this agreement.

WHEREAS, upon completion of a formal competitive solicitation and selection process, the Lead Contracting Agency has entered into Master Price Agreements with one or more Vendors to provide goods and services, often based on national sales volume projections;

WHEREAS, NPPGov provides group purchasing, marketing and administrative support for governmental entities. NPPGov’s marketing and administrative services are free to its membership, which includes participating public entities and nonprofit institutions throughout North America.

WHEREAS, NPPGov has instituted a cooperative purchasing program under which member Participating Agencies may reciprocally utilize competitively solicited Master Price Agreements awarded by the Lead Contracting Agency;

WHEREAS, the Master Price Agreements provide that all qualified government members of NPPGov may purchase goods and services on the same terms, conditions and pricing as the Lead Contracting Agency, subject to applicable local and state laws of the Participating Agencies;

WHEREAS, the parties agree to comply with the requirements of the Intergovernmental Cooperation Act as may be applicable to the local and state laws of the Participating Agencies;

WHEREAS, the parties desire to conserve and leverage resources, and to improve the efficiency and economy of the procurement process while reducing solicitation and procurement costs;

WHEREAS, the parties are authorized and eligible to contract with governmental bodies and Vendors to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, the parties desire to contract with Vendors under the terms of the Master Price Agreements;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1: LEGAL AUTHORITY

Each party represents and warrants that it is eligible to participate in this Agreement because it is a local government created and operated to provide one or more governmental functions and possesses adequate legal authority to enter into this Agreement.

ARTICLE 2: APPLICABLE LAWS

The procurement of goods and services subject to this Agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules, and regulations that govern each party’s procurement policies. Competitive Solicitations are intended to meet the public contracting requirements of the Lead Contracting Agency and may not be appropriate under, or satisfy Participating Agencies’ procurement laws. It is the responsibility of each party to ensure it has met all applicable solicitation and procurement requirements. Participating Agencies are urged to seek independent review by their legal counsel to ensure compliance with all local and state solicitation requirements.

ARTICLE 3: USE OF BID, PROPOSAL OR PRICE AGREEMENT

- a. A “procuring party” is defined as the Lead Contracting Agency or any Participating Agency that desires to purchase from the Master Price Agreements awarded by the Lead Contracting Agency.
- b. Each procuring party shall be solely responsible for their own purchase of goods and services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation of law or contract by a procuring party, and the procuring party shall hold non-procuring parties and all unrelated procuring parties harmless from any liability that may arise from action or inaction of the procuring party.
- c. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar goods and services outside the scope of the Master Price Agreement.
- d. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.
- e. The cooperative use of bids, proposals or price agreements obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid, proposal or price agreement, except as modified where otherwise allowed or required by applicable law, and does not relieve the party of its other solicitation requirements under state law or local policies.

ARTICLE 4: PAYMENT OBLIGATIONS

The procuring party will make timely payments to Vendors for goods and services received in accordance with the terms and conditions of the procurement. Payment for goods and services, inspections and acceptance of goods and services ordered by the procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Vendor shall be resolved in accordance with the law and venue rules of the state of the procuring party.

ARTICLE 5: COMMENCEMENT DATE

This Agreement shall take effect after execution of the “Lead Contracting Agency Endorsement and Authorization” or “Participating Agency Endorsement and Authorization,” as applicable.

ARTICLE 6: TERMINATION OF AGREEMENT

This Agreement shall remain in effect until terminated by a party giving 30 days written notice to “Lead Contracting Agency”

ARTICLE 7: ENTIRE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 8: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by all parties, except that any alterations, additions, or deletions of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO OR MORE ORIGINALS BY EXECUTION AND ATTACHMENT OF “THE LEAD CONTRACTING AGENCY ENDORSEMENT AND AUTHORIZATION” OR “PARTICIPATING AGENCY ENDORSEMENT AND AUTHORIZATION,” AS APPLICABLE. ONCE EXECUTED, IT IS THE RESPONSIBILITY OF EACH PARTY TO FILE THIS AGREEMENT WITH THE PROPER AGENCY IF REQUIRED BY LOCAL OR STATE LAW.

**LEAGUE OF OREGON CITIES
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of the League of Oregon Cities (“Lead Contracting Agency”) that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the League of Oregon Cities to Participating Agencies locally, regionally, and nationally through NPPGov. Copies of Master Price Agreements and any amendments thereto made available by the League of Oregon Cities will be provided to Participating Agencies and NPPGov to facilitate use by Participating Agencies.

The undersigned understands that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agencies.

The undersigned affirms that he/she is an agent of the League of Oregon Cities and is duly authorized to sign this League of Oregon Cities Endorsement and Authorization.

DocuSigned by:

A49AFD929F7246E...

Date: June 13, 2023

BY: Patricia M. Mulvihill
ITS: Executive Director

League of Oregon Cities Contact Information:

Contact Person: Kevin Toon
Address: 1201 Court St NE #200, Salem, OR 97301
Telephone No.: 503-588-6550
Email: rfp@orcities.org

**PARTICIPATING AGENCY
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of _____ (“Participating Agency”) that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Lead Contracting Agency to Participating Agencies locally, regionally, and nationally through NPPGov.

The undersigned further acknowledges that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agency and that neither the Lead Contracting Agency nor NPPGov shall be held liable for any costs or damages incurred by or as a result of the actions of the Vendor or any other Participating Agency. Upon award of contract, the Vendor shall deal directly with the Participating Agency concerning the placement of orders, disputes, invoicing and payment.

The undersigned affirms that he/she is an agent of _____ and is duly authorized to sign this Participating Agency Endorsement and Authorization.

BY: _____
ITS: _____

Date: _____

Participating Agency Contact Information:

Contact Person: _____
Address: _____

Telephone No.: _____
Email: _____

Attachment B

**First Amendment to Master Price Agreement for
MEDICAL PRODUCTS, MONITORS, SOFTWARE, DATA TRANSMISSION,
AND RELATED SERVICES**

Product Addition

This Amendment to the Master Price Agreement is entered into this 6th day of March 2026 by LEAGUE OF OREGON CITIES (“Purchaser”) and ZOLL MEDICAL CORPORATION (“Vendor”) based upon the sales and/or service of Medical Products, Monitors, Software, Data Transmission, and Related Services.

RECITALS

WHEREAS, Purchaser and Vendor entered into a Master Price Agreement numbered PS25850 on or about February 10, 2026, and by this reference incorporated herein; and

WHEREAS, Attachment A of the Master Price Agreement contains Vendor’s pricing schedule; and

WHEREAS, Vendor desires to add the ZENIX product line to the pricing schedule; and

WHEREAS, Purchaser and Vendor desire that the Master Price Agreement shall be amended in part to reflect the product addition to the pricing schedule in Attachment A.

NOW, THEREFORE, Purchaser and Vendor enter into the following:

AMENDMENT TO MASTER PRICE AGREEMENT

1. **Pricing Schedule Update.** Attachment A to the Master Price Agreement shall be amended in part to reflect the following product line addition:

LOC Product Classification	Sub Classification	Product Category	Product Series	Product Type	Discount%
MEDICAL MONITORS, DEFIBRILLATORS AND DIAGNOSTICS		Capital Equipment	ZENIX		18%
MEDICAL PRODUCTS AND SUPPLIES	Resuscitation Equipment	Accessories	ZENIX		12%
OTHER		Training Supplies	ZENIX		10%
		Tablet	ZENIX		15%

2. **Full Force and Effect.** In each and every other respect, the terms of the Master Price Agreement, as amended, entered into between the parties on or about February 10, 2026 shall remain in full force and effect during the term of the agreement and the parties hereto hereby ratify said Master Price Agreement in its entirety, as if fully set out herein, along with the modifications identified herein.

IN WITNESS WHEREOF, the parties have hereto signed this Amendment on the day and year first above written.

LEAGUE OF OREGON CITIES

Signed by: Patricia M. Mulvihill Date March 7, 2026 | 7:59 AM PST
0BD4F25C35F54D0...
 BY: Patricia M. Mulvihill
 ITS: Executive Director

ZOLL MEDICAL CORPORATION

Signed by: Kurt Sandstrom Date March 6, 2026 | 11:44 AM PST
C7611D87AEFF408...
 BY: Kurt Sandstrom
 ITS: VP/GM EMS

LEAGUE OF OREGON CITIES**MASTER PRICE AGREEMENT**

This Master Price Agreement is effective as of the date of the last signature below (the "Effective Date") by and between the LEAGUE OF OREGON CITIES, an Oregon public corporation under ORS Chapter 190 ("LOC" or "Purchaser") and ZOLL MEDICAL CORPORATION ("Vendor").

RECITALS

WHEREAS, the Vendor is in the business of selling certain Medical Products, Monitors, Software, Data Transmission, and Related Services, as further described herein; and

WHEREAS, the Vendor desires to sell and the Purchaser desires to purchase certain products and related services all upon and subject to the terms and conditions set forth herein; and

WHEREAS, through a solicitation for Medical Products, Monitors, Software, Data Transmission, and Related Services the Vendor was awarded the opportunity to complete a Master Price Agreement with the LEAGUE OF OREGON CITIES as a result of its response to Request for Proposal No. 2535 for Medical Products, Monitors, Software, Data Transmission, and Related Services; and

WHEREAS, the LEAGUE OF OREGON CITIES asserts that the solicitation and Request for Proposal meet Oregon public contracting requirements (ORS 279, 279A, 279B and 279C et. seq.); and

WHEREAS, Purchaser and Vendor desire to extend the terms of this Master Price Agreement to benefit other qualified government members of National Purchasing Partners, LLC dba Public Safety GPO, dba First Responder GPO, dba Law Enforcement GPO and dba NPPGov;

NOW, THEREFORE, Vendor and Purchaser, intending to be legally bound, hereby agree as follows:

ARTICLE 1 – CERTAIN DEFINITIONS

1.1 "Agreement" shall mean this Master Price Agreement, including the main body of this Agreement and Attachments A-G attached hereto and by this reference incorporated herein, including Purchaser's Request for Proposal No. 2535 (herein "RFP") and Vendor's Proposal submitted in response to the RFP (herein "Vendor's Proposal") as referenced and incorporated herein as though fully set forth (sometimes referred to collectively as the "Contract Documents").

1.2 "Applicable Law(s)" shall mean all applicable federal, state, and local laws, statutes, ordinances, codes, rules, regulations, standards, orders and other governmental requirements of any kind.

1.3 "Employee Taxes" shall mean all taxes, assessments, charges and other amounts whatsoever payable in respect of, and measured by the wages of, the Vendor's employees (or subcontractors), as required by the Federal Social Security Act and all amendments thereto and/or any other applicable federal, state, or local law.

1.4 "Purchaser's Destination" shall mean such delivery location(s) or destination(s) as Purchaser may prescribe from time to time.

1.5 "Products and Services" shall mean the products and/or services to be sold by Vendor hereunder as identified and described on Attachment A hereto and incorporated herein, as may be updated from time to time by Vendor to reflect products and/or services offered by Vendor generally to its customers.

1.6 "Purchase Order" shall mean any authorized written order for Products and Services sent by Purchaser to Vendor via mail, courier, overnight delivery service, email, fax and/or other mode of transmission as Purchaser and Vendor may from time to time agree.

1.7 "Unemployment Insurance" shall mean the contribution required of Vendor, as an employer, in respect of, and measured by, the wages of its employees (or subcontractors) as required by any applicable federal, state or local unemployment insurance law or regulation.

1.8 "National Purchasing Partners" or "(NPP)" is a subsidiary of two nonprofit health care systems. The Government Division of NPP, hereinafter referred to as "NPPGov", provides group purchasing marketing and administrative support for governmental entities within the membership. NPPGov's membership includes participating public entities across North America.

1.9 "Lead Contracting Agency" shall mean the LEAGUE OF OREGON CITIES, which is the governmental entity that issued the Request for Proposal and awarded this resulting Master Price Agreement.

1.10 "Participating Agencies" shall mean members of National Purchasing Partners for which Vendor has agreed to extend the terms of this Master Price Agreement pursuant to Article 2.6 and Attachment C herein. For purposes of cooperative procurement, "Participating Agency" shall be considered "Purchaser" under the terms of this Agreement.

1.11 "Party" and "Parties" shall mean the Purchaser and Vendor individually and collectively as applicable.

ARTICLE 2 – AGREEMENT TO SELL

2.1 Vendor hereby agrees to sell to Purchaser such Products and Services as Purchaser may order from time to time by Purchase Order, all in accordance with and subject to the terms, covenants and conditions of this Agreement. Purchaser agrees to purchase those Products and Services ordered by Purchaser by Purchase Order in accordance with and subject to the terms, covenants and conditions of this Agreement.

2.2 Vendor may add additional products and services to the contract provided that any additions reasonably fall within the intent of the original RFP specifications. Pricing on additions shall be equivalent to the percentage discount for other similar products. Vendor may provide a web-link with current product listings, which may be updated periodically, as allowed by the terms of the resulting Master Price Agreement. Vendor may replace or add product lines to an existing contract if the line is replacing or supplementing products on contract, is equal or superior to the original products offered, is discounted in a similar or to a greater degree, and if the products meet the requirements of the solicitation. No products may be added to avoid competitive procurement requirements. LOC may reject any additions without cause.

2.3 All Purchase Orders issued by Purchaser to Vendor for Products during the term (as hereinafter defined) of this Agreement are subject to the provisions of this Agreement as though fully set forth in such Purchase Order. The Vendor retains authority to negotiate above and beyond the terms of this Agreement to meet the Purchaser or Vendor contract requirements. In the event that the provisions of this Agreement conflict with any Purchase Order issued by Purchaser to Vendor, the provisions of this Agreement shall govern. No other terms and conditions, including, but not limited to, those contained in Vendor's standard printed terms and conditions, on Vendor's order acknowledgment, invoices, any Purchase Order, or any transactions occurring pursuant hereto or thereto, or otherwise, shall have any application to or effect upon or be deemed to constitute an amendment to or to be incorporated into this Agreement, unless this Agreement shall be specifically amended to adopt such other terms and conditions in writing by the Parties.

2.4 Notwithstanding any other provision of this Agreement to the contrary, the Lead Contracting Agency shall have no obligation to order or purchase any Products and Services hereunder and the placement of any Purchase Order shall be in the sole discretion of the Participating Agencies. This

Agreement is not exclusive. Vendor expressly acknowledges and agrees that Purchaser may purchase at its sole discretion, Products and Services that are identical or similar to the Products and Services described in this Agreement from any third party.

2.5 In case of any conflict or inconsistency between any of the Contract Documents, the documents shall prevail and apply in the following order of priority:

- (i) This Agreement;
- (ii) The RFP;
- (iii) Vendor's Proposal;

Vendor has provided a list of Exceptions to the RFP Solicitation identified in Vendor's Proposal. Vendor's Exception to RFP Sections 1.3 Requirements, and 3.3 Indemnifications and Insurance are **approved** and by this reference incorporated herein.

Vendor's list of Exceptions to NPPGov's Vendor Administration Agreement, do not concern Purchaser and have been negotiated in that separate Agreement.

2.6 Extension of contract terms to Participating Agencies:

2.6.1 Vendor agrees to extend the same terms, covenants and conditions available to Purchaser under this Agreement to Participating Agencies, that have executed an Intergovernmental Cooperative Purchasing Agreement ("IGA") as may be required by each Participating Agency's local laws and regulations, in accordance with Attachment C. Each Participating Agency will be exclusively responsible for and deal directly with Vendor on matters relating to ordering, delivery, inspection, acceptance, invoicing, and payment for Products and Services in accordance with the terms and conditions of this Agreement as if it were "Purchaser" hereunder. Any disputes between a Participating Agency and Vendor will be resolved directly between them under and in accordance with the laws of the State in which the Participating Agency exists. Pursuant to the IGA, the Lead Contracting Agency shall not incur any liability as a result of the access and utilization of this Agreement by other Participating Agencies.

2.6.2 *This Solicitation meets the public contracting requirements of the Lead Contracting Agency and may not be appropriate under or meet Participating Agencies' procurement laws. Participating Agencies are urged to seek independent review by their legal counsel to ensure compliance with all local and state solicitation requirements.*

2.6.3 Vendor acknowledges execution of the Vendor Administration Agreement, Contract Number VA25850, with NPPGov, pursuant to the terms of the RFP.

2.7 Oregon Public Agencies are prohibited from use of Products and Services offered under this Agreement that are already provided by qualified nonprofit agencies for disabled individuals as listed on the Department of Administrative Service's Procurement List ("Procurement List") pursuant to ORS 279.835-.855. See www.OregonRehabilitation.org/qrf for more information. Vendor shall not sell products and services identified on the Procurement List (e.g., reconditioned toner cartridges) to Purchaser or Participating Agencies within the state of Oregon.

ARTICLE 3 – TERM AND TERMINATION

3.1 The initial contract term shall be for four (4) calendar years from the Effective Date of this Agreement ("Initial Term"). Upon termination of the original four (4) year term, this Agreement shall automatically extend for a one (1) year period; ("Renewal Term"); provided, however, that the Lead Contracting Agency and/or the Vendor may opt to decline extension of the MPA by providing notification in writing at least thirty (30) calendar days prior to the annual automatic extension anniversary of the Initial Term.

3.2 Either Vendor or the Lead Contracting Agency may terminate this Agreement by written notice to the other party if the other Party breaches any of its obligations hereunder and fails to remedy the breach within thirty (30) days after receiving written notice of such breach from the non-breaching party.

ARTICLE 4 – PRICING, INVOICES, PAYMENT AND DELIVERY

4.1 Purchaser shall pay Vendor for all Products and Services ordered and delivered in compliance with the terms and conditions of this Agreement at the pricing specified for each such Product and Service on Attachment A, including shipping. Unless Attachment A expressly provides otherwise, the pricing discounts set forth on Attachment A hereto shall remain fixed for the Initial Term of this Agreement; provided that manufacturer pricing is not guaranteed and may be adjusted based on the next manufacturer price increase. Pricing contained in Attachment A shall be extended to all NPPGov, Public Safety GPO, First Responder GPO and Law Enforcement GPO members upon execution of the IGA.

4.2 Vendor shall submit original invoices to Purchaser in form and substance and format reasonably acceptable to Purchaser. All invoices must reference the Purchaser's Purchase Order number, contain an itemization of amounts for Products and Services purchased during the applicable invoice period and any other information reasonably requested by Purchaser, and must otherwise comply with the provisions of this Agreement. Invoices shall be addressed as directed by Purchaser.

4.3 Unless otherwise specified, Purchaser is responsible for any and all applicable sales taxes. Attachment A or Vendor's Proposal (Attachment D) shall specify any and all other taxes and duties of any kind which Purchaser is required to pay with respect to the sale of Products and Services covered by this Agreement and all charges for packing, packaging and loading.

4.4 Except as specifically set forth on Attachments A and F, Purchaser shall not be responsible for any additional costs or expenses of any nature incurred by Vendor in connection with the Products and Services, including without limitation travel expenses, clerical or administrative personnel, long distance telephone charges, etc. ("Incidental Expenses").

4.5 Price reductions or discount increases may be offered at any time during the contract term and shall become effective upon notice of acceptance from Purchaser.

4.6 Notwithstanding any other agreement of the Parties as to the payment of shipping/delivery costs, and subject to Attachments A, D, and FG herein, Vendor shall offer delivery and/or shipping costs prepaid FOB Destination. If there are handling fees, these also shall be included in the pricing.

4.7 Unless otherwise directed by Purchaser for expedited orders, Vendor shall utilize such common carrier for the delivery of Products and Services as Vendor may select; provided, however, that for expedited orders Vendor shall obtain delivery services hereunder at rates and terms not less favorable than those paid by Vendor for its own account or for the account of any other similarly situated customer of Vendor.

4.8 Vendor shall have the risk of loss of or damage to any Products until delivery to Purchaser. Purchaser shall have the risk of loss of or damage to the Products after delivery to Purchaser. Title to Products shall not transfer until the Products have been delivered to and accepted by Purchaser at Purchaser's Destination.

ARTICLE 5 – INSURANCE

5.1 During the term of this Agreement, Vendor shall maintain at its own cost and expense (and shall cause any subcontractor to maintain) insurance policies providing insurance of the kind and in the amounts generally carried by reasonably prudent manufacturers in the industry, with one or more reputable insurance companies licensed to do business in Oregon and any other state or jurisdiction where Products and Services are sold hereunder. Such certificates of insurance shall be made available to the Lead Contracting Agency upon 48 hours' notice. BY SIGNING THE AGREEMENT PAGE THE VENDOR AGREES TO THIS

REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF THIS MASTER PRICE AGREEMENT.

5.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the Lead Contracting Agency. The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the Lead Contracting Agency under such policies. Vendor shall be solely responsible for the deductible and/or self-insured.

5.3 Vendor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Vendor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance. Vendor waives all rights against the Lead Contracting Agency and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Vendor pursuant to this Agreement.

5.4 Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Purchaser for losses paid under the insurance policies required by this Agreement. The waiver must apply to all deductibles and/or self-insured retentions applicable to the necessary insurance that the Vendor maintains. This provision does not apply to claims arising from the negligence of Purchaser.

ARTICLE 6 – INDEMNIFICATION AND HOLD HARMLESS

6.1 Vendor agrees that it shall indemnify, defend and hold harmless Lead Contracting Agency, its respective officials, directors, employees, members and agents (collectively, the "Indemnitees"), from and against any and all third party damages, claims, losses, expenses, costs, obligations and liabilities (including, without limitation, reasonable attorney's fees), suffered directly or indirectly by any of the Indemnitees to the extent of, or arising out of, (i) the negligence or intentional misconduct of Vendor, any subcontractor of Vendor, or any of their respective employees or agents, (ii) any failure of Vendor, its subcontractors, or their respective employees to comply with any Applicable Law, (iii) any Employee Taxes or Unemployment Insurance, or (iv) any claim alleging that the Products and Services or any part thereof infringe any third party's U.S. patent, copyright, trademark, trade secret or other intellectual property interest. Such obligation to indemnify shall not apply where the damage, claim, loss, expense, cost, obligation or liability is due to the breach of this Agreement by, or negligence or willful misconduct of, Lead Contracting Agency or its officials, directors, employees, agents or contractors. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph. The indemnity obligations of Vendor under this Article shall survive the expiration or termination of this Agreement for two years.

6.2 LIMITATION OF LIABILITY: IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR INJURIES TO PERSONS OR TO PROPERTY OR LOSS OF PROFITS OR LOSS OF FUTURE BUSINESS OR REPUTATION, WHETHER BASED ON TORT OR BREACH OF CONTRACT OR OTHER BASIS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6.3 The same terms, conditions and pricing of this Agreement may be extended to government members of National Purchasing Partners, LLC. In the event the terms of this Agreement are extended to other government members, each government member (procuring party) shall be solely responsible for the ordering of Products and Services under this Agreement. A non-procuring party shall not be liable in any fashion for any

violation by a procuring party, and the procuring party shall hold non-procuring parties or unrelated purchasing parties harmless from any liability that may arise from action or inaction of the procuring party.

ARTICLE 7 – WARRANTIES

Purchaser shall refer to Vendor’s Proposal for all Vendor and manufacturer express warranties, as well as those warranties provided under Attachment B herein.

ARTICLE 8 - INSPECTION AND REJECTION

8.1 Purchaser shall have the right to inspect and test Products at any time prior to shipment, and within a reasonable time after delivery to the Purchaser’s Destination. Products not inspected within a reasonable time after delivery shall be deemed accepted by Purchaser. The payment for Products shall in no way impair the right of Purchaser to reject nonconforming Products, or to avail itself of any other remedies to which it may be entitled.

8.2 If any of the Products are found at any time to be defective in material or workmanship, damaged, or otherwise not in conformity with the requirements of this Agreement or any applicable Purchase Order, as its exclusive remedy, Purchaser may, in accordance with Vendor’s standard warranty, and at Vendor’s sole cost and expense, either (i) return any damaged, non-conforming or defective Products to Vendor for correction or replacement, or (ii) require Vendor to inspect the Products and remove or replace damaged, non-conforming or defective Products with conforming Products. If Purchaser elects option (ii) in the preceding sentence and Vendor fails promptly to make the necessary inspection, removal and replacement, Purchaser, at its option, may inspect the Products and Vendor shall bear the cost thereof. Payment by Purchaser of any invoice shall not constitute acceptance of the Products covered by such invoice, and acceptance by Purchaser shall not relieve Vendor of its warranties or other obligations under this Agreement.

8.3 The provisions of this Article shall survive the expiration or termination of this Agreement.

ARTICLE 9 – SUBSTITUTIONS

Except as otherwise permitted hereunder, Vendor may not make any substitutions of Products, or any portion thereof, of any kind without the prior written consent of Purchaser.

ARTICLE 10 - COMPLIANCE WITH LAWS

10.1 Vendor agrees to comply with all Applicable Laws and at Vendor’s expense, secure and maintain in full force during the term of this Agreement, all licenses, permits, approvals, authorizations, registrations and certificates, if any, required by Applicable Laws in connection with the performance of its obligations hereunder. At Purchaser’s request, Vendor shall provide to Purchaser copies of any or all such licenses, permits, approvals, authorizations, registrations and certificates.

10.2 Purchaser has taken all required governmental action to authorize its execution of this Agreement and there is no governmental or legal impediment against Purchaser’s execution of this Agreement or performance of its obligations hereunder.

10.3 When a Participating Agency procures Products and Services under this Agreement using United States federal funds, including but not limited to federal grants or FEMA funding, the procurement shall be subject to additional terms and conditions imposed by the funding agency, which shall be incorporated herein by an addendum approved by the Vendor. Notwithstanding the foregoing, the Vendor shall comply with all mandatory applicable federal laws, and regulations based on the source of funding

ARTICLE 11 – PUBLICITY / CONFIDENTIALITY

11.1 No news releases, public announcements, advertising materials, or confirmation of same, concerning any part of this Agreement or any Purchase Order issued hereunder shall be issued or made without the prior written approval of the Parties. Neither Party shall in any advertising, sales materials or in any other way use any of the names or logos of the other Party without the prior written approval of the other Party.

11.2 Any knowledge or information which Vendor or any of its affiliates shall have disclosed or may hereafter disclose to Purchaser, and which in any way relates to the Products and Services covered by this Agreement shall not, unless otherwise designated by Vendor, be deemed to be confidential or proprietary information, and shall be acquired by Purchaser, free from any restrictions, as part of the consideration for this Agreement.

ARTICLE 12 - RIGHT TO AUDIT

Subject to Vendor's reasonable security and confidentiality procedures, Purchaser, or any third party retained by Purchaser, may at any time upon prior reasonable notice to Vendor, during normal business hours, audit the books, records and accounts of Vendor to the extent that such books, records and accounts pertain to sale of any Products and Services hereunder or otherwise relate to the performance of this Agreement by Vendor. Vendor shall maintain all such books, records and accounts for a period of at least three (3) years after the date of expiration or termination of this Agreement. The Purchaser's right to audit under this Article 12 and Purchaser's rights hereunder shall survive the expiration or termination of this Agreement for a period of three (3) years after the date of such expiration or termination.

ARTICLE 13 - REMEDIES

Except as otherwise provided herein, any right or remedy of Vendor or Purchaser set forth in this Agreement shall not be exclusive, and, in addition thereto, Vendor and Purchaser shall have all rights and remedies under Applicable Law, including without limitation, equitable relief. The provisions of this Article shall survive the expiration or termination of this Agreement.

ARTICLE 14 - RELATIONSHIP OF PARTIES

Vendor is an independent contractor and is not an agent, servant, employee, legal representative, partner or joint venture of Purchaser. Nothing herein shall be deemed or construed as creating a joint venture or partnership between Vendor and Purchaser. Neither Party has the power or authority to bind or commit the other.

ARTICLE 15 - NOTICES

All notices required or permitted to be given or made in this Agreement shall be in writing. Such notice(s) shall be deemed to be duly given or made if delivered by hand, by certified or registered mail or by nationally recognized overnight courier to the address specified below:

If to Lead Contracting Agency:

LEAGUE OF OREGON CITIES
1201 Court St. NE
Suite 200
Salem OR 97301
ATTN: Kevin Toon
Email: rfp@ORCities.org

If to Vendor:

ZOLL MEDICAL CORPORATION

269 Mill Road
Chelmsford, MA 01824
ATTN: Contracts Department with copy to ZOLL Legal Department
Email: gpoandstatecontracts@zoll.com and LegalNotice@zoll.com

Either Party may change its notice address by giving the other Party written notice of such change in the manner specified above.

ARTICLE 16 - FORCE MAJEURE

Except for Purchaser's obligation to pay for Products and Services delivered, delay in performance or non-performance of any obligation contained herein shall be excused to the extent such failure or non-performance is caused by force majeure. For purposes of this Agreement, "force majeure" shall mean any cause or agency preventing performance of an obligation which is beyond the reasonable control of either Party hereto, including without limitation, fire, flood, sabotage, shipwreck, embargo, strike, explosion, labor trouble, accident, riot, acts of governmental authority (including, without limitation, acts based on laws or regulations now in existence as well as those enacted in the future), acts of nature, and delays or failure in obtaining raw materials, supplies or transportation. A Party affected by force majeure shall promptly provide notice to the other, explaining the nature and expected duration thereof, and shall act diligently to remedy the interruption or delay if it is reasonably capable of being remedied. In the event of a force majeure situation, deliveries or acceptance of deliveries that have been suspended shall not be required to be made upon the resumption of performance.

ARTICLE 17 - WAIVER

No delay or failure by either Party to exercise any right, remedy or power herein shall impair such Party's right to exercise such right, remedy or power or be construed to be a waiver of any default or an acquiescence therein; and any single or partial exercise of any such right, remedy or power shall not preclude any other or further exercise thereof or the exercise of any other right, remedy or power. No waiver hereunder shall be valid unless set forth in writing executed by the waiving Party and then only to the extent expressly set forth in such writing.

ARTICLE 18 - PARTIES BOUND; ASSIGNMENT

This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties hereto, but it may not be assigned in whole or in part by Vendor without prior written notice to Purchaser which shall not be unreasonably withheld or delayed.

ARTICLE 19 - SEVERABILITY

To the extent possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law. If any provision of this Agreement is declared invalid or unenforceable, by judicial determination or otherwise, such provision shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions and the rights and obligations of the Parties shall be construed and enforced accordingly.

ARTICLE 20 - INCORPORATION; ENTIRE AGREEMENT

20.1 All the provisions of the Attachments hereto are hereby incorporated herein and made a part of this Agreement. In the event of any apparent conflict between any provision set forth in the main body of this Agreement and any provision set forth in the Attachments, including the RFP and/or Vendor's Proposal, the provisions shall be interpreted, to the extent possible, as if they do not conflict. If such an interpretation is not possible, the provisions set forth in the main body of this Agreement shall control.

20.2 This Agreement (including Attachments and Contract Documents hereto) constitutes the entire Agreement of the Parties relating to the subject matter hereof and supersedes any and all prior written and oral agreements or understandings relating to such subject matter.

ARTICLE 21 - HEADINGS

Headings used in this Agreement are for convenience of reference only and shall in no way be used to construe or limit the provisions set forth in this Agreement.

ARTICLE 22 - MODIFICATIONS

This Agreement may be modified or amended only in writing executed by Vendor and the Lead Contracting Agency. The Lead Contracting Agency and each Participating Agency contracting hereunder acknowledge and agree that any agreement entered into in connection with any Purchase Order hereunder shall constitute a modification of this Agreement as between the Vendor and the Participating Agency. Any modification of this Agreement as between Vendor and any Participating Agency shall not be deemed a modification of this Agreement for the benefit of the Lead Contracting Agency or any other Participating Agency.

ARTICLE 23 - GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon or in the case of a Participating Agency's use of this Agreement, the laws of the State in which the Participating Agency exists, without regard to its choice of law provisions.

[Signature page to follow]

ARTICLE 24 - COUNTERPARTS

This Agreement may be executed in counterparts all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year last written below.

PURCHASER:

Signed by:
Signature: Patricia M. Mulvihill
0BD4F25C35F54D0...

Printed Name: Patricia M. Mulvihill

Title: Executive Director
LEAGUE OF OREGON CITIES

Dated: February 10, 2026 | 2:09 PM PST

VENDOR:

Signed by:
Signature: Kurt Sandstrom
C7611D67AEFF408...

Printed Name: Kurt Sandstrom

Title: VP/GM EMS
ZOLL MEDICAL CORPORATION

Dated: February 10, 2026 | 12:36 PM PST

ATTACHMENT A

to Master Price Agreement by and between VENDOR and PURCHASER.

PRODUCTS, SERVICES, SPECIFICATIONS AND PRICE DISCOUNTS

Product Classification	Sub Classification	Product Category	Product Series	Product Type	Discount
MEDICAL LIFE SUPPORT EQUIPMENT	Ventilators	Accessories	VENT731		15%
		Capital Equipment	VENT731		30%
		Consumables	VENT731		15%
				Circuits	23%
				CPAP Mask	27%
MEDICAL MONITORS, DEFIBRILLATORS AND DIAGNOSTICS					
		Accessories	AED_PLUS AED_PRO		25%
			AED3		20%
			CSC		20%
			PROPAQMD		18%
			RSERIES		20%
				Cables/Sensors	10%
			XSERIES		18%
				Cables/Sensors/Cuffs	10%
		Capital Equipment	AED_PLUS AED_PRO		32%
			AED3		32%
			RSERIES		18%
			XSERIES		18%
			G5		20%
		Consumables	AED_PLUS AED_PRO		25%
					10%
			AED3		20%
			CSC		20%
			G5		20%
			PROPAQMD		18%
			RSERIES		20%
				Cannula	10%
			XSERIES		18%
				Cables/Sensors/Electrodes	10%

MEDICAL PRODUCTS AND SUPPLIES	RESUSCITATION EQUIPMENT				
		Accessories	IPR		2%
			Auto Pulse		2%
			IPR		2%
			Auto Pulse		2%
			IPR		2%
			Auto Pulse		2%
SOFTWARE AND DATA SOLUTIONS FOR PUBLIC SAFETY AND HEALTHCARE					
			SaaS	ZOLL Billing	10%
			SaaS	ZOLL ePCR	10%
OTHER			ENPRO	PLUSLEARNING	15%
				PLUSTRAC	15%
				RR_ADVANCED_CSC	10%
				RR_ESSENTIAL_CSC	10%
				RR_PREFERRED_CSC	10%
			RESCUE_SYSTEMS		15%
			SOFTWARE SOLUTIONS		0%

Shipping costs are calculated at the time of shipment. Costs are based on the size, weight, measurement of packaging and the location of the shipment. Shipping costs will be added at the time of invoicing.

Pricing contained in this Attachment A shall be extended to all NPPGov members upon execution of the Intergovernmental Agreement.

Participating Agencies may purchase from Vendor’s authorized dealers and distributors, as applicable, provided the pricing and terms of this Agreement are extended to Participating Agencies by such dealers and distributors. Vendor’s authorized dealers and distributors, as applicable, are identified in a [list, link found at http:], as may be updated from time to time. [A current list may be obtained from Vendor.]

ATTACHMENT B

to Master Price Agreement by and between VENDOR and PURCHASER.

ADDITIONAL SELLER WARRANTIES

To the extent possible, Vendor will make available all warranties from third party manufacturers of Products not manufactured by Vendor, as well as any warranties identified in this Agreement and Vendor's Proposal.

ATTACHMENT C

to Master Price Agreement by and between VENDOR and PURCHASER.

PARTICIPATING AGENCIES

The Lead Contracting Agency in cooperation with National Purchasing Partners (NPPGov) entered into this Agreement on behalf of other government agencies that desire to access this Agreement to purchase Products and Services. Vendor must work directly with any Participating Agency concerning the placement of orders, issuance of the purchase orders, contractual disputes, invoicing, and payment. The Lead Contracting Agency shall not be held liable for any costs, damages, etc., incurred by any Participating Agency.

Any subsequent contract entered into between Vendor and any Participating Agency shall be construed to be in accordance with and governed by the laws of the State in which the Participating Agency exists. Each Participating Agency is directed to execute an Intergovernmental Cooperative Purchasing Agreement ("IGA"), as set forth on the NPPGov web site, www.nppgov.com. The IGA allows the Participating Agency to purchase Products and Services from the Vendor in accordance with each Participating Agency's legal requirements as if it were the "Purchaser" hereunder.

ATTACHMENT D

to Master Price Agreement by and between **VENDOR** and **PURCHASER**.

Vendor's Proposal

(The Vendor's Proposal is not attached hereto.)

(The Vendor's Proposal is incorporated by reference herein.)

ATTACHMENT E

to Master Price Agreement by and between VENDOR and PURCHASER.

Purchaser's Request for Proposal

(The Purchaser's Request for Proposal is not attached hereto.)

(The Purchaser's Request for Proposal is incorporated by reference herein.)

ATTACHMENT F

to Master Price Agreement by and between VENDOR and PURCHASER.

ADDITIONAL VENDOR TERMS OF PURCHASE, IF ANY.

ZOLL Standard Commercial Terms and Conditions:

1. GENERAL. This agreement constitutes the entire agreement between the Customer and ZOLL with respect to the purchase and sale of the products described in the EDI transmission, and only representations or statements contained herein shall be binding upon ZOLL as a warranty or otherwise. Acceptance or acquiescence in the course of performance rendered pursuant hereto shall not be relevant to determine the meaning of this writing even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. No addition to or modification of any of the terms and conditions specified herein shall be binding upon ZOLL unless made in writing and signed by a duly authorized representative of ZOLL. The terms and conditions specified shall prevail notwithstanding any variance from the terms and conditions of any order or other form submitted by the Customer. To the extent that this writing may be treated as an acceptance of the Customer's prior offer, such acceptance is expressly made conditional on assent by the Customer to the terms hereof, and, without limitation, acceptance of the goods by the Customer to the terms hereof, and, without limitation, acceptance of the goods by the Customer shall constitute such assent. All cancellations and reschedules require a minimum of thirty (30) days' notice.

2. DELIVERY AND RISK OF LOSS. Unless otherwise stated, all deliveries shall be F.O.B. ZOLL Medical Corporation's facility. Risk of loss or damage to the Equipment shall pass to the Customer upon delivery of the Equipment to the carrier.

3. TERMS OF PAYMENT. Unless otherwise stated in current contracts, payment by Customer is due thirty (30) days after the ship date appearing on ZOLL Medical Corporation invoice. Any amounts payable hereunder which remain unpaid after the date shall be subject to a late charge equal to 1.5% per month from the due date until such amount is paid. The Customer is responsible for all Attorney or Agency fees incurred by ZOLL due to actions taken as a result of default in payment. ZOLL reserves the right at any time to change or rescind payment terms based on assessment of Customer's financial condition or prior payment record.

4. CREDIT APPROVAL. All shipments and deliveries shall at all times be subject to the approval of credit by ZOLL Medical Corporation. ZOLL Medical Corporation may at any time decline to make any shipment or delivery except upon receipt of payment or security or upon terms regarding credit or security satisfactory to ZOLL Medical Corporation.

5. TAXES. The pricing quoted does not include sales use, excise, or other similar taxes or any duties or customs charges. The Customer shall pay in addition for the prices quoted the amount of any present or future sales, excise or other similar tax or customs duty or charge applicable to the sale or use of the Equipment sold hereunder (except any tax based on the net income of ZOLL Medical Corporation). In lieu thereof the Customer may provide ZOLL Medical Corporation with a tax exemption certificate acceptable to the taxing authorities.

6. SHIPPING & HANDLING. The pricing quoted does not include any shipping & handling charges. The Customer shall pay in addition for the prices quoted the amount of any shipping & handling charges.

The following terms MUST be reviewed and signed by any Purchasing Agency that wishes to purchase Software under this Agreement.

Master Software, SaaS and Services Agreement and Addenda

Acknowledgement Form

League of Oregon Cities Participating Agencies

This Order is governed by and subject to the terms and conditions, including applicable addenda, available at <https://www.zolldata.com/legal> and incorporated herein by reference. By signing below, (1) the Participating Agency represents and warrants it has read this Order and the applicable Agreement and agrees to such terms and conditions and (2) each person below represents and warrants that they have the authority to bind the party for which they are signing.

Participating Agency: _____

Signature: _____

Name: _____

Title: _____

Date: _____



ZOLL Medical Corporation

269 Mill Road
 Chelmsford, MA 01824-4105
 Federal ID# 04-2711626

Phone: (800) 348-9011
 Fax: (978) 421-0015
 Email: esales@zoll.com

Quote No: Q-134496 Version: 3

Newport Beach Fire Department
 100 Civic Center Dr
 Newport Beach, CA 92660

ZOLL Customer No: 105071

Kristin Thompson
 949-644-3385
 kthompson@nbfd.net

Quote No: Q-134496
 Version: 3

Issued Date: February 19, 2026
 Expiration Date: March 31, 2026

Terms: Net due in 30 days

FOB: Destination
 Freight: Free Freight

Prepared by: Catherine Prophet
 EMS Territory Manager
 cprophet@zoll.com
 949-436-4369

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
1	CH-11644	8116-11-41-23101-10-USA	<p>Zenix Monitor/Defibrillator, EMS, Fire Configuration</p> <p>12-lead, Pacing, SpO2, SpCO, EtCO2, NIBP, Real BVM Help, Real CPR Help - Includes: SurePower 4 Battery, Zenix Power Cord (NA), Zenix MFC Cable, Zenix 12-lead ECG Cable (AAMI), Masimo RD Rainbow SET Patient Cable (4 ft, EMS), Zenix AC-DC External Power Supply, Zenix Accuvent Z-Link Cable, Zenix NIBP Patient Hose, Zenix NIBP Cuff (Reusable, Adult Plus), Zenix Z-Fold Paper, Zenix MFC Self Test Plug Kit, and One (1)-year EMS warranty.</p> <p>Parameter Details: Real CPR Help - Dashboard display of CPR Depth and Rate for Adult and Pediatric patients, Visual and audio prompts to coach CPR depth (Adult patient only), Release bar to ensure adequate release off the chest, Metronome to coach rate for Adult and Pediatric patients. See-Thru® CPR artifact filtering • ZOLL Noninvasive Pacing Technology • Real BVM Help: Dashboard provides real-time ventilation feedback on both volume and rate for intubated and non-intubated patients. AccuVent Z-Link Cable included. (Accuvent disposable sensors sold separately) • SunTech NIBP technology. 10 foot single lumen hose and SunTech Reusable Adult Plus Cuff included • Masimo SpO2 & SpCO with Signal Extraction Technology (SET), Rainbow SET® •</p>	24	\$65,250.00	\$53,450.00	\$1,282,800.00
2	CH-11644	8016-000111-01	SurePower 4 Battery	48	\$1,180.00	\$1,040.00	\$49,920.00
3	CH-11644	8016-001000	SurePower 4 Charger Adapter	24	\$450.00	\$395.00	\$9,480.00



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 Chelmsford, MA 01824-4105
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Phone: (800) 348-9011
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Newport Beach Fire Department
 Quote No: Q-134496 Version: 3

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
4	CH-11644	98-0599-4C	Zenix NIBP Cuff, Large Adult Plus	24	\$30.00	\$26.50	\$636.00
5	CH-11644	98-0599-4K	Zenix NIBP Cuff, Small Adult Plus	24	\$30.00	\$26.50	\$636.00
6	CH-11644	98-0599-41	Zenix NIBP Cuff, Child	24	\$20.00	\$17.65	\$423.60
7	CH-19953	8000-000862	Masimo LNCS-II Rainbow DCI 8λ SpCO Adult Sensor, 3ft	24	\$900.00	\$657.00	\$15,768.00
8	CH-11644	8900-000422-01	Zenix CPR AA Electrode, Box of 8	10	\$850.00	\$750.00	\$7,500.00
9	CH-11644	8900-000424-01	Zenix CPR Pediatric Electrode, Box of 8	5	\$950.00	\$835.00	\$4,175.00
10	CH-11644	8016-000860-01	Zenix Carry Case, Large	24	\$490.00	\$430.00	\$10,320.00
11	CH-11644	8016-000016-01	Zenix Viewer, Tablet 10.1 Inch Display	1	\$1,950.00	\$1,650.00	\$1,650.00
12		8778-890044-WF-ZNX	Zenix Worry-Free Service Plan - 4 Years - On-Site - At Time of Sale Includes: Annual preventive maintenance, battery charger repairs per ZOLL Limited Product Warranty, SurePower 4 Battery replacement upon verified failure, accidental damage coverage, on-site service, and pod replacement upon verified failure. Shipping and use of a Service Loaner upon request, during device service, no charge shipping. Service Plan is a continuation of ZOLL Limited Product Warranty. Battery replacement and accidental damage guidelines can be found in the ExpertCare Service Plan Terms and Conditions on the ZOLL website.	24	\$9,760.00	\$7,978.00	\$191,472.00
13		6008-9901-61	ZOLL X Series Trade In Allowance (EMS Group) See Trade Unit Considerations.	20		(\$7,000.00)	(\$140,000.00)

Subtotal: \$1,434,780.60

Total: \$1,434,780.60

Contract Reference	Description
CH-19953	Reflects Service Contract Worry Free X Series Modifier 2023 contract pricing. Notwithstanding anything to the contrary herein, the terms and conditions set forth in Service Contract Worry Free X Series Modifier 2023 shall apply to the customer's purchase of the products set forth on this quote.
CH-11644	Reflects GPO NPP; Cont PS20200 (EXT3) - Contract No. PS20200 EXT3 contract pricing. Notwithstanding anything to the contrary herein, the terms and conditions set forth in NPP 2020 - Contract No. PS20200 EXT3 shall apply to the customer's purchase of the products set forth on this quote.



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Chelmsford, MA 01824-4105
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Email: esales@zoll.com

Newport Beach Fire Department
Quote No: Q-134496 Version: 3

Trade Unit Considerations

Trade-In values valid through March 31, 2026 if all equipment purchased is in good operational and cosmetic condition and includes all standard accessories. Trade-In values are dependent on the quantity and configuration of the ZOLL devices listed on this quotation. Customer assumes responsibility for shipping trade-in equipment at the quantities listed on the trade line items in this quotation to ZOLL's Chelmsford Headquarters within 60 days of receipt of new equipment. Customer agrees to pay cash value for trade-in equipment not shipped to ZOLL on a timely basis.

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <https://www.zoll.com/terms-and-conditions-of-sale>, for software products can be found at <https://www.zoll.com/software-legal>, and for ExpertCare Service Plans can be found at <https://www.zoll.com/ExpertCare-Service-Terms>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

1. Delivery will be made upon availability.
2. This Quote expires on March 31, 2026. Pricing is subject to change after this date.
3. Applicable tax, shipping & handling will be added at the time of invoicing.
4. All purchase orders are subject to credit approval before being accepted by ZOLL.
5. To place an order, please forward the purchase order with a copy of this quotation to esales@zoll.com or via fax to 978-421-0015.
6. All discounts from list price are contingent upon payment within the agreed upon terms.
7. Place your future accessory orders online by visiting the ZOLL web store.



ZOLL Medical Corporation

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Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Newport Beach Fire Department
Quote No: Q-134496 Version: 3

Order Information (to be completed by the customer)

- Tax Exempt Entity (Tax Exempt Certificate must be provided to ZOLL)
- Taxable Entity (Applicable tax will be applied at time of invoice)

BILL TO ADDRESS	SHIP TO ADDRESS
Name/Department:	Name/Department:
Address:	Address:
City / State / Zip Code:	City / State / Zip Code:

Is a Purchase Order (PO) required for the purchase and/or payment of the products listed on this quotation?

- Yes PO Number: _____ PO Amount: _____
(A copy of the Purchase Order must be included with this Quote when returned to ZOLL)
- No (Please complete the below section when submitting this order)

For organizations that do not require a PO, ZOLL requires written execution of this order. The person signing below represents and warrants that she or he has the authority to bind the party for which he or she is signing to the terms and prices in this quotation.

Newport Beach Fire Department

Authorized Signature:

Name: _____
Title: _____
Date: _____



ZOLL Medical Corporation

269 Mill Road
 Chelmsford, MA 01824-4105
 Federal ID# 04-2711626

Phone: (800) 348-9011
 Fax: (978) 421-0015
 Email: esales@zoll.com

Quote No: Q-129247 Version: 1

Newport Beach Fire Department
 100 Civic Center Dr
 Newport Beach, CA 92660

ZOLL Customer No: 105071

Brian Mahnken
 7143300682
 bmahnken@nbfd.net

Quote No: Q-129247
 Version: 1

Issued Date: February 19, 2026
 Expiration Date: March 31, 2026

Terms: Net due in 30 days

FOB: Destination
 Freight: Free Freight

Prepared by: Juliana Isayeva
 EMS Territory Manager
 juliana.isayeva@zoll.com

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
1	CH-11644	8700-001003-01	AutoPulse NXT Starter Kit - EMS Includes: AutoPulse NXT Platform, AutoPulse NXT Charger, AutoPulse NXT Lithium Batteries (2), AutoPulse NXT Bands (3 pack), AutoPulse NXT QuickCase, AutoPulse NXT Shoulder Restraint	11	\$23,204.00	\$22,739.92	\$250,139.12
2	CH-11644	8700-001012-01	AutoPulse NXT Lithium Battery	11	\$1,542.00	\$1,511.16	\$16,622.76
3		8778-890004-WF-NXT	AutoPulse NXT Worry-Free Service Plan - 4 Year At Time of Sale Includes: Preventive maintenance per ZOLL's recommendation, Repairs: Parts and labor per ZOLL Limited Product Warranty, and minimum service fee waived, and Accidental damage coverage (see below). Shipping and use of a Service Loaner upon request during device service, no charge shipping. Service Plan is a continuation of ZOLL Limited Product Warranty. Accidental damage guidelines can be found in the ExpertCare Service Plan Terms and Conditions on the ZOLL website.	11	\$5,800.00	\$5,220.00	\$57,420.00
4		8700-9901-61	ZOLL AutoPulse Trade-In Allowance See Trade Unit Considerations.	10		(\$500.00)	(\$5,000.00)

Subtotal: \$319,181.88

Estimated Tax: \$20,674.05

Total: \$339,855.93



ZOLL Medical Corporation

269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Newport Beach Fire Department
Quote No: Q-129247 Version: 1

Contract Reference	Description
CH-11644	Reflects GPO NPP; Cont PS20200 (EXT3) - Contract No. PS20200 EXT3 contract pricing. Notwithstanding anything to the contrary herein, the terms and conditions set forth in NPP 2020 - Contract No. PS20200 EXT3 shall apply to the customer's purchase of the products set forth on this quote.

Trade Unit Considerations
Trade-In values valid through March 31, 2026 if all equipment purchased is in good operational and cosmetic condition and includes all standard accessories. Trade-In values are dependent on the quantity and configuration of the ZOLL devices listed on this quotation. Customer assumes responsibility for shipping trade-in equipment at the quantities listed on the trade line items in this quotation to ZOLL's Chelmsford Headquarters within 60 days of receipt of new equipment. Customer agrees to pay cash value for trade-in equipment not shipped to ZOLL on a timely basis.

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <https://www.zoll.com/terms-and-conditions-of-sale>, for software products can be found at <https://www.zoll.com/software-legal>, and for ExpertCare Service Plans can be found at <https://www.zoll.com/ExpertCare-Service-Terms>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

1. Delivery will be made upon availability.
2. This Quote expires on March 31, 2026. Pricing is subject to change after this date.
3. Applicable tax, shipping & handling will be added at the time of invoicing.
4. All purchase orders are subject to credit approval before being accepted by ZOLL.
5. To place an order, please forward the purchase order with a copy of this quotation to esales@zoll.com or via fax to 978-421-0015.
6. All discounts from list price are contingent upon payment within the agreed upon terms.
7. Place your future accessory orders online by visiting the ZOLL web store.



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Newport Beach Fire Department
Quote No: Q-129247 Version: 1

Order Information (to be completed by the customer)

- Tax Exempt Entity (Tax Exempt Certificate must be provided to ZOLL)
- Taxable Entity (Applicable tax will be applied at time of invoice)

BILL TO ADDRESS	SHIP TO ADDRESS
Name/Department:	Name/Department:
Address:	Address:
City / State / Zip Code:	City / State / Zip Code:

Is a Purchase Order (PO) required for the purchase and/or payment of the products listed on this quotation?

- Yes PO Number: _____ PO Amount: _____
(A copy of the Purchase Order must be included with this Quote when returned to ZOLL)
- No (Please complete the below section when submitting this order)

For organizations that do not require a PO, ZOLL requires written execution of this order. The person signing below represents and warrants that she or he has the authority to bind the party for which he or she is signing to the terms and prices in this quotation.

Newport Beach Fire Department

Authorized Signature:

 Name: _____
 Title: _____
 Date: _____



Attachment E

City of Newport Beach BUDGET AMENDMENT 2025-26

BA#: **26-064**

Department: <u>Fire</u>	ONE TIME: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
Requestor: <u>Raymund Reyes</u>							
<input type="checkbox"/> CITY MANAGER'S APPROVAL ONLY	Approvals						
<input checked="" type="checkbox"/> COUNCIL APPROVAL REQUIRED	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">City Clerk:</td> <td style="width: 30%;">Date</td> </tr> <tr> <td>Administrative Services Director: <i>[Signature]</i></td> <td>Date <u>3/11/26</u></td> </tr> <tr> <td>Budget Manager: <i>[Signature]</i></td> <td>Date <u>3/10/26</u></td> </tr> </table>	City Clerk:	Date	Administrative Services Director: <i>[Signature]</i>	Date <u>3/11/26</u>	Budget Manager: <i>[Signature]</i>	Date <u>3/10/26</u>
City Clerk:	Date						
Administrative Services Director: <i>[Signature]</i>	Date <u>3/11/26</u>						
Budget Manager: <i>[Signature]</i>	Date <u>3/10/26</u>						

EXPLANATION FOR REQUEST:
 Increase expenditure appropriations from unappropriated fund balance in the Fire Equipment Fund. Funds will be used to purchase twenty-four (24) Zoll Zenix Cardiac Monitor/Defibrilators and eleven (11) Zoll AutoPulse NXT mCRP devices.

from existing budget appropriations
 from additional estimated revenues
 from unappropriated fund balance

REVENUES

Fund #	Org	Object	Project	Description	Increase or (Decrease) \$
Subtotal					\$ -

EXPENDITURES

Fund #	Org	Object	Project	Description	Increase or (Decrease) \$
756	75604	911024		FIRE EQUIPMENT NON OP - EQUIPMENT N.O.C.	1,774,636.53
Subtotal					\$ 1,774,636.53

FUND BALANCE

Fund #	Object	Description	Increase or (Decrease) \$
756	300000	FIRE EQUIPMENT FUND - FUND BALANCE CONTROL	(1,774,636.53)
Subtotal			\$ (1,774,636.53)

Fund Balance Change Required

**NEWPORT BEACH PLANNING COMMISSION AGENDA
CITY COUNCIL CHAMBERS – 100 CIVIC CENTER DRIVE
THURSDAY, MARCH 19, 2026
REGULAR MEETING – 6:00 P.M.**

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PUBLIC COMMENTS

Public comments are invited on non-agenda items generally considered to be within the subject matter jurisdiction of the Planning Commission. Speakers must limit comments to three (3) minutes. Before speaking, please state your name for the record and print your name on the blue forms provided at the podium.

V. REQUEST FOR CONTINUANCES

VI. CONSENT ITEMS

ITEM NO. 1 MINUTES OF MARCH 5, 2026

Recommended Action: Approve and file

VII. PUBLIC HEARING ITEMS

**ITEM NO. 2 2350 BRISTOL STREET DRIVEWAY ACCESS (PA2025-0112)
Site Location: 2350 Bristol Street**

Summary:

In accordance with Section 20.54.070 (Changes to an Approved Project) of the Newport Beach Municipal Code (NBMC), the applicant requests a staff approval to allow employee and delivery vehicles to use the existing rear driveway on Zenith Avenue, finding the operation consistent with the original entitlements for the commercial office building, as issued by the Orange County Board of Supervisors on August 20, 1986 (Use Permit No. UP 86-21P and Site Development Permit No. SP 86-52P). Pursuant to Section 20.12.020 (Rules of Interpretation) of the NBMC, the Community Development Director is referring this decision to the Planning Commission to allow for additional notice and engagement of the affected surrounding property owners.

Recommended Actions:

1. Conduct a public hearing;
2. Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Article 18, Section 15270 (Projects Which Are Disapproved) of the CEQA Guidelines, because it has no potential to have a significant effect on the environment; and

3. Adopt Resolution No. PC2026-008 denying the Staff Approval filed as PA2025-0112.

ITEM NO. 3 NEWPORT PLACE PLANNED COMMUNITY DEVELOPMENT PLAN AMENDMENT (PA2025-0196)

Site Location: Generally bounded by MacArthur Boulevard, Jamboree Road, Birch Street, and Bristol Street North

Summary:

An amendment to Newport Place Planned Community (PC-11) Development Plan to revise the minimum affordability percentage required within the Residential Overlay (Overlay) from 15% to 6% for for-sale residential projects.

Recommended Actions:

1. Conduct a public hearing;
2. Find the Amendment is not subject to the California Environmental Quality Act (CEQA) under Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA; and
3. Adopt Resolution No. PC2026-009, recommending approval of a Planned Community Development Planned Amendment to revise the minimum percentage of inclusionary housing applicable to for-sale housing within the Residential Overlay of PC-11 to the City Council (PA2025-0196).

ITEM NO. 4 TOBACCO RETAILER BUSINESS AND CIGAR LOUNGE ORDINANCE (PA2025-0171)

Site Location: Citywide

Summary:

Consistent with the City Council's initiation on September 9, 2025, the proposed amendments to Title 5 (Business Licenses and Regulations), and Title 20 (Planning and Zoning) of the Newport Beach Municipal Code serve to establish comprehensive regulations related to permitting and operation for tobacco retail businesses and cigar lounges.

Recommended Actions:

1. Conduct a public hearing;
2. Find the Amendment is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 21080.17 of the Public Resources Code and pursuant to Section 15061(b)(3), the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment; and
3. Adopt Resolution No. PC2026-010, recommending the City Council approve the code amendments collectively filed as PA2025-0171 establishing comprehensive regulations for tobacco retailer businesses and cigar lounges.

VIII. STUDY SESSION

ITEM NO. 5 STUDY SESSION ON THE NEWPORT BEACH 2050 GENERAL PLAN (PA2022-080)

Site Location: Citywide

Summary:

City staff will present relevant background and an overview of the status of the comprehensive General Plan Update with special focus on introducing the Final Draft GPUSC/GPAC General Plan Update, also referred to as the “Newport Beach 2050 General Plan.” This is a study session item only with no action required. It is anticipated the Planning Commission will review and consider recommending the Newport Beach 2050 General Plan for City Council approval at its meeting on April 23, 2026.

Recommended Actions:

1. Discuss and provide input or direction to staff.

IX. STAFF AND COMMISSIONER ITEMS

ITEM NO. 6 MOTION FOR RECONSIDERATION

ITEM NO. 7 REPORT BY THE COMMUNITY DEVELOPMENT DIRECTOR OR REQUEST FOR MATTERS WHICH A PLANNING COMMISSION MEMBER WOULD LIKE PLACED ON A FUTURE AGENDA

ITEM NO. 8 REQUESTS FOR EXCUSED ABSENCES

X. ADJOURNMENT



NEWPORT BEACH

City Council Staff Report

March 24, 2026
Agenda Item No. 11

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jaime Murillo, Community Development Director - 949-644-3209,
jmurillo@newportbeachca.gov

PREPARED BY: Ben Zdeba, Acting Deputy Community Development Director,
bzdeba@newportbeachca.gov

PHONE: 949-644-3253

TITLE: Planning Commission Agenda Report for March 19, 2026

CONSENT ITEMS:

ITEM NO. 1 MINUTES OF MARCH 5, 2026

SUMMARY: Draft minutes from March 5, 2026, meeting of the Planning Commission.

The Planning Commission approved the minutes, with edits, by the following vote:

AYES: Harris, Salene, Gazzano, and Rosene
NOES: None
ABSENT: Langford and Ellmore
ABSTAIN: Reed

ACTION: Approved as Amended

PUBLIC HEARING ITEMS:

ITEM NO. 2 2350 BRISTOL STREET DRIVEWAY ACCESS (PA2025-0112)
Site Location: 2350 Bristol Street

SUMMARY: In accordance with Section 20.54.070 (Changes to an Approved Project) of the Newport Beach Municipal Code (NBMC), the applicant requested a staff approval to allow employee and delivery vehicles to use the existing rear driveway on Zenith Avenue, finding the operation consistent with the original entitlements for the commercial office building, as issued by the Orange County Board of Supervisors on August 20, 1986 (Use Permit No. UP 86-21P and Site Development Permit No. SP 86-52P). Pursuant to Section 20.12.020 (Rules of Interpretation) of the NBMC, the Community Development Director referred this decision to the Planning Commission to

allow for additional notice and engagement of the affected surrounding property owners.

The Planning Commission conducted a public hearing, considered public input, and unanimously denied the applicant's request by the following vote:

AYES: Harris, Reed, Gazzano, Rosene, and Salene
NOES: None
ABSENT: Langford and Ellmore
ABSTAIN: None

ACTION: Denied

ITEM NO. 3 NEWPORT PLACE PLANNED COMMUNITY DEVELOPMENT PLAN AMENDMENT (PA2025-0196)

Site Location: Generally bounded by MacArthur Boulevard, Jamboree Road, Birch Street, and Bristol Street North

SUMMARY: Consistent with the City Council's initiation on November 4, 2025, the proposed amendment to the Newport Place Planned Community (PC-11) Development Plan would revise the minimum inclusionary affordable housing percentage applicable to for-sale housing developments within the Residential Overlay (Overlay) from 15% to 6%.

The Planning Commission conducted a public hearing, considered public input, and recommended the City Council's approval with amendments to clarify the qualifying income categories and to include a moderate-income option by the following vote:

AYES: Reed, Gazzano, Rosene, and Salene
RECUSE: Harris
ABSENT: Langford and Ellmore
ABSTAIN: None

ACTION: Recommended the City Council's Approval as Amended

ITEM NO. 4 TOBACCO RETAILER BUSINESS AND CIGAR LOUNGE ORDINANCE (PA2025-0171)

Site Location: Citywide

SUMMARY: Consistent with the City Council's initiation on September 9, 2025, the proposed amendments to Title 5 (Business Licenses and Regulations), and Title 20 (Planning and Zoning) of the Newport Beach Municipal Code would serve to establish comprehensive regulations related to permitting and operation for tobacco retail businesses and cigar lounges.

The Planning Commission conducted a public hearing, considered public input, and unanimously recommended the City Council's approval by the following vote:

AYES: Harris, Reed, Gazzano, Rosene, and Salene
NOES: None
ABSENT: Langford and Ellmore
ABSTAIN: None

ACTION: Recommended the City Council's Approval

STUDY SESSION:

ITEM NO. 5 STUDY SESSION ON THE NEWPORT BEACH 2050 GENERAL PLAN (PA2022-080)

Site Location: Citywide

SUMMARY: City staff presented the background and an overview of the status of the comprehensive General Plan Update with special focus on introducing the Final Draft GPUSC/GPAC General Plan Update, also referred to as the "Newport Beach 2050 General Plan." This was a study session item with no action required. It is anticipated the Planning Commission will review and consider recommending the Newport Beach 2050 General Plan for City Council approval at its meeting on April 23, 2026.

The Planning Commission listened to a presentation given by staff, considered public input, provided comments, and gave direction to staff.

ACTION: None



City of Newport Beach

Tentative Agenda Report - 3/14/2026 - 6/17/2026

Project Title	Activity	ADDRESS	PA #	Staff assigned	Status	District
March 19, 2026 - Airport Land Use Commission (GP Update)						
March 19, 2026 - Planning Commission Meeting						
2350 Bristol Street Driveway Access	Public Hearing	<u>2350 BRISTOL ST</u>	<u>PA2025-0112</u>	Daniel Kopshever	MORE INFO	District 3
General Plan Update	Study Session	<u>1 CITYWIDE PROJECT</u>	<u>PA2022-080</u>	Benjamin Zdeba	MORE INFO	Citywide
Newport Place PC Amendment- Affordability	Public Hearing	<u>1 CITYWIDE PROJECT</u>	<u>PA2025-0196</u>	Rosalinh Ung	MORE INFO	
ZC & LCP Amendment for Smoke Related Businesses	Public Hearing	<u>100 CIVIC CENTER DR</u>	<u>PA2025-0171</u>	Oscar Orozco	MORE INFO	District 5
March 24, 2026 - City Council Meeting						
Amendments to Professional Services Agreements	Consent	<u>1 CITYWIDE PROJECT</u>	<u>PA2024-0225</u>	Tonee Thai	MORE INFO	District 5
Annual General Plan Housing Report	General Plan Annual Report	<u>100 CIVIC CENTER DR</u>	<u>PA2026-0004</u>	Melinda Whelan	MORE INFO	District 5
March 26, 2026 - Zoning Administrator Meeting (Zdeba)						
Amalfi MUP	Public Hearing	<u>401 NEWPORT CENTER DR, A104</u>	<u>PA2025-0210</u>	Daniel Kopshever	MORE INFO	District 5
Camp James LTP CDP	Public Hearing	<u>1131 BACK BAY DR</u>	<u>PA2025-0224</u>	Jerry Arregui	MORE INFO	District 4
Emami Residence CDP	Public Hearing	<u>355 VIA LIDO SOUD</u>	<u>PA2025-0173</u>	Daniel Kopshever	MORE INFO	District 1
Hoag Development Agreement Annual Review	Public Hearing	<u>1 HOAG DR</u>	<u>PA2025-0046</u>	Jerry Arregui	MORE INFO	District 2
Meadows Residence	Public Hearing	<u>2412 MESA DR</u>	<u>PA2025-0200</u>	Laura Rodriguez	MORE INFO	District 3

The tentative schedule is a tool to assist the preparation of future agendas. It does not provide a complete description of projects and it does not list all projects currently under review that could be scheduled. The tentative schedule changes without notice.



City of Newport Beach

Tentative Agenda Report - 3/14/2026 - 6/17/2026

Project Title	Activity	ADDRESS	PA #	Staff assigned	Status	District
April 02, 2026 - Planning Commission Special Meeting						
1500 Quail Residences	Public Hearing	<u>1500 QUAIL ST</u>	<u>PA2025-0163</u>	Melinda Whelan	MORE INFO	District 3
Konpa Nikkei Restaurant CUP	Public Hearing	<u>3333 COAST HWY E</u>	<u>PA2025-0152</u>	David Blumenthal	MORE INFO	District 6
April 09, 2026 - Planning Commission Meeting (Canceled)						
April 14, 2026 - City Council Meeting						
1201 Dove Street	Consent - Lease Agreement with Minuteman Press International, Inc.	<u>1201 DOVE ST</u>	<u>RP2025-0004</u>	Lauren Wooding	MORE INFO	District 3
300 Newport Center Drive Condominiums	Public Hearing - Appeal	<u>300 NEWPORT CENTER DR</u>	<u>PA2025-0102</u>	Liz Westmoreland	MORE INFO	District 5
Acacia Atrium Medical Office Condominiums CUP, TPM	Public Hearing - Appeal	<u>20280 ACACIA ST</u>	<u>PA2024-0236</u>	Oscar Orozco	MORE INFO	District 3
April 16, 2026 - Zoning Administrator Meeting						
MarcWest Boat Operations LTP	Public Hearing	<u>504 BAY FRONT S</u>	<u>PA2025-0239</u>	Laura Rodriguez	MORE INFO	District 5
Newman Residence CDP	Public Hearing	<u>2609 COVE ST</u>	<u>PA2025-0229</u>	Laura Rodriguez	MORE INFO	District 6
April 23, 2026 - Planning Commission Meeting						
General Plan Update	Public Hearing	<u>1 CITYWIDE PROJECT</u>	<u>PA2022-080</u>	Benjamin Zdeba	MORE INFO	Citywide
Poitevin Residence CDP/Variance	Public Hearing	<u>2441 CRESTVIEW DR</u>	<u>PA2025-0179</u>	Laura Rodriguez	MORE INFO	District 2
Rogue Collective CUP	Public Hearing	<u>858 PRODUCTION PL</u>	<u>PA2023-0103</u>	Oscar Orozco	MORE INFO	District 2
April 28, 2026 - City Council Meeting						
General Plan Update	Public Hearing - Notice of Intent to Override ALUC's Determination of Inconsistency	<u>1 CITYWIDE PROJECT</u>	<u>PA2022-080</u>	Benjamin Zdeba	MORE INFO	Citywide

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City of Newport Beach

Tentative Agenda Report - 3/14/2026 - 6/17/2026

Project Title	Activity	ADDRESS	PA #	Staff assigned	Status	District
General Plan Update	Study Session	<u>1 CITYWIDE PROJECT</u>	<u>PA2022-080</u>	Benjamin Zdeba	<u>MORE INFO</u>	Citywide
Telecom Facilities (CC Initiated 05/25/2021)	Public Hearing - Introducing Ordinance and Authorizing LCPA	<u>1 CITYWIDE PROJECT</u>	<u>PA2021-103</u>	Benjamin Zdeba	<u>MORE INFO</u>	Citywide
April 30, 2026 - Zoning Administrator Meeting						
May 07, 2026 - Planning Commission Meeting						
May 12, 2026 - City Council Meeting						
Telecom Facilities (CC Initiated 05/25/2021)	Consent - Second Reading	<u>1 CITYWIDE PROJECT</u>	<u>PA2021-103</u>	Benjamin Zdeba	<u>MORE INFO</u>	Citywide
May 14, 2026 - Zoning Administrator Meeting						
May 21, 2026 - Planning Commission Meeting						
May 26, 2026 - City Council Meeting						
May 28, 2026 - Zoning Administrator Meeting						
June 04, 2026 - Planning Commission Meeting						
June 09, 2026 - City Council Meeting						
June 11, 2026 - Zoning Administrator Meeting						
Hearing Date to be Determined						
Lower Castaways	Resolution declaring Lower Castaways exempt surplus land	<u>100 DOVER DR</u>	<u>RP2026-0001</u>	Lauren Wooding	<u>MORE INFO</u>	District 3
Palmilla Use Permit Amendment	Public Hearing (Tentative)	<u>3110 NEWPORT BLVD</u>	<u>PA2025-0108</u>	Melinda Whelan	<u>MORE INFO</u>	District 1
Parkhouse Residences Fee Credit	Administrative Action. Director Approval	<u>4251 UPTOWN NEWPORT DR</u>	<u>PA2024-0229</u>	Rosalinh Ung	<u>MORE INFO</u>	District 3
Saunders Self Storage		<u>3848 CAMPUS DR</u>	<u>PA2023-0145</u>	Liz Westmoreland	<u>MORE INFO</u>	District 3

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City of Newport Beach

Tentative Agenda Report - 3/14/2026 - 6/17/2026

Project Title	Activity	ADDRESS	PA #	Staff assigned	Status	District
Pending Coastal Commission						
Coastal Act 30613 CDP Jurisdiction Change	City Project	<u>1 CITYWIDE PROJECT</u>	<u>PA2022-111</u>	Jaime Murillo	<u>MORE INFO</u>	Citywide
Housing Element Implementation Program Amendments	LCP Amendment	<u>1 CITYWIDE PROJECT</u>	<u>PA2022-0245</u>	Benjamin Zdeba	<u>MORE INFO</u>	District 5

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City of Newport Beach

Tentative Agenda Report - 3/14/2026 - 6/17/2026

Planner Contact Information

Name & Title	Phone	Email
Benjamin Zdeba, Acting Deputy Director	949-644-3253	bzdeba@newportbeachca.gov
Cameron Younger, Planning Technician	949-644-3237	cyounger@newportbeachca.gov
Dan Campagnolo, Systems and Administration Manager	949-644-3231	dcampagnolo@newportbeachca.gov
Daniel Kopshever, Assistant Planner	949-644-3235	dkopshever@newportbeachca.gov
David Blumenthal, Contract Planner		dblumenthal@newportbeachca.gov
David Lee, Principal Planner	949-644-3225	dlee@newportbeachca.gov
Jaime Murillo, CDD Director	949-644-3209	jmurillo@newportbeachca.gov
Jasmine Leon, Planning Technician	949-644-3201	jleon@newportbeachca.gov
Jenny Hannsun, Associate Planner	949-644-3212	jhannsun@newportbeachca.gov
Jerry Arregui, Assistant Planner	949-644-3249	jarregui@newportbeachca.gov
Joselyn Perez, Senior Planner	949-644-3312	jperez@newportbeachca.gov
Laura Rodriguez, Assistant Planner	949-644-3216	lrodriguez@newportbeachca.gov
Lauren Wooding, Real Property Administrator	949-644-3236	lwooding@newportbeachca.gov
Liz Westmoreland, Principal Planner	949-644-3234	lwestmoreland@newportbeachca.gov
Melinda Whelan, Assistant Planner	949-644-3221	mwhelan@newportbeachca.gov
Oscar Orozco, Associate Planner	949-644-3219	oorozco@newportbeachca.gov
Rosalinh Ung, Principal Planner (PT)	949-644-3208	rung@newportbeachca.gov
Tonee Thai, Deputy CDD Director & Building Official	949-718-1867	tthai@newportbeachca.gov

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Redondo Beach, CA 90277
www.cbcearthlaw.com

Douglas P. Carstens
Email Address:
dpc@cbcearthlaw.com

Main Office Phone:
310-798-2400
Direct Dial:
310-798-2400 Ext. 1

March 11, 2026

Via Electronic Mail

Lena Shumway, City Clerk
City of Newport Beach City Council
100 Civic Center Drive, Bay 2E
Newport Beach, CA 92660
cityclerk@newportbeachca.gov

Re: Brown Act Violation – February 10, 2026 City Council Meeting Agenda

Dear City Council and City Attorney,

Pursuant to Government Code section 54960.1, on behalf of Beaches for All-California this letter constitutes a formal demand that the City of Newport Beach cure and correct a violation of the Ralph M. Brown Act arising from the February 10, 2026 City Council Meeting Agenda.

Agenda Item No. 3 was titled “Safety Enhancement Zones Expansion and Enforcement During Peak Activity Periods.” The description framed the action as addressing illegal activity during designated “Spring Break” and other “High-Risk Periods.” The agenda referenced expansion of Safety Enhancement Zones and enforcement measures during specified dates (March 14 through April 12).

However, the action taken included introduction of Ordinance No. 2026-2 amending Section 11.08.020 of the Newport Beach Municipal Code governing “Use of Shade Coverings.” As adopted for introduction, the ordinance permanently reduces the maximum allowable size of shade structures on public beaches from 10 feet by 10 feet to 6 feet by 6 feet.

The agenda description did not clearly disclose that:

- The shade structure size reduction is permanent rather than limited to Spring Break;
- The restriction applies year-round rather than only during designated high-risk periods;
- The amendment alters general beach use regulations beyond Safety Enhancement Zones;
or
- A substantive reduction in permitted shade area (from 100 square feet to 36 square feet) was being enacted.

Government Code section 54954.2 requires that agendas contain a brief general description sufficient to inform the public of the business to be transacted. Courts interpreting the Brown Act have held that agenda descriptions must not be misleading as to the scope or impact of the action under consideration and must allow members of the public to determine whether their interests may be affected.

By framing the item as a Spring Break “Safety Enhancement Zone” enforcement measure, while simultaneously introducing a permanent, year-round amendment to beach conduct regulations, the City failed to provide adequate notice of the true scope and effect of the action. A reasonable member of the public reviewing the agenda would not have understood that a permanent reduction of allowable beach shade structures was being adopted.

Accordingly, pursuant to Government Code section 54960.1 subdivision (a), we request the City cure and correct this violation by:

1. Rescinding the February 10, 2026 action introducing Ordinance No. 2026-2; and
2. Re-agendizing the proposed amendment with a clear and accurate agenda description that expressly discloses the permanent, year-round reduction in allowable shade structure size.

Please confirm within 30 days whether the City intends to cure and correct the violation as required by statute.

This request is made in the interest of transparency, meaningful public participation, and compliance with California’s open meeting laws.

Sincerely,



Douglas P. Carstens

Intergovernmental Cooperative Purchasing Agreement

This Intergovernmental Agreement (Agreement) is by and between the “Lead Contracting Agency” and participating government entities (“Participating Agencies”), that are members of National Purchasing Partners (“NPPGov”), including members of Public Safety GPO, First Responder GPO, Law Enforcement GPO, Education GPO and EMS GPO that agree to the terms and conditions of this Agreement. The Lead Contracting Agency and all Participating Agencies shall be considered as “parties” to this agreement.

WHEREAS, upon completion of a formal competitive solicitation and selection process, the Lead Contracting Agency has entered into Master Price Agreements with one or more Vendors to provide goods and services, often based on national sales volume projections;

WHEREAS, NPPGov provides group purchasing, marketing and administrative support for governmental entities. NPPGov’s marketing and administrative services are free to its membership, which includes participating public entities and nonprofit institutions throughout North America.

WHEREAS, NPPGov has instituted a cooperative purchasing program under which member Participating Agencies may reciprocally utilize competitively solicited Master Price Agreements awarded by the Lead Contracting Agency;

WHEREAS, the Master Price Agreements provide that all qualified government members of NPPGov may purchase goods and services on the same terms, conditions and pricing as the Lead Contracting Agency, subject to applicable local and state laws of the Participating Agencies;

WHEREAS, the parties agree to comply with the requirements of the Intergovernmental Cooperation Act as may be applicable to the local and state laws of the Participating Agencies;

WHEREAS, the parties desire to conserve and leverage resources, and to improve the efficiency and economy of the procurement process while reducing solicitation and procurement costs;

WHEREAS, the parties are authorized and eligible to contract with governmental bodies and Vendors to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, the parties desire to contract with Vendors under the terms of the Master Price Agreements;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1: LEGAL AUTHORITY

Each party represents and warrants that it is eligible to participate in this Agreement because it is a local government created and operated to provide one or more governmental functions and possesses adequate legal authority to enter into this Agreement.

ARTICLE 2: APPLICABLE LAWS

The procurement of goods and services subject to this Agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules, and regulations that govern each party’s procurement policies. Competitive Solicitations are intended to meet the public contracting requirements of the Lead Contracting Agency and may not be appropriate under, or satisfy Participating Agencies’ procurement laws. It is the responsibility of each party to ensure it has met all applicable solicitation and procurement requirements. Participating Agencies are urged to seek independent review by their legal counsel to ensure compliance with all local and state solicitation requirements.

ARTICLE 3: USE OF BID, PROPOSAL OR PRICE AGREEMENT

- a. A “procuring party” is defined as the Lead Contracting Agency or any Participating Agency that desires to purchase from the Master Price Agreements awarded by the Lead Contracting Agency.
- b. Each procuring party shall be solely responsible for their own purchase of goods and services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation of law or contract by a procuring party, and the procuring party shall hold non-procuring parties and all unrelated procuring parties harmless from any liability that may arise from action or inaction of the procuring party.
- c. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar goods and services outside the scope of the Master Price Agreement.
- d. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.
- e. The cooperative use of bids, proposals or price agreements obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid, proposal or price agreement, except as modified where otherwise allowed or required by applicable law, and does not relieve the party of its other solicitation requirements under state law or local policies.

ARTICLE 4: PAYMENT OBLIGATIONS

The procuring party will make timely payments to Vendors for goods and services received in accordance with the terms and conditions of the procurement. Payment for goods and services, inspections and acceptance of goods and services ordered by the procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Vendor shall be resolved in accordance with the law and venue rules of the state of the procuring party.

ARTICLE 5: COMMENCEMENT DATE

This Agreement shall take effect after execution of the “Lead Contracting Agency Endorsement and Authorization” or “Participating Agency Endorsement and Authorization,” as applicable.

ARTICLE 6: TERMINATION OF AGREEMENT

This Agreement shall remain in effect until terminated by a party giving 30 days written notice to “Lead Contracting Agency”

ARTICLE 7: ENTIRE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 8: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by all parties, except that any alterations, additions, or deletions of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO OR MORE ORIGINALS BY EXECUTION AND ATTACHMENT OF “THE LEAD CONTRACTING AGENCY ENDORSEMENT AND AUTHORIZATION” OR “PARTICIPATING AGENCY ENDORSEMENT AND AUTHORIZATION,” AS APPLICABLE. ONCE EXECUTED, IT IS THE RESPONSIBILITY OF EACH PARTY TO FILE THIS AGREEMENT WITH THE PROPER AGENCY IF REQUIRED BY LOCAL OR STATE LAW.

**LEAGUE OF OREGON CITIES
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of the League of Oregon Cities (“Lead Contracting Agency”) that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the League of Oregon Cities to Participating Agencies locally, regionally, and nationally through NPPGov. Copies of Master Price Agreements and any amendments thereto made available by the League of Oregon Cities will be provided to Participating Agencies and NPPGov to facilitate use by Participating Agencies.

The undersigned understands that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agencies.

The undersigned affirms that he/she is an agent of the League of Oregon Cities and is duly authorized to sign this League of Oregon Cities Endorsement and Authorization.

DocuSigned by:

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Date: June 13, 2023

BY: Patricia M. Mulvihill
ITS: Executive Director

League of Oregon Cities Contact Information:

Contact Person: Kevin Toon
Address: 1201 Court St NE #200, Salem, OR 97301
Telephone No.: 503-588-6550
Email: rfp@orcities.org

**PARTICIPATING AGENCY
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of _____ (“Participating Agency”) that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Lead Contracting Agency to Participating Agencies locally, regionally, and nationally through NPPGov.

The undersigned further acknowledges that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agency and that neither the Lead Contracting Agency nor NPPGov shall be held liable for any costs or damages incurred by or as a result of the actions of the Vendor or any other Participating Agency. Upon award of contract, the Vendor shall deal directly with the Participating Agency concerning the placement of orders, disputes, invoicing and payment.

The undersigned affirms that he/she is an agent of _____ and is duly authorized to sign this Participating Agency Endorsement and Authorization.

BY: _____
ITS: _____

Date: _____

Participating Agency Contact Information:

Contact Person: _____
Address: _____

Telephone No.: _____
Email: _____