



### **CITY COUNCIL AGENDA**

City of Canyon Lake, California  
Wednesday, August 5, 2026  
Closed Session Meeting at 5:00 P.M.  
Regular Meeting at 6:30 P.M.

City Hall Council Chambers  
31516 Railroad Canyon Road  
Canyon Lake, CA 92587

### **CITY COUNCIL MEMBERS**

Mayor Jeremy Smith  
Mayor Pro Tem Kasey Castillo  
Council Member Joshua Steeber  
Council Member Mark Terry  
Council Member Dale Welty

To provide remote public comment:

[Click here to join via Zoom](#)

### **NOTICE OF TELECONFERENCE PARTICIPATION**

Pursuant to Government Code section 54953(b), Council Member Josh Steeber will participate in this meeting by teleconference from the following teleconference location:

Royal Caribbean Symphony of the Seas  
Stateroom 14676

The teleconference location will be open and accessible to the public for the duration of the meeting. Members of the public may attend the meeting at this location and shall have the opportunity to hear the proceedings and directly address the City Council from the teleconference location in the same manner as members of the public attending the meeting at the regular meeting location. The agenda for this meeting has been posted at the teleconference location in accordance with the Brown Act. All votes taken during the teleconferenced meeting will be conducted by roll call.

**Public Comment:** Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a speaker card and provide it to the City Clerk prior to the start of public comment. The City Council has adopted a time limit of three (3) minutes per person. Comments on specific agenda items will be heard when the item is called. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response. Electronic comments may be submitted to [cityclerk@canyonlakeca.gov](mailto:cityclerk@canyonlakeca.gov). Comments submitted electronically will be provided to the City Council and included in the official record but will not be read aloud during the meeting.

**CEQA Notice:** Unless stated otherwise on the agenda, every item on the agenda is exempt from CEQA Guidelines sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code section 21065.

**Council Agendas:** The designated office for inspection of records is the Office of the City Clerk, Canyon Lake City Hall, 31516 Railroad Canyon Road, Canyon Lake, CA 92587. Complete agenda packets are available for public review at City Hall during normal business hours and on the City's website at [www.canyonlakeca.gov](http://www.canyonlakeca.gov).

**ADA Notice:** In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting or if you need agenda documents provided in an alternate format, please contact the City Clerk's Office at (951) 244-2955 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made.

## **CLOSED SESSION**

### **CALL TO ORDER**

### **ROLL CALL**

*Castillo, Steeber, Terry, Welty, Smith*

### **PUBLIC COMMENT (3 MINUTES)**

*Comments are limited to Closed Session items only. Each speaker is allowed (3) minutes to speak.*

### **DISCUSSION ITEMS**

1. CONFERENCE WITH LEGAL COUNSEL - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1) Name of Case: Miguel Borja v. City of Canyon Lake, et al. Court and Case Number: Riverside County Superior Court, Case No. CVME260867
2. CONFERENCE WITH LEGAL COUNSEL - Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): One (1) case
3. CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation, Significant Exposure Pursuant to Government Code Section 54956.9(d): One (1) case
4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code Section 54957: Title: City Manager

## **REGULAR SESSION**

### **INVOCATION**

### **CALL TO ORDER**

### **ROLL CALL**

*Castillo, Steeber, Terry, Welty, Smith*

### **FLAG SALUTE**

### **CLOSED SESSION REPORT**

### **CITY COUNCIL AND COMMITTEE REPORTS / COMMENTS**

### **CEREMONIAL MATTERS**

### **PRESENTATIONS**

Elsinore Valley Municipal Water District  
Canyon Lake Property Owners Association  
Canyon Lake Chamber of Commerce  
Non-Profit Spotlight

## **PUBLIC COMMENT (3 MINUTES)**

*Comments on specific agenda items will be heard when the item is called. Comments on Consent Calendar items will be heard prior to the City Council's consideration of that calendar. Each speaker is allowed (3) minutes to speak.*

## **CONSENT CALENDAR**

*All items listed on the Consent Calendar are considered to be routine in nature and may be enacted in one motion. Individual items may be removed by a Council Member for separate discussion immediately after the adoption of the balance of the Consent Calendar. All ordinance titles are deemed to be read in their entirety and further reading waived on any ordinance listed on the Consent Calendar.*

1. Approve Claims and Demands of the City

### **Recommendation:**

Adopt Resolution No. 2026-35 Approving Claims and Demands of the City.

2. Approval of City Council Meeting Minutes

### **Recommendation:**

Approve the minutes of the June 10, 2026, City Council meeting.

3. Receive and File the Monthly Public Records Request Report

### **Recommendation:**

Receive and file the monthly Public Records Request Report.

4. Second Reading and Adoption of Ordinance No. 278 Regulating Nitrous Oxide, Ordinance No. 279 Regulating Kratom Products and Ordinance No. 280 Regulating Drug Paraphernalia

### **Recommendation:**

Conduct second reading and adopt the following ordinances: (1) Ordinance No. 278 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.91 to the Canyon Lake Municipal Code Regarding the Regulation of Nitrous Oxide; (2) Ordinance No. 279 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.92 to the Canyon Lake Municipal Code Regulating the Sale and Distribution of Kratom Products; and (3) Ordinance No. 280 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.93 to the Canyon Lake Municipal Code Regarding the Regulation of Drug Paraphernalia.

5. Second Reading and Adoption of Ordinance No. 281 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.03 of the Canyon Lake Municipal Code Regulating the Operation of Electric Bicycles, Electric Motorcycles, and Other Regulated Mobility Devices

### **Recommendation:**

Conduct second reading and adopt Ordinance No. 281 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.03 of the Canyon Lake Municipal Code Regulating the Operation of Electric Bicycles, Electric Motorcycles, and Other Regulated Mobility Devices

6. Second Reading and Adoption of Ordinance No. 282 - An Ordinance of the City Council of the City of Canyon Lake, California, Repealing and Replacing Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's Accessory Dwelling Unit Ordinance into Compliance with Current State ADU Law

**Recommendation:**

(1) Conduct second reading and adopt Ordinance No. 282 - An Ordinance of the City Council of the City of Canyon Lake, California, Repealing and Replacing Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's Accessory Dwelling Unit Ordinance into Compliance with Current State ADU Law; and (2) direct staff to submit the adopted ordinance to the California Department of Housing and Community Development (HCD) for review in response to the May 11, 2026, Technical Assistance Letter.

7. Approve the Appointment of the City's Alternate to the Lake Elsinore San Jacinto Watersheds Authority

**Recommendation:**

Approve the appointment of Council Member Welty as the City's alternate to the Lake Elsinore San Jacinto Watersheds Authority.

8. Receive and File the Quarterly Investment Report for the Quarter Ended June 30, 2026

**Recommendation:**

Receive and file the Quarterly Investment Report for the quarter ending June 30, 2026, in compliance with the City's Investment Policy.

9. Consideration of a Resolution Authorizing the City Manager to Enter into a Lease/Purchase Agreement with PNC Equipment Finance, LLC, for a New Type I Fire Engine in the Amount of \$1,136,301.95

**Recommendation:**

Adopt Resolution No. 2026-36 authorizing the City Manager to enter into a Lease/Purchase Agreement with PNC Equipment Finance, LLC, for a new Type I structural fire engine in the amount of \$1,136,301.95.

10. Consideration of a Resolution Authorizing the City's Participation in the County of Riverside Urban County Program for Federal Fiscal Years 2027-2028, 2028-2029, 2029-2030 and Approving the Execution of a Cooperation Agreement with the County

**Recommendation:**

Adopt Resolution No. 2026-37 authorizing the City's participation in the County of Riverside Urban County Program for Federal Fiscal Years 2027-2028, 2028-2029, and 2029-2030, approving the Cooperation Agreement between the County of Riverside and the City of Canyon Lake, and authorizing the City Manager to execute the agreement on the City's behalf.

11. Consideration of a Resolution Adopting the City's Amended Conflict of Interest Code

**Recommendation:**

Adopt Resolution No. 2026-38 rescinding Resolution No. 2024-39 and adopting the City's amended Conflict of Interest Code.



12. Consideration of a Professional Services Agreement with Animal Friends of the Valleys, Inc. for Animal Control Services

**Recommendation:**

Approve a Professional Services Agreement with Animal Friends of the Valleys, Inc. for animal control services in an amount not to exceed \$43,050 annually and authorize the City Manager to execute the Agreement on a form acceptable to the City Attorney.

13. Consideration of a Resolution Approving Fiscal Year 2025-26 to Fiscal Year 2026-27 Expenditure Carryover Requests

**Recommendation:**

Adopt Resolution No. 2026-41 authorizing the carryover of Fiscal Year 2025-26 appropriations into Fiscal Year 2026-27 for the Police and Fire Departments.

## **PULLED CONSENT CALENDAR ITEMS**

*Items removed from the Consent Calendar for separate discussion will be considered at this time.*

## **PUBLIC HEARINGS**

## **BUSINESS ITEMS**

14. Consideration of Resolutions Certifying the Initiative Petition entitled "Canyon Lake Public Safety and Emergency Response Protection Measure" and Calling a General Municipal Election and Requesting Consolidation with the County of Riverside for the Initiative

**Recommendation:**

Adopt Resolution Nos. 2026-39 and 2026-40 certifying the sufficiency of the initiative petition entitled "Canyon Lake Public Safety and Emergency Response Protection Measure" and calling a General Municipal Election for the Initiative on November 3, 2026, requesting that the County of Riverside provide election administration services and taking all actions required by the California Elections Code.

15. Designation of a Voting Delegate and Alternate(s) for the League of California Cities 2026 Annual Conference and Expo Annual Business Meeting

**Recommendation:**

Designate a voting delegate and up to two alternates for the League of California Cities 2026 Annual Conference and Expo Annual Business Meeting.

## **CITY MANAGER COMMENTS**

## **ANNOUNCEMENTS**

The next regular City Council meeting will be held on September 9, 2026.

## **ADJOURNMENT**

AFFIDAVIT OF POSTING: I, Sheryl L. Garcia, City Clerk of the City of Canyon Lake, California, do hereby declare that the foregoing agenda was posted as of the date noted below, at least seventy-two (72) hours prior to the meeting per Government Code 54954.2, and as required by Resolution 2019-42.

Sheryl L. Garcia, MMC, CPM  
City Clerk  
Dated: July 30, 2026





## *CITY COUNCIL STAFF REPORT*

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Yadira Correo, Accounting Specialist

DATE: 08/05/2026

SUBJECT: Approve Claims and Demands of the City

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**Recommendation:**

Adopt Resolution No. 2026-35 Approving Claims and Demands of the City.

**Background/Analysis:**

All claims and demands are reported and summarized for review and approval by the City Council on a routine basis at each City Council meeting. The attached claims represent the paid claims and demands for the period June 1 - 30, 2026.

**Fiscal Impact Yes/No:** No

**Additional Fiscal Information:**

All claims and demands are paid from appropriated funds or authorized resources of the City and have been recorded in accordance with the City's policies.

**Attachments:**

- 1 - Resolution
- 2 - Claims and Demands June 2026

## RESOLUTION NO. 2026-35

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A

**WHEREAS**, Exhibit A was presented at the regular meeting of the City Council on August 5th, 2026, at which all present, were given an opportunity to comment.

### NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES RESOLVE AS FOLLOWS:

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** Demands are approved as shown on the Demand\Warrant Register of August 5th, in the amount of \$1,951,986.83 as follows:

|                                     |                |                     |
|-------------------------------------|----------------|---------------------|
| Payroll Earnings (Direct Deposit)   | \$171,472.19   | (For Month of June) |
| Payroll Processing Fees             | \$703.94       | (For Month of June) |
| Payroll Taxes - Employer & Employee | \$45,272.95    | (For Month of June) |
| Payroll CS                          | \$1,078.70     | (For Month of June) |
| On-line Retirement                  | \$16,749.81    | (For Month of June) |
| On-line Health                      | \$34,852.84    | (For Month of June) |
| CalPERS Unfunded Accrued Liability  | \$65,996.00    | (For Month of June) |
| Nationwide Deferred Comp.           | \$8,299.57     | (For Month of June) |
| General                             | \$1,607,105.83 | (For Month of June) |
| Total                               |                |                     |
|                                     | <hr/>          |                     |
|                                     | \$1,951,986.83 |                     |
|                                     | <hr/>          |                     |

**Section 3.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 4.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**Section 5.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 5th day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

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Sheryl L. Garcia, MMC, CPM  
City Clerk

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID                         | Invoice Description                                        | Cash Required |
|-----------------------------------|------------------------------------------------------------|---------------|
| ARCCOPS                           | 2026 Membership Dues for Police Chief                      | 300.00        |
| Arroyo Background Investigations  | Police Dept Background Check                               | 3,300.00      |
|                                   | Police Dept. Background Checks                             | 3,300.00      |
| Badge Frame, Inc.                 | Fire Station Name Tag for Captain's Office                 | 35.00         |
| CL FIREFIGHTERS                   | Firefighter's Union Dues Check Date 5/22/2026              | 415.44        |
| CL PROPERTY OWNERS                | Firehouse Note Payment 29                                  | 9,359.57      |
| Creative Industries Media         | Taping of Chief of Police Swearing Ceremony & Social Media | 625.00        |
| CTAI                              | Landscape Maintenance Fee for Medians & Parkways May 2026  | 5,014.00      |
| Delgado                           | Janitorial Services for May 2026                           | 1,819.20      |
| DOJ                               | Fingerprints for April 2026                                | 96.00         |
| Galls, LLC                        | Police Dept. Uniform Accessories                           | 41.12         |
|                                   | Police Dept. Uniform Accessories                           | 11.95         |
| Inland Fleet                      | Fire Station Pump Testing/Repairs to E1                    | 1,320.10      |
|                                   | Fire Station Pump Testing/Repairs to E-201                 | 894.68        |
|                                   | Fire Station Pump Testing/P-1                              | 750.00        |
|                                   | Fire Station Repairs to Hose Bed-E1                        | 121.22        |
| Johnson Controls                  | Down Payment for City Hall Fire Alarm System               | 5,743.19      |
| LaTendresse                       | Per Diem and Mileage for FDIC Conference                   | 417.84        |
| Morningstar                       | Council Meeting Taping, May 13, 2026                       | 350.00        |
| PORAC RMT                         | PORAC Contributions for April 2026                         | 600.00        |
|                                   | PORAC Contributions for May 2026                           | 600.00        |
| Precision Technologies            | Video Conferencing System for Council Chamber              | 8,782.50      |
| RAMS                              | Accounting Services for March 2026                         | 13,097.17     |
| RCLEAA                            | Annual Membership Fee for Agency Head 2026-Chief Rayls     | 150.00        |
| Riv Co Sheriff Dept Lake Elsinore | Sheriff's Contract Law Rate Adjustment 7/1/25-3/4/26       | 129,164.62    |
| VC3, Inc                          | IT Remote and Onsite Support May 2026                      | 3,624.39      |
|                                   | Microsoft 365 & Office Extra File Services May 2026        | 1,434.00      |
| Willdan                           | Water Quality Services through 5/1/26                      | 3,501.00      |
| Willdan FS                        | Technology User Fee Services through May 1, 2026           | 2,632.50      |
| Report Total                      |                                                            | 197,500.49    |

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID                            | Invoice Description                              | Cash Required |
|--------------------------------------|--------------------------------------------------|---------------|
| ABI                                  | Fire Station Background for FF/PM, 5/31/26       | 19.95         |
| Amazon                               | Fire Station Office Equipment                    | 46.54         |
|                                      | Fire Station Engine Supplies                     | 125.56        |
|                                      | Fire Station Office Supplies                     | 24.56         |
|                                      | Fire Station Open House Supplies                 | 269.30        |
| Anguiano                             | Reserve Stipend for May 2026                     | 300.00        |
| Bound Tree                           | Fire Station Training Medical Supplies           | 607.67        |
| California Fire Chiefs<br>Asso       | Fire Station Cal Fire Chiefs Association         | 75.00         |
| California Police Chiefs<br>Asso     | Police Dept. CPCA Dues for 7/1/26-6/30/27        | 884.00        |
| Cintas                               | Fire Station Weekly Mat Service, 6/2/26          | 50.53         |
|                                      | Fire Station Weekly Mat Service, 5/19/26         | 49.08         |
|                                      | Fire Station Weekly Mat Service, 5/27/26         | 49.08         |
| Concentra                            | Fire Station FF Reserve Physical, 5/27/26        | 364.00        |
| CR&R                                 | Refuse Collections FY 25-26 CY SEC SS2           | 929,091.45    |
| Curtis                               | Fire Station Training Ladder                     | 1,877.05      |
|                                      | Fire Station Training Rope                       | 1,384.67      |
|                                      | Fire Station FF Turnouts                         | 4,936.24      |
| Destiny Software                     | AgendaQuick Hosted Services 3/1/26 thru 2/28/27  | 6,000.00      |
| Edwards                              | Reserve Stipend for May 2026                     | 300.00        |
| Fire Smart                           | Fire Station Open House Pub Ed Supplies          | 1,756.33      |
| Hernandez, Oscar                     | Reserve Stipend for May 2026                     | 200.00        |
| Isas                                 | Reserve Stipend for May 2026                     | 300.00        |
| John Hancock                         | EE & ER Contributions Check Date 5/22/2026       | 7,058.70      |
| Life-Assist                          | Fire Station EMS Supplies                        | 162.25        |
|                                      | Fire Station Intubation Head Trainer             | 1,454.63      |
|                                      | Fire Station Medical Supplies                    | 161.96        |
|                                      | Fire Station Medical Supplies                    | 95.71         |
| Luke Jackson                         | Reserve Stipend for May 2026                     | 200.00        |
| Lundberg                             | Reserve Stipend for May 2026                     | 200.00        |
| Madalyne Gonzales                    | Reimbursement for HDMI Cords for New Computers   | 163.07        |
| Nate Garcia                          | Reimbursement for Educational Command 2E         | 461.25        |
| OES Office Furniture                 | Fire Station Training Desk For New Hallway       | 2,896.33      |
| Ramirez, J                           | Reserve Stipend for May 2026                     | 200.00        |
| Riv Co Sheriff Dept<br>Lake Elsinore | Sheriff's Contract Law 3/5/26-4/1/26             | 176,814.15    |
| SDRMA                                | Dental and Vision Insurance July 2026            | 2,592.38      |
| Seward                               | Reserve Stipend for May 2026                     | 300.00        |
| STAPLES                              | City Hall & Admin Office Supplies                | 85.08         |
| Stidman                              | Reserve Stipend for May 2026                     | 300.00        |
| TEQlease, Inc.                       | City Hall Security and Door Access System Pymt 2 | 10,449.48     |
| VectorSolutions                      | Fire Station Vector/Target Solutions Software    | 4,632.14      |

Date: 6/9/26  
12:54:16 PM

Page: 1

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID    | Invoice Description | Cash Required |
|--------------|---------------------|---------------|
| Report Total |                     | 1,156,938.14  |



City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID            | Invoice Description | Cash Required |
|----------------------|---------------------|---------------|
| Ahlgrim              | UUT Refund          | 97.45         |
| Andrews, S           | UUT Refund          | 97.51         |
| Bock                 | UUT Refund          | 123.50        |
| Bossenmeyer          | UUT Refund          | 82.16         |
| Brattin, B           | UUT Refund          | 103.07        |
| Carew                | UUT Refund          | 118.04        |
| Carstensen           | UUT Refund          | 124.01        |
| Cohen                | UUT Refund          | 95.93         |
| Continental Cove HOA | UUT Refund          | 726.98        |
| Copeland, K          | UUT Refund          | 101.77        |
| Devine, J            | UUT Refund          | 76.00         |
| Doherty, J           | UUT Refund          | 88.61         |
| Ericson              | UUT Refund          | 73.16         |
| Fiorentino, T        | UUT Refund          | 124.18        |
| Floyd                | UUT Refund          | 115.42        |
|                      | UUT Refund          | 7.35          |
| Foisy                | UUT Refund          | 105.09        |
| Frasca               | UUT Refund          | 212.61        |
| Gonzalez             | UUT Refund          | 157.94        |
| Gossett              | UUT Refund          | 93.21         |
| Guy                  | UUT Refund          | 98.18         |
| Jacobson, J          | UUT Refund          | 191.50        |
| Kelly                | UUT Refund          | 84.23         |
| Korte                | UUT Refund          | 81.47         |
| Lanphier C           | UUT Refund          | 40.00         |
|                      | UUT Refund          | 19.85         |
| LeVier               | UUT Refund          | 83.53         |
| McCray               | UUT Refund          | 63.96         |
| Mendonca             | UUT Refund          | 100.40        |
| Mitchell             | UUT Refund          | 76.00         |
| Mongold              | UUT Refund          | 80.00         |
| Mongold, s           | UUT Refund          | 121.47        |
| Nelson, A            | UUT Refund          | 108.27        |
| Novelich, K          | UUT Refund          | 118.92        |
| Phipps, M            | UUT Refund          | 107.36        |
| Pickett, D           | UUT Refund          | 109.70        |
| Romero               | UUT Refund          | 83.68         |
| Rutan-Jones          | UUT Refund          | 112.67        |
| Skillestad           | UUT Refund          | 160.32        |
| Smith, K             | UUT Refund          | 81.38         |
| Stickels             | UUT Refund          | 113.11        |
| Swaffer              | UUT Refund          | 111.47        |
| Torres               | UUT Refund          | 91.85         |
| Usary, M             | UUT Refund          | 94.23         |

Date: 6/15/26  
04:28:31 PM

Page: 1

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID    | Invoice Description | Cash Required |
|--------------|---------------------|---------------|
| Valek        | UUT Refund          | 105.88        |
| Vosseteig    | UUT Refund          | 84.00         |
| Wagoner      | UUT Refund          | 115.82        |
| Walsh Mike   | UUT Refund          | 108.75        |
| Washle, E    | UUT Refund          | 105.96        |
| Webb         | UUT Refund          | 189.18        |
| White, J     | UUT Refund          | 138.67        |
| Wood, B      | UUT Refund          | 76.00         |
| Report Total |                     | 5,981.80      |

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID                        | Invoice Description                                     | Cash Required |
|----------------------------------|---------------------------------------------------------|---------------|
| Arroyo Background Investigations | Police Dept. Employee Background Screening, 6/1/2026    | 6,600.00      |
| Canyon Lake Auto Tire            | Code Enforcement Vehicle Maintenance, 6/9/26            | 253.50        |
| CL FIREFIGHTERS                  | Firefighter's Union Dues Check Date 6/5/2026            | 415.44        |
| DOJ                              | Fingerprints for May 2026                               | 66.00         |
| John Hancock                     | EE & ER Contributions Check Date 6/5/2026               | 7,062.38      |
| Kleinberg Tech                   | Reissue Lost Check-FS Prevention IT Support             | 781.25        |
| Mark43                           | Police Dept. Saas Subscriptions                         | 12,920.00     |
| PORAC                            | PORAC Quarterly Dues (Assn ID: 3288)                    | 90.00         |
| Precision Technologies           | Police Dept. Network Ports Installation                 | 1,386.58      |
| RAMS                             | Accounting Services for April 2026                      | 10,791.17     |
| Riv Co TLMA                      | SLF-February 2026 Costs                                 | 4,218.79      |
| Saxe-Clifford                    | Police Dept. Candidate Psych Evaluation, 6/1/2026       | 450.00        |
|                                  | Police Dept. Candidate Psych Evaluation, 5/21/2026      | 450.00        |
| The Code                         | Staffing Services for Building Dept. 3/29/26-4/25/26    | 5,075.00      |
| Yesco                            | Final Pymt for Digital Sign Removal & Install, Retrofit | 41,685.97     |
| Report Total                     |                                                         | 92,246.08     |

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID                        | Invoice Description                                          | Cash Required |
|----------------------------------|--------------------------------------------------------------|---------------|
| 2 Hot Uniforms                   | Fire Station Annual FF Uniform Issue                         | 3,652.97      |
| ABILA                            | Accounting Software 6/1/2026-6/30/2026                       | 845.65        |
| Amazon                           | Fire Station Supplies                                        | 30.05         |
| ANIMAL FRIENDS                   | Animal Control Services Month of April 2026                  | 3,677.19      |
| Arroyo Background Investigations | Police Dept. Applicant Background Screening, 6/19/26         | 3,542.64      |
|                                  | Police Dept. Applicant Background Screening, 6/19/26         | 1,650.00      |
| Badge Frame, Inc.                | Fire Station Supplies                                        | 45.00         |
| BIO-TOX                          | Blood Analysis, 5/25/26                                      | 467.00        |
| California PPE                   | Fire Station PPE Cleaning & Repairs                          | 1,578.00      |
| Cintas                           | Fire Station Weekly Mat Service, 6/16/26                     | 50.53         |
|                                  | Fire Station Weekly Mat Service, 6/9/26                      | 50.53         |
| CL FIREFIGHTERS                  | Firefighter's Union Dues Check Date 6/19/2026                | 415.44        |
| CL PROPERTY OWNERS               | Firehouse Note Payment 30                                    | 9,359.57      |
| Clark Pest                       | Fire Station Monthly Pest Control June 2026                  | 134.00        |
|                                  | Pest Control for Rental-31542 RRCR June 2026                 | 260.00        |
| Control Pump                     | Landscape Monthly Monitor Report May 2026                    | 442.37        |
|                                  | Main Station Emergency Repair, 6/18/26                       | 380.00        |
| Corelogic                        | Database for Code Enforcement May 2026                       | 177.30        |
| Curtis                           | Fire Station Training Hose                                   | 4,976.08      |
| DATA TICKET                      | Monthly Parking Fees May 2026                                | 100.00        |
|                                  | Code Enforcement Processing Fees May 2026                    | 100.00        |
|                                  | EMS Response Fee May 2026                                    | 100.00        |
|                                  | Miscellaneous Fees on Invoices May 2026                      | 100.00        |
| Delgado                          | Janitorial Services June 2026                                | 1,819.20      |
| Enterprise Fleet                 | Police Dept & City Vehicle Fleet Maintenance, 6/1/26-6/30/26 | 27,745.20     |
| Fire Smart                       | Fire Station Swag for Open House                             | 929.34        |
| FRIDAY FLYER                     | Ordinance No. 279 First Reading                              | 60.00         |
|                                  | Ordinance No. 280 First Reading                              | 63.75         |
|                                  | Ordinance No. 281 First Reading                              | 47.50         |
|                                  | Ordinance No. 282 First Reading                              | 52.50         |
|                                  | Ordinance no. 278 First Reading                              | 61.25         |
| GREENHALGH                       | Retiree Health Insurance July 2026                           | 319.29        |
| ICG                              | CL-003 Railroad Canyon Road-HSIP Project 5/1/26-5/31/26      | 1,043.75      |
| Life-Assist                      | Fire Station Medical Supplies                                | 3.34          |
| Pacific Commercial Property      | Railroad Canyon Road Emergency Services, 6/15/26             | 2,450.00      |
| PARS                             | Monthly Administrative Fees Ending April 2026                | 400.00        |
| PORAC RMT                        | PORAC Contributions for June 2026                            | 600.00        |
| RCA                              | MSHCP Fees Collected May 2026                                | 1,555.52      |
| Redhawk Auto Service             | City Vehicle Maintenance, 6/16/2026                          | 82.01         |

Date: 6/24/26  
06:20:32 PM

Page: 1

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

| Vendor ID         | Invoice Description                                           | Cash Required |
|-------------------|---------------------------------------------------------------|---------------|
| Riv Co Fire       | Dispatch Services FY 25/26 Quarter 3                          | 36,013.54     |
| Saxe-Clifford     | Police Dept. Candidate Psych Evaluation, 6/15/2026            | 450.00        |
| SUN BADGE         | Police Dept. New Badge & Badge Repair                         | 94.74         |
| The Code          | Add'l Staffing Services for Building Dept.<br>3/29/26-4/25/26 | 2,600.00      |
| Van Scoyoc        | Lobbyist Services for May 2026                                | 1,000.00      |
| VC3, Inc          | Microsoft 365 & Office Extra File Services June 2026          | 1,434.00      |
|                   | IT Remote and Onsite Support June 2026                        | 3,507.00      |
| West Coast Energy | City Hall Generator Replacement Battery &<br>Installation     | 311.36        |
|                   | City Hall Generator Service Call & Repair                     | 1,045.75      |
|                   | City Hall Generator Maintenance, 6/5/26                       | 570.00        |
| Zoll              | Fire Station Paramedic Monitor Service                        | 3,654.00      |
| Report Total      |                                                               | 120,047.36    |

City of Canyon Lake  
Check/Voucher Register - Checks Prior Month  
From 6/1/2026 Through 6/30/2026

| Check Number | Vendor Name                                 | Effective Date | Check Amount |
|--------------|---------------------------------------------|----------------|--------------|
| EFT 1910     | Aflac                                       | 6/1/2026       | 1,188.64     |
| EFT 1911     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 1,562.33     |
| EFT 1912     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 321.80       |
| EFT 1913     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 360.23       |
| EFT 1914     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 391.60       |
| EFT 1915     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 10.48        |
| EFT 1916     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 620.43       |
| EFT 1917     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 17.33        |
| EFT 1918     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 128.56       |
| EFT 1919     | SC Fuels                                    | 6/1/2026       | 324.62       |
| EFT 1920     | SC Fuels                                    | 6/1/2026       | 43.81        |
| EFT 1921     | Cintas                                      | 6/1/2026       | 57.37        |
| EFT 1922     | Charter Communications                      | 6/1/2026       | 294.47       |
| EFT 1923     | SOUTHERN CALIFORNIA EDISON                  | 6/1/2026       | 683.32       |
| EFT 1924     | Standard Insurance Company                  | 6/1/2026       | 138.30       |
| EFT 1925     | Standard Insurance Company                  | 6/1/2026       | 31.89        |
| EFT 1926     | Standard Insurance Company                  | 6/1/2026       | 160.43       |
| EFT 1927     | Standard Insurance Company                  | 6/1/2026       | 139.31       |
| EFT 1928     | Standard Insurance Company                  | 6/1/2026       | 27.90        |
| EFT 1929     | Standard Insurance Company                  | 6/1/2026       | 9.30         |
| EFT 1930     | Standard Insurance Company                  | 6/1/2026       | 311.10       |
| EFT 1931     | Standard Insurance Company                  | 6/1/2026       | 9.30         |
| EFT 1932     | Pitney Bowes Bank Inc. Purchase Power       | 6/10/2026      | 200.00       |
| EFT 1933     | Pitney Bowes Global Financial Services, LLC | 6/10/2026      | 175.02       |
| EFT 1934     | SC Fuels                                    | 6/10/2026      | 1,323.17     |
| EFT 1935     | SC Fuels                                    | 6/10/2026      | 261.07       |
| EFT 1936     | Cintas                                      | 6/10/2026      | 57.37        |
| EFT 1937     | Cintas                                      | 6/10/2026      | 57.37        |
| EFT 1938     | Amazon Capital Services                     | 6/10/2026      | 694.48       |
| EFT 1939     | Toshiba America Business Solutions          | 6/11/2026      | 434.52       |
| EFT 1940     | Toshiba America Business Solutions          | 6/11/2026      | 85.79        |
| EFT 1941     | Charter Communications                      | 6/15/2026      | 6.33         |
| EFT 1942     | SOUTHERN CALIFORNIA EDISON                  | 6/15/2026      | 790.65       |
| EFT 1943     | ELSINORE VALLEY MUNI WATER DIS              | 6/15/2026      | 105.96       |
| EFT 1944     | ELSINORE VALLEY MUNI WATER DIS              | 6/15/2026      | 364.00       |
| EFT 1945     | ELSINORE VALLEY MUNI WATER DIS              | 6/15/2026      | 1,879.93     |
| EFT 1946     | ELSINORE VALLEY MUNI WATER DIS              | 6/15/2026      | 346.84       |
| EFT 1947     | ELSINORE VALLEY MUNI WATER DIS              | 6/15/2026      | 122.16       |
| EFT 1948     | The Gas Company                             | 6/15/2026      | 8.21         |
| EFT 1949     | The Gas Company                             | 6/15/2026      | 39.49        |
| EFT 1950     | Cintas                                      | 6/15/2026      | 57.37        |
| EFT 1951     | SOUTHERN CALIFORNIA EDISON                  | 6/15/2026      | 378.78       |
| EFT 1952     | SOUTHERN CALIFORNIA EDISON                  | 6/15/2026      | 183.53       |
| EFT 1953     | Elan                                        | 6/17/2026      | 13,237.13    |
| EFT 1954     | Bankcard Center                             | 6/18/2026      | 1,698.82     |
| EFT 1955     | Bankcard Center                             | 6/18/2026      | 75.99        |
| EFT 1956     | Bankcard Center                             | 6/18/2026      | 559.82       |
| EFT 1957     | Bankcard Center                             | 6/18/2026      | 2,244.18     |
| EFT 1958     | Bankcard Center                             | 6/18/2026      | 657.40       |

City of Canyon Lake  
Check/Voucher Register - Checks Prior Month  
From 6/1/2026 Through 6/30/2026

|              |                            |           |                         |
|--------------|----------------------------|-----------|-------------------------|
| EFT 1959     | SC Fuels                   | 6/23/2026 | 150.48                  |
| EFT 1960     | SC Fuels                   | 6/23/2026 | 566.18                  |
| EFT 1961     | Toshiba Financial Services | 6/25/2026 | 742.04                  |
| EFT 1962     | Toshiba Financial Services | 6/25/2026 | 120.83                  |
| EFT 1963     | CR&R                       | 6/25/2026 | 223.18                  |
| EFT 1964     | CR&R                       | 6/25/2026 | 62.91                   |
| EFT 1965     | SC Fuels                   | 6/30/2026 | 117.00                  |
| EFT 1966     | SC Fuels                   | 6/30/2026 | 436.19                  |
| Report Total |                            |           | <u><u>35,296.71</u></u> |



## *CITY COUNCIL STAFF REPORT*

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Brianna Hemsley, Executive Assistant to the City Manager

DATE: 08/05/2026

SUBJECT: Approval of City Council Meeting Minutes

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**Recommendation:**

Approve the minutes of the June 10, 2026, City Council meeting.

**Background/Analysis:**

Minutes of City Council meetings are prepared by the City Clerk to serve as the official record of City Council actions. City Council approval of the minutes ensures the accuracy of the record before they are entered into the City's permanent archives.

**Fiscal Impact Yes/No:** No

**Attachments:**

1 - Minutes



**MINUTES  
REGULAR MEETING OF THE  
CANYON LAKE CITY COUNCIL  
Canyon Lake City Hall  
31516 Railroad Canyon Road  
Canyon Lake, CA 92587  
Wednesday, June 10, 2026**

**Closed Session - 5:00 p.m.**

**CALL TO ORDER**

Mayor Smith called the meeting to order at 5:00 p.m.

**ROLL CALL**

Present: Mayor Pro Tem Castillo; Council Member Steeber; Council Member Terry; Council Member Welty; Mayor Smith

Absent: None

**PUBLIC COMMENT**

There were no public comments.

**CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: Number of Cases (1)
2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code Section 54957: Title: City Manager

The City Council entered Closed Session at 5:00 p.m.

**Open Session - 6:30 p.m.**

**INVOCATION**

The Invocation was led by Mark Terry.

**FLAG SALUTE**

Fire Chief Jeff LaTendresse led the Flag Salute.

**CALL TO ORDER**

Mayor Smith called the meeting to order at 6:33 p.m.

## **ROLL CALL**

Present: Mayor Pro Tem Castillo; Council Member Steeber; Council Member Terry; Council Member Welty; Mayor Smith

Absent: None

## **CLOSED SESSION REPORT**

City Attorney Pacifico reported that there was no reportable action.

## **PUBLIC COMMENT**

There were no public comments.

## **CONSENT CALENDAR**

Council Member Steeber pulled Item No. 3 for further discussion.

Mayor Pro Tem Castillo pulled Item No. 9 for further discussion.

Motion by Council Member Terry, second by Council Member Welty, to approve Consent Calendar Items 1-2, 4-8, and 10.

AYE: Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty, Mayor Smith

**5 - 0 Carried - Unanimously**

1. Approve Claims and Demands of the City

Action taken: The City Council adopted Resolution No. 2026-27 Approving Claims and Demands of the City.

2. Approval of City Council Meeting Minutes

Action taken: The City Council approved the minutes of the May 13, 2026, City Council meeting.

4. Receive and File the Budget in Brief for the FY 2026–27 Budget

Action taken: The City Council received and filed the Budget in Brief in accordance with the Government Finance Officers Association Distinguished Budget Presentation award submission criteria for the FY 2026–27 Budget.

5. Consideration of a Resolution Calling the 2026 General Municipal Election, Requesting Consolidation with the County of Riverside and Adopting Candidate Statement Regulations

Action taken: The City Council adopted Resolution No. 2026-28 calling for the November 3, 2026, General Municipal Election; consolidating the election with the County of Riverside; approving election administration services by the County; and adopting candidate statement regulations.

6. Consideration of a Resolution Approving the List of Projects for Fiscal Year 2026-2027 Funded by SB 1: the Road Repair and Accountability Act of 2017

Action taken: The City Council adopted Resolution No. 2026-29 approving the Fiscal Year 2026-2027 project list for Senate Bill 1 (Road Repair and Accountability Act of 2017) Road Maintenance and Rehabilitation Account (RMRA) funding.

7. Consideration of a Resolution Adopting the Updated City Investment Policy

Action taken: The City Council adopted Resolution No. 2026-30 approving the updated City Investment Policy.

8. Acceptance and Allocation of a \$75,000 Public Safety Contribution from RD Canyon Lake LLC ("Higher Ground")

Action taken: The City Council accepted the \$75,000 public safety contribution from RD Canyon Lake LLC ("Higher Ground") and adopted Resolution No. 2026-31 allocating the funds to the Police Department budget for public safety purposes.

10. Consideration of a Resolution in Support of Assembly Bill 1821 (Pacheco) – California Public Records Act: Agency Response Time

Action taken: The City Council adopted Resolution No. 2026-33 supporting Assembly Bill 1821 (Pacheco) regarding California Public Records Act response timelines.

### **PULLED CONSENT CALENDAR ITEMS**

3. Receive and File the Monthly Public Records Request Report

Council Member Steeber pulled this item for further discussion.

City Manager Brown explained that this item has been placed on the agenda to ensure Council Members are made aware of recent public records activity without having to manually search the public records database.

Action taken: The City Council received and filed the report.

9. Consideration of a Resolution Supporting S. 4505 Requiring the United States Postal Service to Designate ZIP Codes for Certain Communities Including the City of Canyon Lake

Mayor Pro Tem Castillo pulled this item for further discussion.

Mayor Pro Tem Castillo commented on the numerous benefits of obtaining a unique ZIP Code for the City, noting that it is a point of community pride and expressing enthusiasm that the effort is moving forward.

Motion by Mayor Pro Tem Castillo, second by Council Member Terry, to approve Consent Calendar Item 9.

Motion carried 5-0 with Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty, and Mayor Smith voting aye.

## **CITY COUNCIL AND COMMITTEE REPORTS / COMMENTS**

Council Member Welty commented on the City's investment in youth programs and community investment.

Council Member Mark Terry commented on youth programs, provided a WRCOG update, and congratulated Canyon Lake resident Monica Lyons on being selected to receive the WRCOG Community Service Award.

Council Member Steeber reported on regional meetings, utility assistance programs, LEUSD achievements, e-bike legislation discussions, local community events, and extended Father's Day wishes.

Mayor Pro Tem Castillo commented that she had seen on social media that residents would like to hear from the City Attorney and City Manager regarding the Junior Lifeguard Program and deferred to the City Attorney for a response.

City Attorney Pacifico stated that the Mayor and Mayor Pro Tem have been transparent regarding their involvement with the Clear Foundation, noting that the City has no agreement with the nonprofit, and there is no conflict of interest or gift of public funds issue.

City Manager Brown noted that Council Member participation in nonprofit organizations is common and that the City routinely supports community organizations in accordance with normal business practices.

Mayor Pro Tem Castillo also commented on the strong community participation at the Canyon Lake Firefighters Association Golf Cart Show.

Mayor Smith encouraged public engagement, provided updates on the June election and Riverside County Transportation Commission actions.

Following Committee Reports, Mayor Smith requested that the nonprofit presentation be heard at this time.

Council Member Terry introduced the non-profit spotlight on behalf of the Southern California Railway Museum.

## **CEREMONIAL MATTERS**

Mayor Smith recognized Marlon Johnson for his dedicated service to the community and congratulated him on his retirement.

Mayor Smith recognized Wyatt and Cameron of the Canyon Lake Trash Blasters for their entrepreneurial efforts.

## **PRESENTATIONS**

Darcy Burke provided an update on behalf of the Eastern Municipal Water District.

Board Director Jeff Bill provided an update on behalf of the Canyon Lake Property Owner's Association.

President Johnny Pineda and Vice President/Director of Events Rick Tobin provided an update on behalf of the Canyon Lake Chamber of Commerce.

The City Council recessed at 7:52 p.m. and reconvened at 7:58 p.m.

## **PUBLIC HEARINGS**

11. Consideration of a Resolution Establishing Emergency Medical Services (EMS) Program Fees for Fiscal Year 2026/2027 and Providing for Collection Thereof on the Property Tax Roll

Mayor Smith opened the public hearing at 7:58 p.m.

City Manager Brown provided a presentation.

There was no public testimony.

Mayor Smith closed the public hearing at 7:59 p.m.

Motion by Mayor Pro Tem Castillo, second by Council Member Welty, to adopt Resolution No. 2026-34 establishing emergency medical services (EMS) program fees for Fiscal Year 2026/2027 and providing for collection thereof on the property tax roll.

Motion carried 5-0 with Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty and Mayor Smith voting aye.

## **BUSINESS ITEMS**

12. Consideration of an Agreement for Planning and Development Review Services with the City of Wildomar

City Manager Brown provided a presentation.

There were no public comments.

Motion by Mayor Smith, second by Mayor Pro Tem Castillo, to approve the agreement for planning and development review services with the City of Wildomar on a form approved by the City Attorney and authorize the City Manager to execute all documents necessary to effectuate the transaction.

AYE: Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty, Mayor Smith

**5 - 0 Carried - Unanimously**

13. Introduction and First Reading of Ordinance No. 278 Regulating Nitrous Oxide, Ordinance No. 279 Regulating Kratom Products and Ordinance No. 280 Regulating Drug Paraphernalia

City Attorney Pacifico provided a presentation.

There were no public comments.

Motion by Council Member Steeber, second by Mayor Smith, to waive full reading and introduce by title only the following ordinances: (1) Ordinance No. 278 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.91 to the Canyon Lake Municipal Code Regarding the Regulation of Nitrous Oxide; (2) Ordinance No. 279 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.92 to the Canyon Lake Municipal Code Regulating the Sale and Distribution of Kratom Products; and (3) Ordinance No. 280 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.93 to the Canyon Lake Municipal Code Regarding the Regulation of Drug Paraphernalia.

AYE: Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty, Mayor Smith

**5 - 0 Carried - Unanimously**

14. Introduction and First Reading of Ordinance No. 281 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.03 of the Canyon Lake Municipal Code Regulating the Operation of Electric Bicycles, Electric Motorcycles, and Other Regulated Mobility Devices

City Attorney Pacifico provided a presentation.

There were no public comments.

Motion by Mayor Smith, second by Council Member Steeber, to waive full reading and introduce by title only Ordinance No. 281 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.03 of the Canyon Lake Municipal Code Regulating the Operation of Electric Bicycles, Electric Motorcycles, and Other Regulated Mobility Devices.

AYE: Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty, Mayor Smith

**5 - 0 Carried - Unanimously**

15. Introduction and First Reading of Ordinance No. 282 - An Ordinance of the City Council of the City of Canyon Lake, California, Repealing and Replacing Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's Accessory Dwelling Unit Ordinance into Compliance with Current State ADU Law

City Attorney Pacifico provided a presentation.

There were no public comments.

Motion by Mayor Smith, second by Council Member Welty, to (1) Waive full reading and introduce by title only Ordinance No. 282 - An Ordinance of the City Council of the City of Canyon Lake, California, Repealing and Replacing Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's Accessory Dwelling Unit Ordinance into Compliance with Current State ADU Law; and (2) direct staff to submit the adopted ordinance to the California Department of Housing and Community Development (HCD) for review in response to the May 11, 2026, Technical Assistance Letter.

AYE: Mayor Pro Tem Castillo, Council Member Steeber, Council Member Terry, Council Member Welty, Mayor Smith

**5 - 0 Carried - Unanimously**

### **CITY MANAGER COMMENTS**

City Manager Brown acknowledged Assistant City Attorney, Catherine Nashed for her service to the City and serving in the City Attorney's absence. City Manager Brown noted that the City will be welcoming a new Assistant City Attorney.

### **ANNOUNCEMENTS**

The next regular City Council meeting will be held on August 5, 2026. In observance of Veterans Day, the regularly scheduled City Council meeting has been rescheduled from November 11 to November 12, 2026.

### **ADJOURNMENT**

At 8:28 p.m., Mayor Smith adjourned the meeting.

Respectfully submitted,

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Sheryl L. Garcia, MMC,  
CPM City Clerk



## *CITY COUNCIL STAFF REPORT*

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Brianna Hemsley, Executive Assistant to the City Manager

DATE: 08/05/2026

SUBJECT: Receive and File the Monthly Public Records Request Report

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**Recommendation:**

Receive and file the monthly Public Records Request Report.

**Background/Analysis:**

As part of the City's ongoing commitment to transparency, staff is providing a report of public records requests received between June 3, 2026, and July 1, 2026. The report identifies the requestor, the date each request was received, and the records requested. The report is intended to keep the City Council informed of public records request activity and the scope of requests received.

**Fiscal Impact Yes/No:** None

**Attachments:**

1 - Public Record Report



| Original Requests Text                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------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| I would like all the paperwork and approved permits for the north diningroom addition at 24020 Continental Dr., Canyon Lake 92587. I am Karen Fullner the property owner. It was approved and signed off on June 6 of 2022.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 06/03/2026<br>01:30:59 PM | Karen Fullner                   |
| <p>Single-Topic Request: Staff Hours, Overtime, and Actual Incremental Costs Attributed to PRA Responses The May 13, 2026 City Council Staff Report (Item No. 11), authored by City Manager Arron Brown and Finance Director Terry Shea, stated that City staff spent 157.5 hours at a blended rate of \$125 per hour responding to 27 Public Records Act requests from a single requestor, totaling \$19,687.50 in staff costs. Those figures were presented to the City Council as justification for increased budget appropriations. This request seeks the records that support that claim, and asks the City to address a fundamental accounting question those figures raise. A QUESTION THE \$19,687.50 FIGURE MUST ANSWER City employees, whether salaried or hourly, are compensated for their scheduled work hours regardless of the tasks they perform on any given day. A salaried employee who spends time responding to a PRA request costs the City the same amount as if that employee had spent the same time on any other assigned duty. The salary is a fixed cost that does not increase because of PRA work. Presenting \$19,687.50 as a cost caused by the 27 PRA requests implies the City incurred expenditures it would not have otherwise incurred. That framing is only accurate if staff were paid overtime beyond their normal scheduled compensation specifically because of PRA response work. Regular salary and wage costs already budgeted and paid regardless of task assignment cannot be accurately characterized as an incremental cost attributable to any specific requestor. This distinction matters because the \$19,687.50 figure was presented to the City Council as justification for additional budget appropriations. If that figure represents regular salary hours that would have been paid regardless, then presenting it as an extra cost attributable to a single requestor mischaracterizes the City's actual financial position to its own legislative body. RECORDS REQUESTED Any and all records, in whatever format they exist, used to calculate, estimate, or support the figure of 157.5 staff hours and \$19,687.50 attributed to PRA responses in the May 13, 2026 Staff Report. This includes: Employee timesheets or time-tracking entries referencing PRA request work, October 1, 2024 through May 13, 2026 Payroll records or overtime logs showing any overtime compensation paid to City staff specifically attributable to PRA response work during the same period Records identifying which staff members contributed to the 157.5-hour total, their employment classification (salaried or hourly), their normal scheduled hours, and whether any portion of their time was compensated at an overtime rate Internal spreadsheets, memos, or emails used to tally or estimate staff hours across departments for purposes of the May 13 Staff Report Any document provided to or prepared by the City Manager or Finance Director reflecting the methodology used to assign a dollar value to regular staff work hours for purposes of attributing cost to a specific requestor Specifically: Please identify what portion, if any, of the \$19,687.50 represents overtime wages actually paid above and beyond normal scheduled compensation, and provide the payroll records supporting that figure. If no overtime was paid, please confirm that in writing, as that confirmation is directly relevant to the accuracy of the cost figure presented to the City Council. FORMAT Please produce records in their native electronic format such as Excel, CSV, or PDF. If the City maintains time or payroll records in a tracking system, a data export is acceptable. REGARDING RESPONSE TIME This single-topic request should require minimal search time. By way of reference, Request 26-68, which asked for a comprehensive PRA log, was submitted May 11, 2026. The City requested a 14-day extension on May 21, citing the need to "complete the search and review of potentially responsive records," and closed the request on June 3 with a response that no responsive log existed. A 24-day search that yields no records, for a city of 12 staff, raises serious questions about what was actually searched. This request is narrower and a prompt response is appropriate. PRESERVATION This is a formal preservation demand. All records responsive to this request, including those on personal devices or personal accounts used for City business (City of San Jose v. Superior Court, (2017) 2 Cal.5th 608), must be preserved immediately and any auto-deletion settings suspended. FEE WAIVER A fee waiver is requested. The records sought are necessary for the public to evaluate cost figures the City placed before the City Council in a public session. The request is non-commercial. If a waiver is denied, please notify me of the estimated cost before proceeding. NOTE ON SCOPE This request is intentionally limited to a single subject. The City has previously characterized multi-part PRA requests as burdensome. This request addresses one topic only, in direct response to that concern. Please do not consolidate it with other pending requests or treat it as part of a multi-part submission. Please confirm receipt. The City has 10 days to respond under Gov. Code Section 7922.535. If any portion is unclear, please contact me before issuing a denial. IF NO RECORDS EXIST If the City's position is that no records exist to support the 157.5-hour figure, or that no overtime was paid and the figure represents only regular scheduled compensation, please confirm both in writing. That confirmation is itself responsive and material: it would establish that the \$19,687.50 figure presented to the City Council did not represent any actual additional expenditure incurred by the City as a result of the 27 PRA requests. Thank you. CLtellthewholetruth@outlook.com</p> | 06/06/2026<br>12:00:00 AM | CLTellthewholetruth@outlook.com |

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| <p>Single-Topic Request: Whether the City Actually Paid Attorney Fees Attributed to PRA Responses, Given the Retainer Agreement and the City Attorney's Own Statements on the Record The May 13, 2026 City Council Staff Report (Item No. 11) stated that the City Attorney spent 87 hours at \$246 per hour responding to 27 Public Records Act requests from a single requestor, totaling \$21,402.00 in legal costs. That figure was presented to the City Council as part of the justification for increased budget appropriations. This request seeks the records behind that claim, in light of statements made by the City Attorney himself at the same meeting where those figures were discussed. WHAT THE CITY ATTORNEY SAID ON THE RECORD At the May 13, 2026 City Council meeting, the City Attorney stated on the record, in open session, that his firm had been "eating those costs" and that he was "losing money working for the city." He further stated that the firm had "not started charging the city" for PRA-related work. The City Attorney's own words directly contradict the premise of the \$21,402.00 figure in the Staff Report. A retainer agreement, by its nature, covers a defined scope of legal services for a fixed monthly fee. Under a standard retainer structure, months with higher workloads are offset by months with lower workloads, and the City does not pay additional fees beyond the retainer amount unless the contract specifically provides for it. If the City Attorney confirmed on the record that his firm was absorbing those hours and had not billed the City for them, then the \$21,402.00 figure does not represent money the City paid, money the City owed, or money the City would be required to pay under the existing retainer agreement. Presenting that figure to the City Council as a cost justifying additional budget appropriations, without disclosing that the amount had not been and would not be billed, is a material omission. RECORDS REQUESTED Any and all records, in whatever format they exist, related to City Attorney billing, invoicing, and retainer payments for the period October 1, 2024 through the date this request is fulfilled. This includes: The current retainer agreement or legal services contract between the City and its City Attorney, including any amendments, addenda, or fee schedules All invoices submitted by the City Attorney to the City for the period October 1, 2024 through May 13, 2026, including any invoices that itemize PRA-related work All payments made by the City to the City Attorney during the same period, including the amount, date, and description of services covered by each payment Any written communication between the City Attorney and City staff or the City Manager regarding whether PRA-related work would be billed separately or absorbed under the retainer Any invoice, supplemental billing, or demand for payment from the City Attorney specifically attributing costs to PRA requests during the covered period Specifically: Please confirm in writing whether the City has received any invoice from the City Attorney that separately itemizes or charges for the 87 hours or \$21,402.00 referenced in the May 13, 2026 Staff Report, and whether any payment beyond the standard retainer fee has been made or is anticipated as a result of PRA-related work. If no such invoice exists and no additional payment has been made or obligated, please confirm that in writing. FORMAT Please produce records in their native electronic format such as PDF or Excel. Billing records may be redacted to remove privileged attorney-client communications, but invoice amounts, payment dates, retainer terms, and any line items referencing PRA work must be produced. REGARDING RESPONSE TIME This single-topic request should require minimal search time. By way of reference, Request 26-68, which asked for a comprehensive PRA log, was submitted May 11, 2026. The City requested a 14-day extension on May 21, citing the need to "complete the search and review of potentially responsive records," and closed the request on June 3 with a response that no responsive log existed. A 24-day search that yields no records, for a city of 12 staff, raises serious questions about what was actually searched. This request is narrower and a prompt response is appropriate. PRESERVATION This is a formal preservation demand. All records responsive to this request, including those on personal devices or personal accounts used for City business (City of San Jose v. Superior Court, (2017) 2 Cal.5th 608), must be preserved immediately and any auto-deletion settings suspended. FEE WAIVER A fee waiver is requested. The records sought are necessary for the public to evaluate cost figures the City placed before the City Council in a public session. The request is non-commercial. If a waiver is denied, please notify me of the estimated cost before proceeding. NOTE ON SCOPE This request is intentionally limited to a single subject. The City has previously characterized multi-part PRA requests as burdensome. This request addresses one topic only, in direct response to that concern. Please do not consolidate it with other pending requests or treat it as part of a multi-part submission. Please confirm receipt. The City has 10 days to respond under Gov. Code Section 7922.535. If any portion is unclear, please contact me before issuing a denial. IF NO ADDITIONAL BILLING EXISTS If the City confirms that no invoice for PRA-related work beyond the standard retainer has been submitted or paid, that confirmation establishes that the \$21,402.00 figure in the May 13, 2026 Staff Report did not represent an actual cost incurred or to be incurred by the City. The City Council and the public were entitled to know that distinction when the figure was presented as justification for additional appropriations. The public continues to be</p> | <p>06/06/2026<br/>12:00:00 AM</p> | <p>CLTellthewholetruth@outlook.com</p> |
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| <p>Single-Topic: PRA Compliance Costs Across All Requestors, Not Only the One Identified in Item No. 11 The May 13, 2026 City Council Staff Report (Item No. 11) attributed \$41,089.50 in PRA compliance costs to a single requestor's 27 requests. That report was presented to the City Council and the public without any comparison to the City's overall PRA workload during the same period. The omission of that context is significant. Public records indicate that the City received a total of 223 PRA requests during the 18-month period from October 2024 through March 2026. The requestor identified in the May 13 Staff Report submitted 27 of those requests, meaning the remaining 196 requests came from other members of the public during that same period. The City nonetheless chose to present cost figures for only one requestor to its City Council while omitting any accounting of the time and cost associated with the other 196 requests. When one requestor represents roughly 12 percent of total PRA volume over 18 months, singling out that requestor as the source of an extraordinary financial burden, while presenting no comparative data for the other 88 percent of requests, is not a complete or accurate picture of the City's PRA workload. The public and the City Council are entitled to the full picture. Without knowing what PRA compliance cost the City across all requestors during the same period, it is impossible to evaluate whether the figures in the Staff Report represent an unusual burden or whether the City's overall PRA workload is distributed broadly and the singling out of one requestor was selective and misleading. RECORDS REQUESTED Whatever records, logs, spreadsheets, timesheets, billing entries, or tracking documents the City maintains, in any format, reflecting staff time, attorney time, or total cost attributed to all PRA requests received from any requestor during the period October 1, 2024 through the date this request is fulfilled. This includes: Any log, spreadsheet, or database reflecting PRA requests received, staff hours expended, attorney hours expended, or costs attributed, for the full covered period across all requestors Time entries, invoices, or billing records for all PRA-related work during the covered period, not limited to the 27 requests discussed in Item No. 11 Any summary or report prepared for internal use reflecting overall PRA volume, staff hours, or cost during the covered period Any records that would allow a comparison of time and cost attributed to individual requestors across the full period The City need not produce a formatted log if none exists in that form. Whatever underlying records exist, including timesheets, invoices, emails, or system exports, in their native format are sufficient. Personal identifying information for requestors may be redacted consistent with the standard the City applied when publishing the 27 requests in the May 13 agenda packet. WHY THIS CONTEXT IS ESSENTIAL If the City tracked staff time and cost for the 27 requests attributed to one requestor but maintained no equivalent records for the 223 requests submitted by all other members of the public during the same period, that selective tracking is itself a fact the public has a right to know. It would indicate the City devoted administrative resources to building a cost case against one specific requestor while conducting no equivalent accounting for its broader PRA workload. If, on the other hand, the City does maintain time and cost records for all PRA requests, those records must be produced. The public is entitled to the same level of transparency for the full workload that the City chose to apply selectively to one requestor in a public council presentation. FORMAT Native electronic format preferred such as Excel, CSV, or PDF. If records exist only in a software system, a data export is acceptable. REGARDING RESPONSE TIME This single-topic request should require minimal search time. By way of reference, Request 26-68, which asked for a comprehensive PRA log, was submitted May 11, 2026. The City requested a 14-day extension on May 21, citing the need to "complete the search and review of potentially responsive records," and closed the request on June 3 with a response that no responsive log existed. A 24-day search that yields no records, for a city of 12 staff, raises serious questions about what was actually searched. This request is narrower and a prompt response is appropriate. PRESERVATION This is a formal preservation demand. All records responsive to this request, including those on personal devices or personal accounts used for City business (City of San Jose v. Superior Court, (2017) 2 Cal.5th 608), must be preserved immediately and any auto-deletion settings suspended. FEE WAIVER A fee waiver is requested. The records sought are necessary for the public to evaluate cost figures the City placed before the City Council in a public session. The request is non-commercial. If a waiver is denied, please notify me of the estimated cost before proceeding. NOTE ON SCOPE This request is intentionally limited to a single subject. The City has previously characterized multi-part PRA requests as burdensome. This request addresses one topic only, in direct response to that concern. Please do not consolidate it with other pending requests or treat it as part of a multi-part submission. Please confirm receipt. The City has 10 days to respond under Gov. Code Section 7922.535. If any portion is unclear, please contact me before issuing a denial. IF NO RECORDS EXIST If the City maintains no records tracking PRA compliance time or cost for any requestor other than the one identified in Item No. 11, please confirm that in writing. That confirmation would establish that the City selectively built and maintained a cost record for one requestor while SmartProcure is submitting a public records request to City of Canyon Lake for any and all purchasing records from 3/11/2026 to current. The request is limited to readily available records without physically copying, scanning, or printing paper documents. Any editable electronic document is acceptable. The specific information requested from your record-keeping system is: Purchase order number. If purchase orders are not used a comparable substitute is acceptable, i.e., invoice, encumbrance, or check number Purchase date Line item details (Detailed description of the purchase) Line item quantity Line item price Vendor ID number, name, address, contact person and their email address If applicable, please include any available department or school identifier such as a location code, organization code, or function code, ship code to help us distinguish records within a consolidated file for the City, County, Township, or School District If you would like to let me know what type of financial software you use, I may have report samples that help to determine how, or if, you are able to respond. As an added security and privacy measure, there will be a unique upload link for any new requests moving forward, including this one. We appreciate your assistance towards this request. You may also attach the information to this email. <a href="https://upload.smartprocure.com/2id-c0PpDWf5v1Z0MDAwMDAwMUUscS4BVS7z4D1DQSZvcm6c0C9I6aH0mCQ2FuW0uTCEfZS7vcm6d7D04MYv">https://upload.smartprocure.com/2id-c0PpDWf5v1Z0MDAwMDAwMUUscS4BVS7z4D1DQSZvcm6c0C9I6aH0mCQ2FuW0uTCEfZS7vcm6d7D04MYv</a> Fire department, local health department or environmental division, local planning or building department, or other other municipality records relating to unauthorized dumping/landfilling activities, hazardous materials, spills or leaks, or petroleum storage tanks on the following property or immediate surrounding areas: 17545 FM 306 Canyon Lake, TX. Need a fire report for PROPERTY 23831 CRUISE CIRCLE DR, CANYON LAKE CA 92587 for the fire that had happened at the property above on 11/25/2024.</p> | <p>06/06/2026<br/>12:00:00 AM</p> | <p>CLTellthewholetruth@outlook.com</p> |
| <p>SmartProcure is submitting a public records request to City of Canyon Lake for any and all purchasing records from 3/11/2026 to current. The request is limited to readily available records without physically copying, scanning, or printing paper documents. Any editable electronic document is acceptable. The specific information requested from your record-keeping system is: Purchase order number. If purchase orders are not used a comparable substitute is acceptable, i.e., invoice, encumbrance, or check number Purchase date Line item details (Detailed description of the purchase) Line item quantity Line item price Vendor ID number, name, address, contact person and their email address If applicable, please include any available department or school identifier such as a location code, organization code, or function code, ship code to help us distinguish records within a consolidated file for the City, County, Township, or School District If you would like to let me know what type of financial software you use, I may have report samples that help to determine how, or if, you are able to respond. As an added security and privacy measure, there will be a unique upload link for any new requests moving forward, including this one. We appreciate your assistance towards this request. You may also attach the information to this email. <a href="https://upload.smartprocure.com/2id-c0PpDWf5v1Z0MDAwMDAwMUUscS4BVS7z4D1DQSZvcm6c0C9I6aH0mCQ2FuW0uTCEfZS7vcm6d7D04MYv">https://upload.smartprocure.com/2id-c0PpDWf5v1Z0MDAwMDAwMUUscS4BVS7z4D1DQSZvcm6c0C9I6aH0mCQ2FuW0uTCEfZS7vcm6d7D04MYv</a> Fire department, local health department or environmental division, local planning or building department, or other other municipality records relating to unauthorized dumping/landfilling activities, hazardous materials, spills or leaks, or petroleum storage tanks on the following property or immediate surrounding areas: 17545 FM 306 Canyon Lake, TX. Need a fire report for PROPERTY 23831 CRUISE CIRCLE DR, CANYON LAKE CA 92587 for the fire that had happened at the property above on 11/25/2024.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     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<p>06/08/2026<br/>01:00:58 AM</p> | <p>Lisa Chatar</p>                     |
| <p>Fire department, local health department or environmental division, local planning or building department, or other other municipality records relating to unauthorized dumping/landfilling activities, hazardous materials, spills or leaks, or petroleum storage tanks on the following property or immediate surrounding areas: 17545 FM 306 Canyon Lake, TX. Need a fire report for PROPERTY 23831 CRUISE CIRCLE DR, CANYON LAKE CA 92587 for the fire that had happened at the property above on 11/25/2024.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     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| <p>Need a fire report for PROPERTY 23831 CRUISE CIRCLE DR, CANYON LAKE CA 92587 for the fire that had happened at the property above on 11/25/2024.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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Simms</p>                      |
| <p>SmartProcure respectfully requests copies of any current or most recently active contracts between City of Canyon Lake and the following vendors: 1. Riverside County Sheriff Dept Lake Elsinore 2. Motorola Solutions Inc 3. Complete Paperles 4. John Hancock Usa 5. Code Group 6. Riverside County Executive Office 7. Cole Huber 8. Cort 9. Berg Print And Mail 10. Pzl If any such contracts exist, I would appreciate receiving the associated documentation that includes the following details: -The names of the contracting parties -A description of the nature and purpose of the contract -The contract's start and end dates -The total value or cost of the contract -Any amendments, extensions, or renewals related to the contract If the requested records are available in digital format, I would prefer to receive them electronically via email. If you are not the appropriate custodian of these records, please forward this request to the correct department or individual. If these records are available through an online portal, database, or website, please provide the direct link along with any instructions necessary to access or locate the relevant materials. If any part of this request needs to be clarified or narrowed to assist in locating the records, I'm happy to work with you on that. I truly appreciate your time and assistance in helping me access this information. Regards, Amber Petraitis Customer Relations Specialist SmartProcure Direct: (954) 314-2797 5000 T-Rex Ave, Suite. 200, Boca Raton, FL 33431</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          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| <p>Hi, Pursuant to the California Public Records Act, I request all purchase orders and/or payment records for non-person/vendor such as companies, organizations, and contractors from 01/01/2025 to the present date. Examples of relevant reports/records may include: Check Registers, Procurement Reports, Standard PO detail Reports, Warrant/Claims Reports, and Purchase order history reports, among others. This request excludes payroll, employee reimbursements, stipends, and other personnel-related payments. If available, please include: • Vendor Name • Purchase Date • Description of Purchase • Quantity • Line item Amount We prefer the records in CSV or Excel/XLSX format because they are easier to work with. PDF would be less ideal, especially scanned PDFs, but we understand if that is the only format available. If there are any fees associated with fulfilling this request, please inform me in advance. Should you need further information or clarification to expedite this request, do not hesitate to reach out. Thank you for your attention and cooperation. I look forward to your prompt response within the statutory period. Regards, Abbas Khan CEO, Civic IQ Inc 50 Harrison St, PH 505 Hoboken, NJ 07030 +1 201 287 4700</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 06/23/2026<br>12:00:00 AM                              | Abbas Khan                        |
| <p>Railroad Canyon Rd Canyon Lake, CA 92587 United States cross road 30600–30614 Sorrel Ln Canyon Lake, CA 92587 United States need camera footage from all cameras at the light date 06/15/2026 time 3pm to 4pm</p> <p>Looking for original historical geotechnical reports, soil engineering reports, or core sample data taken during the initial tract/lot development for this property.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 06/25/2026<br>03:58:47 PM<br>06/27/2026<br>02:46:35 PM | Tyler Money<br>Brandon T Harmison |
| <p>I would like to know if there are any permits that were gotten from when my house was built for roofing. I'm trying to find out if the roof on my house is the original roof or at sometime they did a re roof. 1985 to 2011</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 06/28/2026<br>08:06:27 AM                              | Stefanie Svensson                 |
| <p>Dear Canyon Lake city, This is a request for public records made under CPRA and the common law right of access. Please confirm receipt of this message. Kindly send all responsive documents electronically — either by replying directly or emailing the address below. This unique address helps me organize my requests, so please use it exactly as shown: recordrequest+14006.1782691442846@govrecordrequest.com Records requested: Please send the final and compiled bid tabulation (bid tally), including all quantities and unit pricing for each bidder, for 'Railroad Canyon Road' that was submitted on 12/03/2020. I believe the project number is '31540-42', but I could be mistaken. If so, please use the project name and date to lookup the responsive documents. We specifically request the line-item bid tabulation showing each material, quantity, unit, and unit price for every bidder. If no such line-item tally was created, please provide the full bid submissions from each contractor. A grand total sheet alone is not sufficient to satisfy this request unless it was a lump sum bid. Below is an example of the format we are looking for that the engineer usually creates at the completion of the bid: BIDDER 1 BIDDER 2 Item # Material Quantity Unit UNIT PRICE TOTAL UNIT PRICE TOTAL 1 ... .. GRAND TOTAL GRAND TOTAL Common law access / Public interest justification / Fee waivers: My public interest justification is as follows: Bid tabulations obtained through this request are made publicly available at no cost. This ensures that taxpayers, businesses, journalists, and policymakers have free access to procurement data that impacts public funds. Transparency and accountability: Publicly available bid results help prevent overpricing, bid-rigging, and favoritism in public contracts. Support for small businesses: Many firms, especially small and minority-owned businesses, rely on bid history to compete fairly in government contracting. Cost savings for taxpayers: Open access to bid tabulations promotes competition, leading to more cost-effective government spending. Attestations: I am a citizen of the United States and affirm my full name and contact information is true and correct. I have not been convicted of any indictable offense under the laws of any state whatsoever nor the United States. I, or another person, will use the requested government records for a commercial purpose; however, the responsive records themselves will be posted online and made available to the public free of charge. I am not seeking records in connection with a legal proceeding. Compliance Matters: Should you need it, my mailing address is 66 Main St #55, Farmingdale, NJ 07727, and my phone number is (732) 444-7051. For any compliance matters or other questions *not related* to the responsive record, please email our general counsel at legal[at]govrecordrequest.com. Please do not send responsive records to that address. Thank you! Yours faithfully, Mark Zurada Esq.</p> | 06/28/2026<br>12:00:00 AM                              | Mark Zurada Esq.                  |
| <p>We request all records, including executed contracts, purchase orders, invoices, and solicitation/RFP documents for products or services purchased from ESS/ESI, Kokua Education, Scoot Education, Zed Educate, and BuildEd, covering the past three years to present. Spreadsheet exports preferred; PDF, Word, or standard ERP/finance reports also work. This is a commercial research request, and we're happy to narrow or clarify the scope to ease fulfillment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 07/01/2026<br>07:46:04 AM                              | Woo Park                          |
| <p>Dear City Clerk / Public Records Officer, This is a California Public Records Act request for public, non-exempt business license or business registration records maintained by the City of Canyon Lake. Please provide the records in CSV, Excel, or another machine-readable format, if available. I am requesting only public and disclosable information. Please exclude home-based business addresses, residential addresses, personal phone numbers, personal email addresses, SSNs, EINs, dates of birth, payment data, and any other exempt or confidential information. Requested fields, to the extent maintained and publicly disclosable: - Business name - License / registration / account number - Business type / category / NAICS / SIC, if maintained - Public business address - Public business phone number - Public business website or domain - Public business email address, if maintained as a public business contact - Owner / registrant / entity name, only if public and not exempt - Issue date, start date, effective date, expiration date, renewal date, and active / inactive status - Date the record was last updated, if maintained Date range requested: 1. Current active business licenses / registrations; and 2. Newly issued, renewed, closed, suspended, or expired licenses / registrations from January 1, 2024 through the date of search. Before taking any action that would require a fee, please provide a written estimate and wait for my written approval. Please do not proceed with any paid production unless I approve the fee in writing first. If these records are already available through an official online bulk download, open data portal, or public report, please send the direct link instead of producing duplicate records. Thank you.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 07/01/2026<br>12:00:00 AM                              | Marco Sai-Kit Wu                  |
| <p>Dear Colleagues, We are asking for your help in identifying any local tobacco-related policy changes in your jurisdiction or in the jurisdictions covered by your agency. We are contracted by the California Department of Public Health, California Tobacco Prevention Program, to maintain the state's tobacco Policy Evaluation Tracking System (PETS). PETS supports local tobacco prevention efforts by cities and counties across the state. Specifically, we're looking for: Policies passed since January 2026 (or currently under consideration) that address: Smokefree air in multi-unit housing Secondhand smoke and smokefree air in outdoor spaces Retail sales of tobacco or nicotine-containing products Including tobacco retail licensing (TRL) ordinances and restrictions on tobacco or nicotine products, such as flavored tobacco products Other tobacco control policies, such as policies to reduce tobacco product waste or prohibit the sale of electronic cigarettes. (We do not need specific actions such as grandfathering an individual tobacco licensee.) The current amount of the local tobacco retailer license fee If you have not made any changes to your local tobacco control laws since January 2026, there is no need to send us any information. We've made it easy to submit information using our new policy collection form, available here: <a href="https://petsordinancecollection.fillout.com/newpolicies">https://petsordinancecollection.fillout.com/newpolicies</a>. You can use the form to upload PDFs of ordinances or resolutions, or provide links. If you don't have the full text of the policy or a link, please share any details that will help us identify the policy, such as: Ordinance/resolution number or title Date of passage or meeting(s) where it was discussed Jurisdiction name with TRL fee amount Thank you for your time and continued partnership in protecting public health across California! Please don't hesitate to reach out to Alisa Padon at apadon@phi.org with any questions. Sincerely, The PETS team Kiara Gonzalez Pronouns: She   Her   Ella Health Equity Program Manager Prevention Policy Group @ the Public Health Institute DONATE TODAY! 2000 Center Street, PH 505 Hoboken, NJ 07030 +1 201 287 4700</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 07/01/2026<br>12:00:00 AM                              | Kiara Gonzalez                    |



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Arron Brown, City Manager

DATE: 08/05/2026

SUBJECT: Second Reading and Adoption of Ordinance No. 278 Regulating Nitrous Oxide, Ordinance No. 279 Regulating Kratom Products and Ordinance No. 280 Regulating Drug Paraphernalia

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### Recommendation:

Conduct second reading and adopt the following ordinances: (1) Ordinance No. 278 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.91 to the Canyon Lake Municipal Code Regarding the Regulation of Nitrous Oxide; (2) Ordinance No. 279 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.92 to the Canyon Lake Municipal Code Regulating the Sale and Distribution of Kratom Products; and (3) Ordinance No. 280 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 11.93 to the Canyon Lake Municipal Code Regarding the Regulation of Drug Paraphernalia.

### Background/Analysis:

At the June 10, 2026, City Council meeting, the City Council approved the first reading of ordinances regulating nitrous oxide, the sale and distribution of kratom products and the sale of drug paraphernalia. The three ordinances presented for introduction are intended to address emerging public health and public safety concerns associated with the retail sale, display, distribution, and marketing of nitrous oxide products, kratom products, and drug paraphernalia within the City.

- The proposed nitrous oxide ordinance would add Chapter 11.91 to the Canyon Lake Municipal Code. Nitrous oxide has legitimate medical, dental, culinary, industrial, automotive, and commercial uses, but it is also subject to recreational misuse as an intoxicating substance. The ordinance generally prohibits the sale, distribution, furnishing, or transfer of nitrous oxide, devices used to dispense or administer nitrous oxide, or devices containing nitrous oxide, except where the transaction falls within specified lawful exemptions. Those exemptions include food products using nitrous oxide as a propellant, lawful wholesale transactions, vehicle performance products sold by licensed retailers, medical and dental uses, pharmacy-related uses, and other circumstances exempted by state or federal law. The ordinance also includes provisions for product seizure, evidence handling, disposal, business license and permit remedies, cost recovery, and cumulative enforcement remedies.
- The proposed kratom ordinance would add Chapter 11.92 to the Canyon Lake Municipal Code. The ordinance addresses public health and safety concerns associated with kratom products and products containing hydroxymitragynine, commonly known as 7-OH. The ordinance would prohibit the sale, distribution, furnishing, or giving away of kratom products or 7-OH products to persons under 21 years of age; require age verification; prohibit products with a 7-OH level greater than two percent of the total kratom alkaloids; prohibit products that are attractive to children; and prohibit the sale or possession for sale of products containing synthesized or semi-synthesized

kratom alkaloids, constituents, or derivatives. The ordinance also includes product seizure, evidence, and disposal provisions, as well as misdemeanor/infraction authority, administrative citation, civil enforcement, nuisance abatement, business license and permit remedies, and cost recovery.

- The proposed drug paraphernalia ordinance would add Chapter 11.93 to the Canyon Lake Municipal Code. The ordinance is designed to supplement state law by establishing local business, operational, nuisance, and enforcement standards for businesses that sell, display, market, distribute, or furnish drug paraphernalia. The ordinance recognizes that drug paraphernalia retailers may contribute to unlawful drug activity, nuisance conditions, public health risks, calls for service, loitering, property crime, and other adverse secondary impacts. The ordinance prohibits unlawful sales and displays, prohibits sales to minors, restricts public-facing displays, requires compliance with applicable business licensing and land use approvals, and establishes operational standards such as video surveillance, restricted hours of operation, controlled product access, property maintenance, and lawful inspections. Violations may be addressed through criminal, administrative, civil, nuisance abatement, business license, permit, and cost recovery remedies.

Collectively, these ordinances are intended to provide the City with practical enforcement tools before problematic retail activity becomes established or expands within the City. The ordinances are not intended to prohibit lawful medical, dental, culinary, industrial, automotive, pharmaceutical, or other legitimate uses where those uses are protected by state or federal law. Instead, they are tailored to address unlawful or harmful sales, marketing, display, distribution, and retail practices that may facilitate drug abuse, youth access, nuisance conditions, and other adverse impacts on the community.

**Fiscal Impact Yes/No:** No

**Additional Fiscal Information:**

There is no direct fiscal impact associated with introduction of the ordinances. If adopted, implementation may require staff time for education, inspection, investigation, and enforcement. The ordinances include cost recovery provisions intended to allow the City to recover eligible enforcement, abatement, storage, disposal, administrative, and related costs to the extent authorized by the Municipal Code and applicable law.

**Attachments:**

- 1 - Ordinance NOX
- 2 - Ordinance Kratom
- 3 - Ordinance Drug Paraphernalia

## **ORDINANCE NO. 278**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 11.91 TO THE CANYON LAKE MUNICIPAL CODE REGARDING THE REGULATION OF NITROUS OXIDE**

**WHEREAS**, Nitrous Oxide, commonly known as “laughing gas,” is a colorless, nonflammable gas used in medical, industrial, automotive, and food preparation settings, yet its misuse presents significant health and safety risks; and

**WHEREAS**, the recreational use of Nitrous Oxide has been linked to serious health consequences, including physical illness, neurological harm, mental health impacts, injury, and death; and

**WHEREAS**, although Nitrous Oxide has legitimate commercial, culinary, medical, dental, and automotive uses, it is also subject to misuse and abuse as an intoxicating substance; and

**WHEREAS**, Nitrous Oxide products and devices may be purchased from retail vendors and, absent local regulation, remain susceptible to sale or distribution to persons intending unlawful misuse; and

**WHEREAS**, the City Council of the City of Canyon Lake desires to regulate the sale and distribution of Nitrous Oxide in order to protect the public health, safety, and welfare and to deter the sale or distribution of Nitrous Oxide products for unlawful inhalation or other unlawful purposes; and

**WHEREAS**, the City Council finds that adoption of this Ordinance is a proper exercise of the City’s police powers to protect the public health, safety, and welfare.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**Section 1.**     **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference. The City Council expressly finds that the facts set forth in the recitals constitute the facts establishing the urgency for adoption of this Ordinance.

**Section 2.**     **Findings and Purpose.** The City Council finds that Nitrous Oxide misuse presents significant risks to the public health, safety, and welfare. Nitrous Oxide is capable of lawful use in food preparation, medical and dental settings, and certain commercial and automotive applications. However, the City Council further finds that Nitrous Oxide is also subject to recreational misuse and abuse, and that local regulation is necessary to reduce its availability for unlawful use and to protect the community.

**Section 3.**     **Municipal Code Amendment.** Chapter 11.91 of the Canyon Lake Municipal Code is hereby added to read as follows:

## **CHAPTER 11.91 REGULATION OF NITROUS OXIDE**

### **11.91.010 Definitions.**

As used in this Chapter, the following terms shall have the following meanings:

“Device” means any cartridge, compressed gas cylinder, apparatus, container, balloon, attachment, nozzle, or other object used to contain, dispense, or administer Nitrous Oxide.

“Nitrous Oxide” means the colorless nonflammable gas sometimes identified as N<sub>2</sub>O, which is sometimes used in aerosols and sometimes used as an anesthetic, and which, when inhaled, produces loss of sensibility to pain, often preceded by exhilaration and laughter. Nitrous Oxide is often informally or colloquially referred to as “laughing gas,” “NOX,” “galaxy gas,” and “whippits,” among others.

“Person” means any individual or legal entity however constituted or organized.

“Wholesale capacity” means the sale or distribution of Nitrous Oxide, or a device to dispense or administer Nitrous Oxide, to a person or entity that will use the Nitrous Oxide or device in services or products for resale or in a lawful commercial, medical, dental, industrial, automotive, or culinary operation. Examples include, but are not limited to, commercial sale of dentistry supplies to dentists or dentistry offices, commercial sale of devices for use in food production or in a commercial kitchen, and commercial sale of Nitrous Oxide for the purpose of producing food products for commercial sale, including whipped cream canisters.

### **11.91.020 Prohibition on Sale or Distribution of Nitrous Oxide.**

Except as otherwise authorized by law or allowed under this Chapter, it is unlawful for any Person to sell, attempt to sell, offer for sale, distribute, furnish, provide, or otherwise transfer to any Person Nitrous Oxide, a device to dispense or administer Nitrous Oxide, or any device that contains any quantity of Nitrous Oxide.

### **11.91.030 Exemptions to Prohibitions.**

This Chapter does not apply to the sale, attempted sale, offer for sale, distribution, furnishing, provision, or other transfer of Nitrous Oxide, or a device containing, dispensing, or administering Nitrous Oxide, in any of the following exempt circumstances:

- A. The Nitrous Oxide is contained in a food product for use as a propellant.
- B. The Nitrous Oxide or device is sold, attempted to be sold, offered for sale, distributed, furnished, provided, or otherwise transferred in a wholesale capacity for lawful commercial, medical, dental, industrial, automotive, or culinary purposes. This exemption shall not apply if the seller, distributor, or provider knows or has reason to know that the recipient intends to use the



Nitrous Oxide or device in violation of California Penal Code section 381b or any other applicable law.

C. The Nitrous Oxide or device is specifically designed for use in a vehicle to enhance the performance of the vehicle, is sold by a licensed retailer, and is flavorless.

D. The Nitrous Oxide is sold, attempted to be sold, offered for sale, distributed, furnished, provided, or otherwise transferred specifically for the purpose of providing medical or dental care by, or at the direction and under the supervision of, a medical or dental practitioner licensed by the State of California and in accordance with all applicable laws, rules, and regulations.

E. The Nitrous Oxide or device is sold, attempted to be sold, offered for sale, distributed, furnished, provided, or otherwise transferred by a pharmacist, pharmacist intern, or pharmacy, as those terms are defined by the California Business and Professions Code, as may be amended, in the course of lawful pharmacy duties, or by wholesalers licensed by the California State Board of Pharmacy.

F. Any other circumstance exempted under state or federal law.

Any sale, distribution, furnishing, provision, or transfer of Nitrous Oxide contemplated under this section shall comply with all applicable documentation, recordkeeping, and transaction requirements set forth in California Penal Code section 381e, as may be amended, and any other applicable law.

#### **11.91.040 Product Seizure, Evidence, and Disposal.**

A. Any Nitrous Oxide, device to dispense or administer Nitrous Oxide, device that contains any quantity of Nitrous Oxide, package, container, advertisement, record, document, or other item that is sold, offered for sale, provided, distributed, furnished, possessed for sale, marketed, labeled, displayed, stored, or maintained in violation of this Chapter may be seized, impounded, held as evidence, or otherwise handled in accordance with applicable law.

B. Any item seized pursuant to this Chapter shall be handled in accordance with applicable law enforcement, code enforcement, evidentiary, property, and due process requirements, including any applicable requirements governing notice, storage, retention, release, forfeiture, destruction, or disposal.

C. Upon a final administrative, civil, or criminal determination that any seized item violates this Chapter, or upon other lawful authorization, such item may be destroyed or otherwise disposed of in a manner approved by the Chief of Police or designee and consistent with applicable law.

D. Nothing in this section limits, supersedes, or restricts the authority of any peace officer, code enforcement officer, or other authorized enforcement official to seize contraband, evidence, or other property pursuant to any other provision of this Code, state law, federal law, warrant, court order, consent, exigent circumstance, or other lawful authority.

#### **11.91.050 Business License and Permit Remedies.**

A. A violation of this Chapter may constitute grounds for denial, suspension, revocation, or nonrenewal of any City business license, business tax certificate, permit, entitlement, approval, or other City authorization held by or requested by the violator, to the extent authorized by this Code and applicable law.

B. To the extent authorized by this Code and applicable law, the City may withhold issuance or renewal of a City business license, business tax certificate, permit, entitlement, approval, or other City authorization for any business, responsible party, or property where violations of this Chapter have occurred until the violations are corrected and all final penalties, fines, administrative citations, abatement costs, storage costs, disposal costs, and other recoverable costs have been paid.

C. Any denial, suspension, revocation, nonrenewal, or withholding of a City business license, business tax certificate, permit, entitlement, approval, or other City authorization pursuant to this section shall be carried out in accordance with all applicable notice, hearing, appeal, and due process requirements under this Code and applicable law.

#### **11.91.060 Cost Recovery.**

A. The City may recover all costs reasonably incurred in investigating, enforcing, prosecuting, and abating violations of this Chapter, including, but not limited to, staff time, inspection costs, enforcement costs, administrative costs, attorneys' fees where authorized by law, abatement costs, storage costs, disposal costs, and any other costs recoverable under this Code or applicable law.

B. Costs recoverable under this section may be recovered through any procedure authorized by this Code or applicable law, including administrative proceedings, civil action, nuisance abatement proceedings, collection against a responsible party, or any other lawful method.

C. Recovery of costs pursuant to this section shall be cumulative and shall not limit the City's ability to pursue any other remedy, penalty, fine, fee, charge, lien, assessment, or enforcement mechanism authorized by this Code or applicable law.

#### **11.91.070 Violations and Enforcement.**

A. Any Person violating any provision of this Chapter may be charged as a misdemeanor or an infraction, at the discretion of the City Attorney or other official authorized by law. In the event a misdemeanor charge is filed, the City Attorney is authorized, to the extent permitted by law, to reduce the charge to an infraction.

B. In addition to, or in lieu of, criminal enforcement, violations of this Chapter may be enforced by administrative citation, civil action, injunctive relief, nuisance abatement, business license or permit remedies, cost recovery, or any other administrative, civil, or criminal remedy authorized by this Code or applicable law.

C. A violation of this Chapter may be punished as a misdemeanor by a fine not exceeding one thousand dollars, by imprisonment in the County jail for a period not exceeding six months, or by both such fine and imprisonment, to the extent permitted by law. A violation charged as an infraction shall be punishable as provided by law.

D. Each day that a violation continues shall constitute a separate offense.

E. The remedies provided in this Chapter are cumulative and not exclusive. Nothing in this Chapter shall be construed to limit any other remedy, penalty, or enforcement authority available to the City under this Code or applicable law.

**Section 4.**     **Clerical Errors.** The City Council directs the City Clerk to correct any clerical errors found in this Ordinance, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

**Section 5.**     **Severability.** Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 6.**     **Effective Date.** This Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

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**Section 7. Publication.** The City Clerk shall cause the Ordinance or a summary thereof to be published in accordance with state law.

**PASSED, APPROVED, AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

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Sheryl L. Garcia, MMC, CPM  
City Clerk

APPROVED AS TO FORM:

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Steven Pacifico, City Attorney

## **ORDINANCE NO. 279**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 11.92 REGULATING THE SALE AND DISTRIBUTION OF KRATOM PRODUCTS**

**WHEREAS**, kratom (*Mitragyna speciosa*) and products containing hydroxymitragynine (also known as 7-OH) have raised public health and public safety concerns relating to potency, dependency, youth access, impaired driving, and marketing practices attractive to children; and

**WHEREAS**, the City Council of the City of Canyon Lake desires to protect the public safety, health, and welfare of the City's residents by adopting local regulations consistent with the regional-approach provided for under Riverside County Ordinance No. 1004; and

**WHEREAS**, the City Council finds that adoption of this Ordinance is a proper exercise of the City's police powers to protect the public safety, health, and welfare.

### **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**Section 1.**     **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference. The City Council expressly finds that the facts set forth in the recitals constitute the facts establishing the urgency for adoption of this Ordinance.

**Section 2.**     **Findings and Purpose.** It is the intent of the City Council to prohibit the sale, distribution, or possession of kratom and hydroxymitragynine (also known as 7-OH) products within the City of Canyon Lake that contain more than 2% of 7-OH in the alkaloid fraction, recognizing the significant health risks associated with elevated concentrations of this alkaloid.

Kratom (*mitragyna speciosa*) is a tropical tree native to Southeast Asia, and its leaves are often consumed in powdered or extract form for their stimulant and sedative effects. The active compounds in kratom include mitragynine and 7-OH. While mitragynine is present in higher concentrations, 7-OH is more potent and is largely responsible for the stronger pain-relieving, sedative, and euphoric effects.

Research has shown 7-OH has euphoric and mood-enhancing effects, particularly at higher doses, which can increase its appeal for recreational use. Research has also shown that 7-OH binds to opioid receptors in the brain with greater affinity than morphine, making it significantly more powerful in relieving pain. This greater potency raises significant concerns about its safety profile, especially regarding the potential for addiction, overdose, and adverse physical and psychological effects, including nausea, vomiting, and potential psychosis. These risks are compounded when products contain higher concentrations of 7-OH.

Health advisories have raised concerns over the safety of kratom products, particularly those with higher concentrations of 7-OH, which may increase the potential for abuse and harm to public health. The United States Food and Drug Administration (FDA) has issued several warning letters

to various companies for illegally marketing products containing enhanced levels of 7-OH culminating in a formal request to the U.S. Drug Enforcement Administration (DEA) on July 29, 2025, to place 7-OH products on the controlled substance list.

Health officials, including the FDA, have raised concerns over the safety of kratom products, particularly those with higher concentrations of 7-OH, which may increase the potential for abuse and harm to public health.

At least one county in California, and several cities in California, has recently taken steps to regulate or ban kratom products, recognizing the need to protect public safety, especially among vulnerable populations.

The City Council, in its commitment to safeguarding the health and well-being of its residents by ensuring that products available for sale do not pose undue health risks, hereby restricts the sale and distribution of kratom and 7-OH products containing more than 2% of 7-OH in the alkaloid fraction, thereby reducing potential risks to public health and safety.

**Section 3.**     **Municipal Code Amendment.** Chapter 11.92 of the Canyon Lake Municipal Code is hereby adopted as follows:

## **CHAPTER 11.92 REGULATION OF KRATOM PRODUCTS**

### **11.92.010     Definitions.**

As used in this Chapter, the following terms shall have the following meanings:

“7-OH product” means a product containing hydroxymitragynine.

“Attractive to children” means any of the following:

1. Use of images that are attractive to children, including, but not limited to, images of any of the following, except as part of required health warnings:
  - a. Cartoons, toys, or robots.
  - b. Any real or fictional humans.
  - c. Fictional animals or creatures.
  - d. Fruits or vegetables, except when used to accurately describe ingredients or flavors contained in a product.
2. Likeness to images, characters, or phrases that are popularly used to advertise to children.

3. Imitation of candy packaging or labeling, or other packaging and labeling of cereals, sweets, chips, or other food products typically marketed to children.
4. The terms “candy” or “candies” or variants in spelling such as “kandy” or “kandee.”
5. Brand names or close imitations of brand names of candies, cereals, sweets, chips, or other food products typically marketed to children.
6. Any other image or packaging that is easily confused with commercially available foods that do not contain kratom and are typically marketed to children.
7. Any other packaging used that is attractive to children considering all relevant facts and circumstances.

“Kratom leaf” means the leaf of the kratom plant, also known as *mitragyna speciosa*, in any form.

“Kratom leaf extract” means the material obtained by extraction of kratom leaves by any means.

“Kratom product” means a product consisting of kratom leaf, kratom leaf extract, or both; any part of a leaf of the plant *mitragyna speciosa* in fresh, dehydrated or dried form or a kratom extract or any product that contains any kratom alkaloid or metabolite.

“Semi-synthesized” means an alkaloid, alkaloid derivative, kratom constituent, or kratom derivative that has been chemically or biosynthetically converted, altered, enhanced, concentrated, or otherwise modified from a naturally occurring kratom alkaloid or constituent, including through a process that confers a structural change in the alkaloid or constituent.

“Synthesized” means an alkaloid or alkaloid derivative that has been created by chemical synthesis or biosynthetic means (including but not limited to: fermentation, recombinant techniques, yeast derived enzymatic techniques) rather than traditional food preparation techniques such as heating or extracting. It also includes alkaloids that have been further exposed to chemicals or processes that would confer a structural change in the alkaloids contained within the extract.

“Total kratom alkaloids” means the sum of mitragynine, speciociliatine, speciogynine, paynantheine, and 7-OH in a kratom product.

#### **11.92.020 Prohibition on Sale and Distribution of Kratom and 7-OH Products.**

A. Except as otherwise authorized by law, an individual, business, or other entity shall not sell, attempt to sell, offer for sale, provide, furnish, give away, or distribute a kratom product or 7-OH product to a person under twenty-one (21) years of age.

B. Except as otherwise authorized by law, an individual, business, or other entity shall not sell, attempt to sell, offer for sale, provide, furnish, give away, or distribute a kratom product or 7-

OH product with a level of 7-OH that is greater than two percent (2%) of the total kratom alkaloids in the product.

C. Except as otherwise authorized by law, an individual, business, or other entity shall not sell, attempt to sell, offer for sale, provide, furnish, give away, or distribute a kratom product or 7-OH product that is attractive to children.

D. Any individual, business, or other entity that sells, attempts to sell, offers for sale, provides, furnishes, gives away, or distributes a kratom product or 7-OH product shall conduct age verification to ensure compliance with subsection A.

E. Except as otherwise authorized by law, no individual, business, or other entity shall sell, attempt to sell, offer for sale, provide, furnish, give away, distribute, possess for sale, market, label, display, or maintain for sale any kratom product or 7-OH product that contains or is adulterated with synthesized or semi-synthesized kratom alkaloids, kratom constituents, or kratom derivatives.

#### **11.92.030 Violations and Penalties.**

A. Any person or entity violating any provision of this Chapter may be charged as a misdemeanor or an infraction, at the discretion of the City Attorney or other official authorized by law. In the event a misdemeanor charge is filed, the City Attorney is authorized, to the extent permitted by law, to reduce the charge to an infraction.

B. In addition to, or in lieu of, criminal enforcement, violations of this Chapter may be enforced by administrative citation, civil action, injunctive relief, nuisance abatement, or any other administrative, civil, equitable, or criminal remedy authorized by the Canyon Lake Municipal Code or other applicable law.

C. A violation of this Chapter may be punished as a misdemeanor by a fine not exceeding one thousand dollars (\$1,000.00), or by imprisonment in the County jail for a period not exceeding six (6) months, or by both such fine and imprisonment, to the extent permitted by law. A violation charged as an infraction shall be punishable as provided by law.

D. Each person or entity that violates this Chapter is guilty of a separate offense for each and every day, or portion thereof, during which the violation is committed, continued, maintained, or permitted.

E. The remedies provided in this Chapter are cumulative and not exclusive, and nothing in this Chapter shall preclude the City from pursuing any other remedy or penalty authorized by the Canyon Lake Municipal Code or applicable law.

#### **11.92.040 Product Seizure, Evidence, and Disposal.**

A. Any kratom product, 7-OH product, synthesized or semi-synthesized kratom alkaloid product, package, container, advertisement, record, document, or other item that is sold, offered for sale, provided, furnished, distributed, possessed for sale, marketed, labeled, displayed, or



maintained in violation of this Chapter may be seized, impounded, held as evidence, or otherwise handled in accordance with applicable law.

B. Any item seized pursuant to this Chapter shall be handled in accordance with applicable law enforcement, code enforcement, evidentiary, administrative, and due process requirements.

C. Upon a final administrative, civil, or criminal determination that a seized product or item violates this Chapter, or upon other lawful authorization, such product or item may be destroyed or otherwise disposed of in a manner approved by the Chief of Police or designee and consistent with applicable law.

D. Nothing in this section limits the authority of a peace officer, code enforcement officer, or other authorized enforcement official to seize contraband, evidence, or other property pursuant to any other applicable law.

#### **11.92.050 Business License and Permit Remedies.**

A. A violation of this Chapter may constitute grounds for denial, suspension, revocation, or nonrenewal of any City business license, business tax certificate, permit, entitlement, approval, or other City authorization held by or requested by the violator, to the extent authorized by this Code and applicable law.

B. The City may withhold issuance or renewal of a City business license, business tax certificate, permit, entitlement, approval, or other City authorization for any business or property where violations of this Chapter have occurred until all violations are corrected and all final penalties, fines, and recoverable administrative costs have been paid, to the extent authorized by this Code and applicable law.

C. The remedies set forth in this section are cumulative and shall not limit the City's authority to impose any other administrative, civil, criminal, licensing, permitting, or nuisance abatement remedy available under this Code or applicable law.

#### **11.92.060 Cost Recovery.**

A. The City may recover all costs incurred in investigating, enforcing, prosecuting, and abating violations of this Chapter, including, but not limited to, staff time, inspection costs, attorneys' fees where authorized by law, administrative costs, abatement costs, storage costs, testing costs, disposal costs, and any other costs recoverable under this Code or applicable law.

B. Cost recovery under this section may be pursued by administrative process, civil action, collection action, nuisance abatement proceeding, lien, special assessment, or any other method authorized by this Code or applicable law.

**Section 4.** **Clerical Errors.** The City Council directs the City Clerk to correct any clerical errors found in this Ordinance, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.



**Section 5.**     **Severability.** Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 6.**     **Effective Date.** This Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**Section 7.**     **Publication.** The City Clerk shall cause the Ordinance or a summary thereof to be published in accordance with state law.

**PASSED, APPROVED, AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

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Sheryl L. Garcia, MMC, CPM  
City Clerk

APPROVED AS TO FORM:

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Steven Pacifico, City Attorney

## **ORDINANCE NO. 280**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 11.93 TO THE CANYON LAKE MUNICIPAL CODE REGARDING THE REGULATION OF DRUG PARAPHERNALIA**

**WHEREAS**, the Canyon Lake is authorized pursuant to Article XI, Section 7 of the California Constitution to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

**WHEREAS**, the City has a substantial interest in protecting the public health, safety, and welfare of its residents, businesses, visitors, and neighborhoods; and

**WHEREAS**, the City Council finds that the proliferation of businesses selling, marketing, displaying, or distributing drug paraphernalia contributes to unlawful drug activity, blight, nuisance conditions, criminal conduct, public health risks, and negative secondary impacts affecting surrounding properties and neighborhoods; and

**WHEREAS**, the City Council further finds that certain retailers intentionally market products designed or primarily intended for the ingestion, inhalation, injection, cultivation, manufacture, concealment, processing, or use of controlled substances, including methamphetamine, fentanyl, heroin, cocaine, and unlawfully possessed narcotics; and

**WHEREAS**, the City Council finds that businesses engaged in the sale or display of drug paraphernalia are frequently associated with increased calls for service, loitering, narcotics activity, property crime, public consumption of controlled substances, litter, hazardous waste, and threats to public safety; and

**WHEREAS**, the City Council finds that methamphetamine use in particular is associated with dangerous and highly addictive behavior, violent criminal conduct, severe public health impacts, homelessness, environmental contamination, and increased burdens on law enforcement, fire, emergency medical services, hospitals, code enforcement, and other public resources; and

**WHEREAS**, the City Council further finds that fentanyl and opioid-related overdoses continue to present an escalating public health and safety crisis throughout California and Riverside County, including impacts on youth and vulnerable populations; and

**WHEREAS**, the City Council finds that businesses engaged in the sale of drug paraphernalia frequently attempt to market such products as “novelty items,” “collectibles,” or “for tobacco use only,” while nevertheless displaying, advertising, packaging, promoting, or selling such products in a manner commonly associated with unlawful controlled substance use; and

**WHEREAS**, the City Council finds that state law, including California Health and Safety Code sections 111.934 through 111.934.7, regulates drug paraphernalia, but does not fully occupy the field of local land use, business licensing, nuisance abatement, administrative enforcement, and

local regulatory controls intended to address the secondary impacts associated with such activities; and

**WHEREAS**, the City Council intends this Ordinance to supplement, and not conflict with, state and federal law.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**Section 1.**     **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference. The City Council expressly finds that the facts set forth in the recitals constitute the facts establishing the urgency for adoption of this Ordinance.

**Section 2.**     **Findings and Purpose.** The City Council hereby finds and declares that the sale, display, marketing, distribution, and furnishing of drug paraphernalia contributes to and facilitates unlawful drug activity and creates substantial adverse impacts on the public health, safety, and welfare of the community. The purpose and intent of this Chapter are to:

- (i)     Protect the public health, safety, and welfare;
- (ii)    Reduce unlawful drug activity and related nuisance conditions;
- (iii)   Protect neighborhoods, businesses, and public spaces from the adverse secondary effects associated with drug paraphernalia retailers;
- (iv)    Establish reasonable operational regulations and enforcement standards for businesses engaged in the sale or display of drug paraphernalia;
- (v)     Provide comprehensive enforcement tools and remedies to ensure compliance with this Chapter;
- (vi)    Supplement state law and support local law enforcement and nuisance abatement efforts; and
- (vii)   Preserve the quality of life, economic vitality, and community character of the City.

**Section 3.**     **Municipal Code Amendment.** Chapter 11.93 of the Canyon Lake Municipal Code is hereby added to read as follows:

## **CHAPTER 11.93 DRUG PARAPHERNALIA RETAIL REGULATIONS**

### **11.93.010 Definitions.**

For purposes of this Chapter, the following definitions shall apply:

“Drug paraphernalia” shall have the same meaning as set forth in California Health and Safety Code section 11014.5, as may be amended.

“Drug paraphernalia retailer” means any person or business entity that sells, offers for sale, displays, distributes, furnishes, markets, or possesses for sale any drug paraphernalia.

“Person” means any individual, firm, partnership, association, corporation, limited liability company, or other entity.

“Premises” means any building, structure, location, parcel, tenant space, or portion thereof used for commercial purposes.

“Controlled substance” shall have the meaning set forth in the California Health and Safety Code.

“Public nuisance” means any condition prohibited by this Chapter and any activity declared to be a nuisance pursuant to this Code or applicable law.

#### **11.93.020 Prohibited Acts.**

A. No person shall knowingly sell, offer for sale, display, furnish, market, distribute, or possess with intent to sell any drug paraphernalia in violation of state law or this Chapter.

B. No person shall operate a drug paraphernalia retailer without all required City business licenses, land use approvals, permits, and any other approvals required by federal, state, or local law.

C. No person shall display drug paraphernalia in a manner visible from a public right-of-way or from outside the premises.

D. No person shall permit the sale, display, or furnishing of drug paraphernalia to any person under eighteen (18) years of age.

E. No person shall maintain a premises in a manner that facilitates unlawful controlled substance activity, loitering, narcotics transactions, public consumption of controlled substances, or other criminal conduct.

F. No person shall knowingly market products using terminology, imagery, labeling, or advertising associated with unlawful drug consumption or use.

#### **11.93.030 Operational Requirements.**

A. All drug paraphernalia retailers shall maintain a valid City business license and comply with all zoning requirements applicable to the premises.

B. Drug paraphernalia retailers shall maintain continuous video surveillance covering all interior customer areas and all entrances and exits. Recordings shall be retained for a minimum of ninety (90) days and provided to the City upon lawful request.

C. No drug paraphernalia retailer shall operate between the hours of 10:00 p.m. and 6:00 a.m.

D. Drug paraphernalia shall be maintained behind the sales counter or within locked display cases inaccessible to customers without employee assistance.

E. The premises shall be maintained free of graffiti, litter, drug-related waste, hazardous materials, and nuisance conditions.

F. The operator shall permit lawful inspections by City officials during business hours.

#### **11.93.040 Public Nuisance Declared.**

Any violation of this Chapter is hereby declared unlawful and a public nuisance.

#### **11.93.050 Business License and Permit Remedies.**

A. A violation of this Chapter may constitute grounds for denial, suspension, revocation, or nonrenewal of any City business license, business tax certificate, permit, entitlement, approval, or other City authorization held by or requested by the violator, to the extent authorized by this Code and applicable law.

B. To the extent authorized by this Code and applicable law, the City may withhold issuance or renewal of a City business license, business tax certificate, permit, entitlement, approval, or other City authorization for any business, responsible party, or property where violations of this Chapter have occurred until the violations are corrected and all final penalties, fines, administrative citations, abatement costs, storage costs, disposal costs, and other recoverable costs have been paid.

C. Any denial, suspension, revocation, nonrenewal, or withholding of a City business license, business tax certificate, permit, entitlement, approval, or other City authorization pursuant to this section shall be carried out in accordance with all applicable notice, hearing, appeal, and due process requirements under this Code and applicable law.

#### **11.93.060 Cost Recovery.**

A. The City may recover all costs reasonably incurred in investigating, enforcing, prosecuting, and abating violations of this Chapter, including, but not limited to, staff time, inspection costs, enforcement costs, administrative costs, attorneys' fees where authorized by law, abatement costs, storage costs, disposal costs, and any other costs recoverable under this Code or applicable law.

B. Costs recoverable under this section may be recovered through any procedure authorized by this Code or applicable law, including administrative proceedings, civil action, nuisance abatement proceedings, collection against a responsible party, or any other lawful method.

C. Recovery of costs pursuant to this section shall be cumulative and shall not limit the City's ability to pursue any other remedy, penalty, fine, fee, charge, lien, assessment, or enforcement mechanism authorized by this Code or applicable law.

### **11.93.070 Violations and Enforcement.**

A. Any Person violating any provision of this Chapter may be charged as a misdemeanor or an infraction, at the discretion of the City Attorney or other official authorized by law. In the event a misdemeanor charge is filed, the City Attorney is authorized, to the extent permitted by law, to reduce the charge to an infraction.

B. In addition to, or in lieu of, criminal enforcement, violations of this Chapter may be enforced by administrative citation, civil action, injunctive relief, nuisance abatement, business license or permit remedies, cost recovery, or any other administrative, civil, or criminal remedy authorized by this Code or applicable law.

C. A violation of this Chapter may be punished as a misdemeanor by a fine not exceeding one thousand dollars, by imprisonment in the County jail for a period not exceeding six months, or by both such fine and imprisonment, to the extent permitted by law. A violation charged as an infraction shall be punishable as provided by law.

D. Each day that a violation continues shall constitute a separate offense.

E. The remedies provided in this Chapter are cumulative and not exclusive. Nothing in this Chapter shall be construed to limit any other remedy, penalty, or enforcement authority available to the City under this Code or applicable law.

**Section 4.**     **Clerical Errors.** The City Council directs the City Clerk to correct any clerical errors found in this Ordinance, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

**Section 5.**     **Severability.** Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 6.**     **Effective Date.** This Ordinance shall take effect and be in force thirty (30) days from passage and adoption.



**Section 7. Publication.** The City Clerk shall cause the Ordinance or a summary thereof to be published in accordance with state law.

**PASSED, APPROVED, AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

---

Sheryl L. Garcia, MMC, CPM  
City Clerk

APPROVED AS TO FORM:

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Steven Pacifico, City Attorney



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Arron Brown, City Manager

DATE: 08/05/2026

SUBJECT: Second Reading and Adoption of Ordinance No. 281 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.03 of the Canyon Lake Municipal Code Regulating the Operation of Electric Bicycles, Electric Motorcycles, and Other Regulated Mobility Devices

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### Recommendation:

Conduct second reading and adopt Ordinance No. 281 - An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.03 of the Canyon Lake Municipal Code Regulating the Operation of Electric Bicycles, Electric Motorcycles, and Other Regulated Mobility Devices

### Background/Analysis:

At the June 10, 2026, City Council meeting, the City Council approved the first reading of Ordinance No. 281. The proposed ordinance would add Chapter 14.03 to the Canyon Lake Municipal Code to establish local regulations governing the operation of electric bicycles, electric motorcycles, and other regulated mobility devices. The ordinance is intended to supplement, and not conflict with, the California Vehicle Code or other applicable state or federal law.

The ordinance establishes definitions for regulated mobility devices, electric bicycles, electric motorcycles, noncompliant electric vehicles, pedestrian facilities, bicycle facilities, public facilities, private roads, private common areas, private commercial areas, and authorized private enforcement areas. These definitions are intended to address the increasing variety of devices being operated in the community, including high-powered electric motorcycles and off-highway electric motorcycles that may be marketed or operated as “e-bikes” even though they do not meet the California Vehicle Code definition of an electric bicycle.

The ordinance would prohibit unsafe operation of regulated mobility devices, including reckless or careless operation, unsafe speeds, failure to yield, riding against traffic, stunts, wheelies, jumps, racing, speed contests, unsafe group riding, unsafe passing, carrying passengers or objects in an unsafe manner, towing or clinging to vehicles, distracted operation, operation under the influence where prohibited by state law, and conduct that intentionally or recklessly frightens, harasses, or threatens others. It also restricts operation on sidewalks and pedestrian facilities, in parks and public facilities, and on trails or pathways where prohibited by signage or City designation. The City Manager would be authorized to designate City-controlled areas where operation is prohibited or subject to additional restrictions based on public safety, congestion, special events, maintenance, emergency conditions, or other operational concerns.

The ordinance also addresses electric motorcycles and noncompliant electric vehicles. It prohibits operation of electric motorcycles, off-highway electric motorcycles, motor-driven cycles, and

noncompliant electric vehicles on public streets, sidewalks, pedestrian facilities, bicycle facilities, parks, trails, public facilities, private roads, private parking facilities, private common areas, private commercial areas, or authorized private enforcement areas unless the operation is authorized by the California Vehicle Code and the vehicle is lawfully registered, licensed, equipped, identified, and operated for that location. The ordinance further prohibits modifying an electric bicycle so that it exceeds applicable speed, power, pedal, or equipment limits under state law, and prohibits representing or treating a noncompliant device as an electric bicycle.

Because Canyon Lake includes substantial privately owned and privately controlled areas, the ordinance includes a specific framework for private-property enforcement. Under that framework, the City may enforce the ordinance on private roads, private common areas, private recreational areas, parking facilities, parks, beaches, trails, pathways, gates, security areas, and similar areas only after the responsible private entity has adopted substantially consistent rules or incorporated the City's rules by reference, has filed a written request or consent in a form approved by the City Attorney, has installed required signs and notices, and the City Manager or designee has determined that the area is appropriate for enforcement and placed it on a list of authorized private enforcement areas maintained by the City Clerk. The ordinance preserves private enforcement authority and makes clear that City acceptance of a private-property enforcement request does not create a mandatory duty to provide patrol, dedicated enforcement, security services, or any particular level of enforcement.

The ordinance includes enforcement tools such as administrative citations, infraction citations, misdemeanor prosecution where warranted, public nuisance abatement, removal, seizure, impoundment, cost recovery, and other civil, administrative, or criminal remedies. It also authorizes, where permitted by state law, removal or seizure of devices in specified public safety circumstances and includes procedures for notice, release, safety-course completion, proof of ownership, parental involvement for minors, and recovery of lawful administrative, towing, storage, or related charges. The ordinance further establishes parental or guardian responsibility where a parent or guardian authorizes, knowingly permits, or fails to take reasonable steps to prevent a minor from violating the chapter.

**Fiscal Impact Yes/No:** No

**Additional Fiscal Information:**

There is no direct fiscal impact associated with introduction of the ordinances. If adopted, implementation may require staff time for education, inspection, investigation, and enforcement. The ordinances include cost recovery provisions intended to allow the City to recover eligible enforcement, abatement, storage, disposal, administrative, and related costs to the extent authorized by the Municipal Code and applicable law.

**Attachments:**

1 - Ordinance

## **ORDINANCE NO. 281**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 14.03 OF THE CANYON LAKE MUNICIPAL CODE REGULATING THE OPERATION OF ELECTRIC BICYCLES, ELECTRIC MOTORCYCLES, AND OTHER REGULATED MOBILITY DEVICES**

**WHEREAS**, the use of electric bicycles, motorized scooters, electrically motorized boards, electric personal assistive mobility devices, low-speed vehicles, shared mobility devices, electric motorcycles, off-highway electric motorcycles, and similar devices has increased within the City; and

**WHEREAS**, improperly operated electric bicycles, electric motorcycles, and other regulated mobility devices can create public safety hazards for pedestrians, motorists, bicyclists, children, seniors, persons with disabilities, equestrians, golf cart operators, and other users of streets, sidewalks, parks, pathways, private roads, parking lots, trails, public facilities, private recreational facilities, and commercial areas; and

**WHEREAS**, certain high-powered electric motorcycles and off-highway electric motorcycles are sometimes marketed, described, modified, or operated as “e-bikes,” even though they do not meet the California Vehicle Code definition of an electric bicycle; and

**WHEREAS**, the City Council desires to establish clear, enforceable standards for safe operation, including restrictions on unsafe riding, sidewalk operation, park and public facility use, passenger carrying, racing, stunts, group riding, operation of unlawful electric motorcycles, and operation of noncompliant electric vehicles; and

**WHEREAS**, the City Council finds that this ordinance is necessary to protect the public health, safety, and welfare and is a reasonable exercise of the City’s police power.

### **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES ORDAIN AS FOLLOWS:**

**Section 1.**     **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference. The City Council expressly finds that the facts set forth in the recitals constitute the facts establishing the urgency for adoption of this Ordinance.

**Section 2.**     **CEQA.** The City Council finds that this ordinance is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines sections 15061(b)(3) because the ordinance consists of general public safety regulations, enforcement procedures, and organizational provisions, and it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

**Section 3.**     **Municipal Code Amendment.** Chapter 14.03, “Operation of Regulated Mobility Devices,” is hereby added to the Canyon Lake Municipal Code to read as follows:

## **Chapter 14.03**

### **OPERATION OF REGULATED MOBILITY DEVICES**

#### **14.03.010 Definitions.**

For purposes of this chapter, the following definitions shall apply:

“Authorized private enforcement area” means private property, a private road, a private parking facility, a private common area, a private recreational area, a private commercial area, or other private property within the City where the owner, operator, association, or authorized representative has adopted regulations substantially consistent with this chapter, has requested or consented to City enforcement, has entered into any agreement required by the City, has installed required signs, and has satisfied all applicable requirements of this chapter.

“Bicycle” has the same meaning as in California Vehicle Code section 231.

“Bicycle facility” means any public or private improvement, infrastructure, lane, path, route, trail, or area designed, designated, or operated primarily for use by bicycles, electric bicycles, or other regulated mobility devices, whether separated from or shared with other modes of travel.

“Class 1 electric bicycle,” “Class 2 electric bicycle,” and “Class 3 electric bicycle” have the same meanings as in California Vehicle Code section 312.5.

“Electric bicycle” has the same meaning as in California Vehicle Code section 312.5.

“Electric motorcycle” means a motorcycle, motor-driven cycle, off-highway electric motorcycle, electric off-highway vehicle, or other electric vehicle that is not an electric bicycle, motorized scooter, electric personal assistive mobility device, or electrically motorized board under the California Vehicle Code, and that is powered in whole or in part by an electric motor.

“Electric personal assistive mobility device” has the same meaning as in California Vehicle Code section 313.

“Electrically motorized board” has the same meaning as in California Vehicle Code section 313.5.

“Motorized scooter” has the same meaning as in California Vehicle Code section 407.5.

“Noncompliant electric vehicle” means any electric vehicle, electric motorcycle, off-highway electric motorcycle, motor-driven cycle, or similar device that is not lawfully registered, licensed, equipped, identified, or operated as required by the California Vehicle Code, or that is advertised, labeled, modified, or operated as an electric bicycle but does not satisfy the California Vehicle Code definition of an electric bicycle.

“Operator” means any person who operates, rides, drives, propels, controls, or has actual physical control of a regulated mobility device.

“Owner or operator” means the owner, operator, manager, association, property owners association, common interest development board of directors, commercial association, merchant association, managing agent, or other person or entity with legal authority to regulate the private property, private road, private parking facility, private common area, private commercial area, or private recreational area at issue.

“Pedestrian facility” means any public or private improvement, infrastructure, or space designed, designated, or operated primarily for use by pedestrians, including persons using mobility aids such as wheelchairs, walkers, or strollers, and includes sidewalks, pedestrian paths, pedestrian ways, crosswalks, plazas, walkways, and similar areas.

“Private commercial area” means privately owned or maintained property used for commercial, retail, office, service, restaurant, parking, drive aisle, pedestrian access, or related purposes.

“Private common area” means private property owned, maintained, operated, or regulated by a common interest development, property owners association, homeowners association, or similar entity for the use or benefit of members, residents, guests, invitees, or the public.

“Private parking facility” means a privately owned and maintained off-street parking facility, parking lot, parking structure, drive aisle, access road, or related circulation area.

“Private road” means a privately owned and maintained road, street, lane, drive, access road, or similar vehicular travel way within the City.

“Public area” means any outdoor area open to members of the public for public use, whether owned, leased, maintained, operated, or controlled by the City or by another public or private entity, to the fullest extent regulation by the City is permitted by law.

“Public facility” means any City-owned, City-leased, City-maintained, City-operated, or City-controlled building, park, playground, sports court, athletic field, trail, pathway, parking lot, drainage facility, culvert, channel, open space, or other public property.

“Regulated mobility device” means a bicycle, electric bicycle, electric personal assistive mobility device, electrically motorized board, motorized scooter, shared mobility device, and any other similar wheeled device or vehicle, whether powered by human power, electric power, or a combination thereof. “Regulated mobility device” does not include a mobility device used by a person with a disability in a manner protected by federal or state law, a low-speed vehicle, or a golf cart.

“Rider” means a passenger or other person riding in or on a regulated mobility device who is not operating the device.

“Shared mobility device” has the same meaning as in California Civil Code section 2505.

“Vehicle” has the same meaning as in California Vehicle Code section 670.

#### **14.03.020      References to other laws.**

Whenever this chapter refers to any statute, regulation, code, standard, or guideline, the reference shall include all amendments and successor provisions, unless a contrary intent is expressly stated.

#### **14.03.030      General operation of regulated mobility devices.**

A.      Prohibited Areas Where Posted. No person shall operate, ride, park, leave, or place any regulated mobility device in any public area, public facility, pedestrian facility, bicycle facility, park, trail, pathway, sidewalk, or authorized private enforcement area where such operation, riding, parking, leaving, or placement is prohibited by posted signs, markings, barriers, or other official notice.

B.      City Manager Authority to Designate Public Restrictions. The City Manager, or designee, may designate public areas, public facilities, parks, trails, pathways, sidewalks, parking lots, and other City-controlled locations where regulated mobility devices are prohibited or subject to additional restrictions based on public safety, pedestrian conflicts, facility design, congestion, special events, construction, maintenance, emergency conditions, or other operational concerns. A list of such locations shall be maintained by the City Clerk and may be amended from time to time by the City Manager.

C.      Sidewalks and Pedestrian Facilities. No person shall operate or ride a regulated mobility device upon any sidewalk or pedestrian facility, except as may be necessary to enter or leave adjacent property or as otherwise expressly authorized by posted signage.

D.      Public Facilities, Parks, and Recreational Areas. No person shall operate or ride a regulated mobility device in or upon any City park, playground, athletic field, sports court, gymnasium, public building, public plaza, public drainage facility, culvert, ditch, channel, landscaped area, or other public facility, except in areas expressly designated for such use by the City.

E.      Trails and Pathways. No person shall operate or ride a regulated mobility device on any trail, pathway, open-space area, equestrian trail, hiking trail, recreational trail, or similar facility where such operation is prohibited by posted signage or by designation of the City Manager. Where operation is allowed, the operator shall yield to pedestrians and equestrians, operate at a reasonable and prudent speed, and dismount when conditions require safe shared use.

F.      Due Care and Unsafe Operation. No person shall operate or ride a regulated mobility device in a manner that is unsafe, reckless, careless, or that endangers or is likely to endanger persons or property. Without limiting the foregoing, no person operating or riding a regulated mobility device shall:

1. Operate at a speed greater than is reasonable or prudent for existing conditions, including weather, visibility, traffic, pedestrian activity, roadway or pathway width, surface

condition, congestion, or proximity to driveways, intersections, parks, schools, gates, security facilities, commercial areas, or public facilities.

2. Operate in a manner that fails to yield to pedestrians, vehicles, equestrians, bicycles, golf carts, low-speed vehicles, or other regulated mobility devices when required by law or when reasonably necessary for safety.
3. Fail to obey posted traffic signs, signals, pavement markings, regulatory signs, or official traffic-control devices.
4. Ride against the lawful direction of traffic on any public street, private road, roadway, bicycle lane, or bicycle facility.
5. Perform acrobatics, tricks, stunts, wheelies, jumps, skids, burnouts, or similar maneuvers in any public area, public facility, private road, private parking facility, private common area, private commercial area, authorized private enforcement area, or in any location where pedestrians, vehicles, golf carts, or other regulated mobility devices are present.
6. Engage in racing, speed contests, exhibition of speed, stunt contests, group riding that obstructs traffic, or any coordinated riding activity that creates a foreseeable collision risk or interferes with the safe movement of pedestrians, vehicles, golf carts, or other devices.
7. Pass any pedestrian, vehicle, bicycle, equestrian, golf cart, or regulated mobility device at an unsafe speed, without reasonable and prudent lateral clearance, or in a manner that endangers or interferes with the safe movement of the person or device being overtaken.
8. Carry any package, bundle, item, animal, object, or passenger in a manner that prevents the operator from maintaining full control, safe balance, braking ability, or forward visibility.
9. Transport any other person on any portion of a regulated mobility device not designed for passenger riding, including handlebars, frame bars, floorboards, cargo areas, baskets, pegs, or any other area not designed and equipped for passengers.
10. Transport any passenger on a regulated mobility device designed for a single rider.
11. Cling to, attach to, tow, be towed by, or otherwise connect a regulated mobility device or any operator or rider to any moving vehicle, bicycle, regulated mobility device, golf cart, low-speed vehicle, or other wheeled device, except through equipment specifically designed and lawfully used for that purpose.
12. Operate with headphones, earbuds, handheld devices, or other distractions in a manner that prevents the operator from safely hearing, seeing, or responding to surrounding conditions.
13. Operate a regulated mobility device while under the influence of alcohol, cannabis, controlled substances, or any drug to the extent prohibited by state law.



14. Operate in a manner that intentionally or recklessly frightens, startles, harasses, or threatens pedestrians, motorists, equestrians, bicyclists, golf cart operators, or other members of the public.

G. Helmets. Any person under 18 years of age operating or riding a regulated mobility device shall wear a properly fitted and fastened helmet when required by state law. No person shall operate a Class 3 electric bicycle without a properly fitted and fastened helmet where required by state law.

H. Equipment Compliance. No person shall operate a regulated mobility device unless the device is equipped and maintained as required by the California Vehicle Code and all other applicable laws, including requirements relating to brakes, reflectors, lights, labels, pedals, speed capability, power output, and other safety equipment.

#### **14.03.040 Electric motorcycles and noncompliant electric vehicles.**

A. No person shall operate an electric motorcycle, off-highway electric motorcycle, motor-driven cycle, or noncompliant electric vehicle on any public street, highway, sidewalk, pedestrian facility, bicycle facility, park, trail, pathway, public facility, public area, private road, private parking facility, private common area, private commercial area, or authorized private enforcement area within the City unless such operation is expressly authorized by the California Vehicle Code and the vehicle is lawfully registered, licensed, equipped, identified, and operated for that location.

B. No person shall operate, ride, park, store, or place an electric motorcycle, off-highway electric motorcycle, or noncompliant electric vehicle in any City park, playground, athletic field, sports court, public building, public plaza, public drainage facility, culvert, ditch, channel, landscaped area, trail, pathway, or other public facility, except where expressly authorized by the City.

C. No person shall modify, alter, tamper with, or operate any electric bicycle in a manner that causes the device to exceed the speed, power, pedal, or equipment limits applicable to electric bicycles under the California Vehicle Code.

D. No person shall represent, operate, or treat any electric motorcycle, off-highway electric motorcycle, motor-driven cycle, or other noncompliant electric vehicle as an electric bicycle if the device does not meet the California Vehicle Code definition of an electric bicycle.

E. Nothing in this section shall be construed to authorize operation of any vehicle or device in a location where such operation is prohibited by state law, federal law, this Code, posted signage, private rules applicable to an authorized private enforcement area, or lawful direction of a peace officer, code enforcement officer, or City official.

#### **14.03.050 Applicability to Private Property.**

A. General Rule. This chapter applies to all public property and public rights-of-way within the City to the fullest extent permitted by law. This chapter also applies to private property within the City only to the extent permitted by law, including where the private property is an authorized private enforcement area.

B. This chapter may be enforced on private roads, private common areas, private recreational areas, parking facilities, parks, beaches, trails, pathways, gates, security areas, and other property owned, maintained, operated, or regulated by a common interest development, property owners association, homeowners association, or similar entity (a “Private Entity”) only after all of the following have occurred:

1. The Private Entity has adopted rules, regulations, resolutions, or other governing documents that prohibit or regulate the same conduct prohibited or regulated by this chapter, or has otherwise incorporated this chapter by reference into the Private Entity’s rules;
2. The Private Entity has filed with the City a written request, consent, petition, or agreement requesting or authorizing City enforcement, in a form approved by the City Attorney;
3. The Private Entity has installed and maintained all signs, markings, notices, traffic-control devices, and entrance notices required by this chapter, the City Manager, and any enforcement agreement; and
4. The City Manager or designee has determined that the area is appropriate for enforcement and has placed the area on a list of authorized private enforcement areas maintained by the City Clerk.

C. Private Rules Preserved. Nothing in this chapter limits the ability of a Private Entity, a commercial property owner, or any other private owner or operator to adopt and enforce private rules, regulations, covenants, conditions, restrictions, contractual remedies, access restrictions, trespass remedies, disciplinary rules, member rules, towing policies, or other lawful private-property remedies independent of City enforcement.

D. No Mandatory Enforcement Duty. The City’s acceptance of a private-property enforcement request, petition, consent, or agreement does not require the City, Police Department, code enforcement personnel, or any other public agency to provide patrol, dedicated enforcement, security services, or a particular level of enforcement on private property.

E. Conditions and Costs. The City Manager may impose reasonable conditions on any private-property enforcement approval.

#### **14.03.060 Removal, seizure, storage, and release.**

A. State-Law Removal Authority. A peace officer may remove, seize, store, or impound any regulated mobility device, electric bicycle, Class 3 electric bicycle, electric motorcycle, off-highway electric motorcycle, or noncompliant electric vehicle when authorized by the California

Vehicle Code, including but not limited to California Vehicle Code section 22651.08, or any successor statute.

B. Public Safety Seizure. In addition to any fines or penalties authorized by this chapter, and to the extent permitted by state law, a peace officer may seize a regulated mobility device, electric bicycle, Class 3 electric bicycle, electric motorcycle, off-highway electric motorcycle, or noncompliant electric vehicle when the officer has probable cause to believe that the owner or operator has committed a violation of this chapter and that the violation created an immediate or substantial risk to public safety. Such violations may include, but are not limited to:

1. Reckless operation or exhibition of speed creating an immediate hazard to persons or property;
2. Willful disregard of traffic-control devices in active traffic, including stop signs, traffic signals, or yield controls;
3. Unsafe group riding that obstructs traffic or creates a foreseeable collision risk;
4. Operation in posted areas prohibiting electric bicycle operation when pedestrians are present; or
5. Operation in a park, playground, sports court, sidewalk, public facility, private road, private parking facility, private common area, private commercial area, or authorized private enforcement area in a manner creating a foreseeable risk of injury or collision.

Seizure under this subsection shall not be authorized for minor technical equipment violations, lawful conduct that does not present an objectively articulable safety risk, or mere presence in a group absent unsafe conduct.

C. Notice. Written notice of seizure and instructions for release shall be provided to the operator, if known, and to the owner, parent, or legal guardian when the operator is an unemancipated minor and such information is reasonably available.

D. Release Conditions. When the regulated mobility device, electric bicycle, Class 3 electric bicycle, electric motorcycle, off-highway electric motorcycle, or noncompliant electric vehicle seized under subsection B, it may be held for a minimum of 48 hours and released when all of the following conditions are satisfied:

1. The operator has completed a City-approved or Police Department-approved electric bicycle or regulated mobility device safety course;
2. If the operator is a minor, the minor's parent or legal guardian is present at the time of release, unless waived by the Police Chief or designee for good cause;
3. The person seeking release provides satisfactory proof of ownership or lawful possession; and

4. All lawful administrative charges, towing charges, storage charges, or other cost-recovery amounts have been paid, unless waived by the City Manager or designee.

E. Release of Vehicles Removed Under State Law. Any vehicle or device removed pursuant to the California Vehicle Code shall be released in accordance with applicable state law, including any lawful safety-course, proof-of-ownership, licensing, registration, identification, towing, storage, or administrative requirements.

#### **14.03.070 Administrative charges and cost recovery.**

A. The City may impose administrative charges not exceeding the City's actual and reasonable administrative costs directly related to removal, seizure, towing coordination, storage coordination, documentation, processing, inspection, release, recordkeeping, and enforcement under this chapter, to the extent permitted by law.

B. Administrative charges may be imposed on the owner, operator, violator, parent, legal guardian, private property owner, association, or other legally responsible person to the extent permitted by state law, this Code, or any applicable enforcement agreement.

C. Nothing in this section shall limit the City's authority to recover costs, impose penalties, or pursue any remedy otherwise available under this Code or state law.

#### **14.03.080 Violations and enforcement.**

A. Any violation of this chapter may be enforced by any remedy available under this Code or state law, including administrative citation, infraction citation, misdemeanor prosecution where authorized, public nuisance abatement, removal, seizure, impoundment, cost recovery, or any other civil, administrative, or criminal remedy.

B. Unless otherwise specified, any violation of this chapter may be punishable as an infraction or administrative citation. The City Attorney may prosecute any violation as a misdemeanor where the circumstances warrant such treatment, including repeated violations, reckless conduct, injury, property damage, flight from enforcement, false information, or unsafe operation.

C. In lieu of a fine, administrative citation, or other enforcement remedy, the City Attorney may allow a violator to complete a safety course approved by the Police Chief or designee. Eligibility for diversion may be denied based on the seriousness of the violation, prior violations, injury, property damage, failure to cooperate, or other public safety considerations.

D. Each act, each day, and each device involved in a violation may constitute a separate violation.

E. The remedies provided in this chapter are cumulative and not exclusive.

#### **14.03.090      Responsibility of parent or guardian.**

A.      The parent of any minor child, and the guardian of any ward, shall not authorize, knowingly permit, or fail to take reasonable steps to prevent the minor child or ward from violating this chapter.

B.      A parent or legal guardian may be held jointly and severally responsible with an unemancipated minor for administrative fines, penalties, charges, or cost recovery imposed as a result of the minor's violation, to the extent permitted by state law.

C.      Evidence that a parent or guardian supplied, purchased, leased, provided access to, maintained, modified, or knowingly allowed a minor to use a regulated mobility device, electric motorcycle, or noncompliant electric vehicle in violation of this chapter may be considered in determining whether the parent or guardian authorized or knowingly permitted the violation.

#### **14.03.100      Exemptions.**

A.      Public Agency Personnel. City personnel, law enforcement personnel, fire personnel, emergency medical personnel, and other public agency personnel may operate regulated mobility devices or other vehicles in any location within the City when reasonably necessary in the performance of official duties.

B.      Private Security Personnel. Private security personnel, parking enforcement personnel, property management personnel, and other authorized private-property personnel may operate regulated mobility devices or other vehicles on private property when reasonably necessary in the performance of assigned duties and when authorized by the property owner or operator.

C.      Disability and Mobility Devices. This chapter shall not prohibit or restrict the safe use of mobility devices by persons with disabilities in a manner protected by the Americans with Disabilities Act, the California Fair Employment and Housing Act, the Unruh Civil Rights Act, or any other applicable federal or state law.

D.      Emergency Conditions. This chapter shall not prohibit operation of a regulated mobility device or vehicle when reasonably necessary to respond to an emergency, avoid imminent harm, or comply with the lawful direction of a peace officer, firefighter, emergency responder, security officer, gate attendant, or City official.

**Section 4.**      **No Conflict with State Law.** This ordinance is intended to supplement and not conflict with the California Vehicle Code or any other applicable state or federal law. If any provision of this ordinance is interpreted to conflict with state or federal law, that provision shall be construed, limited, or applied in a manner that avoids such conflict to the maximum extent permitted by law.

**Section 5.**      **Clerical Errors.** The City Council directs the City Clerk to correct any clerical errors found in this Ordinance, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.



**Section 6.**     **Severability.** Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 7.**     **Effective Date.** This Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**Section 8.**     **Publication.** The City Clerk shall cause the Ordinance or a summary thereof to be published in accordance with state law.

**PASSED, APPROVED, AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

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Sheryl L. Garcia, MMC, CPM  
City Clerk

APPROVED AS TO FORM:

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Steven Pacifico, City Attorney



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Arron Brown, City Manager

DATE: 08/05/2026

SUBJECT: Second Reading and Adoption of Ordinance No. 282 - An Ordinance of the City Council of the City of Canyon Lake, California, Repealing and Replacing Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's Accessory Dwelling Unit Ordinance into Compliance with Current State ADU Law

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### Recommendation:

(1) Conduct second reading and adopt Ordinance No. 282 - An Ordinance of the City Council of the City of Canyon Lake, California, Repealing and Replacing Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's Accessory Dwelling Unit Ordinance into Compliance with Current State ADU Law; and (2) direct staff to submit the adopted ordinance to the California Department of Housing and Community Development (HCD) for review in response to the May 11, 2026, Technical Assistance Letter.

### Background/Analysis:

On June 10, 2026, the City Council introduced Ordinance No. 282 and approved its first reading. The proposed ordinance amends Chapter 9.32 (Accessory Dwelling Units) of the Canyon Lake Municipal Code to bring the City's ADU regulations into compliance with current State law. The amendments were prompted by a May 11, 2026, Technical Assistance Letter from the California Department of Housing and Community Development (HCD), which advised that the City's ordinance may no longer comply with recent changes to State ADU Law and requested that the City either demonstrate compliance or adopt a revised ordinance.

California Government Code section 66316 provides that if a local ADU ordinance is inconsistent with State law, it is deemed null and void, and the local agency must instead apply State ADU Law until a compliant ordinance is adopted.

The proposed ordinance updates Chapter 9.32 to incorporate changes to State ADU and Junior ADU (JADU) law enacted in 2024 and 2025. Major amendments include:

- Updating definitions and terminology to reflect current Government Code provisions.
- Revising application processing requirements, including completeness determinations and appeal procedures.
- Updating owner-occupancy, rental, parking, and fire sprinkler requirements for ADUs and JADUs.
- Revising impact fee provisions and development standards as required by State law.
- Clarifying the number of ADUs permitted on single-family and multifamily properties.
- Incorporating new provisions related to certificates of occupancy, emergency rebuilding, and other statutory requirements.

The ordinance also updates all Government Code citations to reflect the 2024 renumbering of the



State ADU statutes.

Certain items identified in HCD's Technical Assistance Letter were not incorporated because they are self-executing provisions of State law or apply to private parties rather than local agencies. Staff will separately provide notice to the Canyon Lake Property Owners Association regarding Civil Code section 714.3(b), which limits CC&R restrictions on ADUs.

The proposed ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Government Code section 65852.2, which exempts accessory dwelling unit ordinances adopted in compliance with State law.

**Fiscal Impact Yes/No:** No

**Additional Fiscal Information:**

Adoption of the amended ADU Ordinance is not anticipated to have a fiscal impact on the City. Implementation will be accommodated through existing departmental budgets.

**Attachments:**

1 - Ordinance

## **ORDINANCE NO. 282**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, REPEALING AND REPLACING CHAPTER 9.32 (ACCESSORY DWELLING UNITS) OF THE CANYON LAKE MUNICIPAL CODE TO BRING THE CITY'S ACCESSORY DWELLING UNIT ORDINANCE INTO COMPLIANCE WITH CURRENT STATE ADU LAW**

**WHEREAS**, the City of Canyon Lake, California ("City") is a municipal corporation, duly organized under the constitution and law of the State of California; and

**WHEREAS**, the City of Canyon Lake ("City") has previously adopted regulations governing Accessory Dwelling Units ("ADUs") and Junior Accessory Dwelling Units ("JADUs"), codified at Chapter 9.32 of the Canyon Lake Municipal Code ("Municipal Code"), originally adopted by Ordinance No. 197 on March 4, 2020, and most recently amended by Ordinance No. 245 on April 10, 2024; and

**WHEREAS**, on May 11, 2026, the California Department of Housing and Community Development ("HCD") transmitted a Letter of Technical Assistance to City Manager Arron Brown advising that the ADU ordinance on file with HCD may be outdated and out of compliance with current State ADU Law; and

**WHEREAS**, California Government Code § 66316 provides that if an existing ADU ordinance fails to meet the requirements of State ADU Law, the ordinance is null and void and the local jurisdiction must apply State ADU Law standards until it adopts a compliant ordinance; and

**WHEREAS**, the City Council finds that it is in the public interest to amend Chapter 9.32 of the Municipal Code to bring the City's ADU regulations into full compliance with State ADU Law, including amendments enacted in 2024 and 2025; and

**WHEREAS**, the proposed Ordinance amendment is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to Government Code § 65852.2, which exempts ADU ordinances adopted in compliance with State ADU Law from CEQA review.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**Section 1.**     **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference. The City Council expressly finds that the facts set forth in the recitals constitute the facts establishing the urgency for adoption of this Ordinance.

**Section 2.**     **Municipal Code Amendment.** Section 9.32 of the City of Canyon Lake Municipal Code is hereby repealed and replaced as provided in Exhibit "A", attached hereto and incorporated herein by reference.

**Section 3.**     **CEQA.** Under the California Public Resources Code section 21080.17, the California Environmental Quality Act (“CEQA”) does not apply to the adoption of an ordinance by a city or county implementing the provisions of section 65852.2 of the Government Code, which is California’s accessory dwelling unit law, and which also regulates junior accessory dwelling units, as defined by section 65852.22. Therefore, the proposed ordinance implements the State’s accessory dwelling unit law.

**Section 4.**     **Clerical Errors.** The City Council directs the City Clerk to correct any clerical errors found in this Ordinance, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

**Section 5.**     **Severability.** Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 6.**     **Submission to HCD.** City staff is hereby directed to submit this Ordinance to the California Department of Housing and Community Development (HCD) for review in response to the May 11, 2026, Technical Assistance Letter, consistent with Government Code § 66326

**Section 7.**     **Effective Date.** This Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

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**Section 8. Publication.** The City Clerk shall cause the Ordinance or a summary thereof to be published in accordance with state law.

**PASSED, APPROVED, AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

---

Sheryl L. Garcia, MMC, CPM  
City Clerk

APPROVED AS TO FORM:

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Steven Pacifico, City Attorney

**Exhibit "A"**  
**Municipal Code Chapter 9.32: Accessory Dwelling Units**

**CHAPTER 9.32: ACCESSORY DWELLING UNITS**

Section

- 9.32.010 Definitions.
- 9.32.020 General provisions.
- 9.32.030 Permitted zones.
- 9.32.040 On-site parking.
- 9.32.050 On-site parking, exceptions.
- 9.32.060 Parking location.
- 9.32.070 Square footage.
- 9.32.080 Height.
- 9.32.090 Setback.
- 9.32.100 Design and development standards.
- 9.32.110 Multifamily zones.
- 9.32.120 Junior ADU standards.
- 9.32.130 Short-term rentals.
- 9.32.140 Conveyance.
- 9.32.150 By right units-building permit approval only.

*9.32.010 Definitions.*

(a) "Accessory dwelling unit (ADU)" has the same meaning ascribed in Government Code Section 66323, as the same may be amended from time to time. An ADU means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following: (1) an efficiency unit, as defined in Section 17.958.1 of Health and Safety Code; and (2) a manufactured home, as defined in Section 18007 of the Health and Safety Code.

(b) "Junior accessory dwelling unit (Junior ADU or JADU)" means a residential dwelling unit that is no more than 500 square feet of interior livable space and contained entirely within an existing or proposed single-family structure. A junior accessory dwelling unit may include separate sanitation facilities or may share sanitation facilities with the existing structure.

(c) "Efficiency unit," as defined in Section 17958.1 of the Health and Safety Code, may be permitted for occupancy by no more than two persons and shall not be less than 150 square feet in size. The efficiency unit shall have a bathroom facility and a partial kitchen, with a kitchen sink, cooking appliance, and refrigerator.

(d) Collectively, ADUs and junior ADUs may be referred to in this Chapter as accessory dwelling units.

#### *9.32.020 General provisions.*

Unless otherwise preempted by state law, the design and construction of all newly constructed accessory dwelling units shall comply with all applicable building, housing, zoning and site development standards of this Chapter, including but not limited to standards regarding setbacks, floor area ratio standards, height, and lot coverage. Applicants shall also comply with all applicable fee and charge requirements, and other applicable zoning requirements. Applications deemed complete for accessory dwelling units shall be approved ministerially with the applicable 60-day review period consistent with state law. The permitting agency shall determine whether an application for an ADU or JADU is complete and provide written notice of that determination not later than 15 business days after receipt of the application. If an application is determined to be incomplete, the written notice shall include a list of incomplete items and a description of how the application can be made complete. If a permit application is determined to be incomplete or is denied, the applicant shall have the right to appeal the determination, and the permitting agency shall provide a final written determination not later than 60 business days after receipt of the written appeal.

Consistent with Government Code Section 66315, as the same may be amended from time to time, the City shall not require owner-occupancy as a condition of issuing a permit for an accessory dwelling unit. This prohibition does not apply to junior accessory dwelling units, which are governed by the owner-occupancy requirements set forth in Section 9.32.120(b).

#### *9.32.030 Permitted zones.*

Accessory dwelling units shall be a permitted use within the City's single-family and multiple-family residential zones.

#### *9.32.040 On-site parking.*

(a) Required parking for accessory dwelling units shall not exceed one parking space per accessory dwelling unit or per bedroom, whichever is less.

(b) When an existing garage, carport, covered parking structure, or uncovered off-street parking space is demolished in conjunction with the construction of an accessory dwelling unit or is converted into an accessory dwelling unit, replacement parking for the primary dwelling unit shall not be required.

(c) When required, on-site parking can be covered, uncovered, tandem or provided through the use of a mechanical automobile parking lift. Tandem parking as defined in this division means that two or more automobiles are parked in a driveway or in any other location on a lot, lined up behind one another.

*9.32.050 On-site parking, exceptions.*

Notwithstanding the parking development standards for accessory dwelling units, accessory dwelling units that meet the following state provisions (consistent with Government Code Section 66323, as amended by SB 477, Chapter 7, Statutes of 2024) shall not be required to provide on-site parking in any of the following instances if:

- (a) The accessory dwelling unit is located within one-half mile walking distance of "public transit" within the meaning of Government Code Section 66323;
- (b) The accessory dwelling unit is located within an architecturally and historic significant historic district;
- (c) The accessory dwelling unit is part of the existing primary dwelling unit or an existing accessory structure;
- (d) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit; or
- (e) When there is a car share vehicle located within one block of the accessory dwelling unit.
- (f) When a permit application for an accessory dwelling unit is submitted with a permit application to create a new single-family dwelling or a new multifamily dwelling on the same lot, provided that the accessory dwelling unit or the parcel satisfies any other criteria listed in this paragraph.

*9.32.060 Parking location.*

The parking provided on-site can be tandem and in an existing driveway or within any existing setback area, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site, topographical or fire and life safety conditions. When a designated parking area is provided and is not located in the driveway as tandem, the parking space must meet the minimum required turning radius and backup distance according to the requirements of the California Building Code and California Residential Code.

*9.32.070 Square footage.*

- (a) All new accessory dwelling units and additions to existing and permitted accessory dwelling units are exempt from compliance with the Floor Area Ratio (FAR), lot coverage, open space, or minimum lot size requirements noted in the Municipal Code unless otherwise specified herein.
- (b) All new detached accessory dwelling units shall not exceed 1,200 square feet of interior livable space.
- (c) When an accessory dwelling unit is attached to the existing primary dwelling unit, the maximum allowed size of that accessory dwelling unit shall be no more than fifty percent of the main dwelling size, or 850 or 1,000 square feet of interior livable space based on number of bedrooms as noted in preceding Subsection (b), whichever is less.

(d) When a balcony, porch or patio is provided in conjunction with an accessory dwelling unit, if said structure is covered, it shall count towards the total accessory dwelling unit square footage allowance.

(e) Pursuant to Government Code Section 66321, subdivisions (b)(2)(A), (b)(3) the city shall impose objective standards on accessory units that include a landing or a balcony, porch or patio for the purposes of square footage requirements.

(f) If a cover such as a porch or similar type structure is provided over the main entrance of the accessory dwelling unit, and is supported by posts, 25 square feet of the said cover will not count towards the maximum allowable square footage of the accessory dwelling unit.

(g) Accessory dwelling units may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory structure. An expansion beyond the physical dimensions of the existing accessory structure shall be limited to accommodating ingress and egress.

#### *9.32.080 Height.*

(a) All new accessory dwelling units, attached to the main dwelling unit must comply with the height requirements, allowing up to 16 feet.

(b) When an accessory dwelling unit is constructed on top of a detached garage, accessory structure, or above another accessory dwelling unit when applicable under this Code, shall have a minimum allowable height of 18 feet.

(c) All new detached accessory dwelling units on a lot with an existing or proposed multifamily, multistory dwelling shall have a minimum allowable height of 18 feet.

(d) When an accessory dwelling unit is constructed on top of a garage or accessory structure, the accessory dwelling unit cannot touch grade level, except through support posts. The bottom of the finished floor of the accessory dwelling unit must be above the top of plate of the garage or accessory structure.

#### *9.32.090 Setback.*

(a) Unless otherwise provided in this Chapter, any new accessory dwelling units must have a minimum setback of four feet to the rear property line and four feet to the side-yard property line with the exception that accessory dwelling units on top of a garage shall maintain a minimum five feet setback from side and rear property lines.

(b) Any new accessory dwelling unit cannot be located closer to the front property line than the prevailing front yard setback for a single family residential zoned lot or minimum required front setback for a multifamily residential zoned lot.

(c) No setback shall be required for an accessory dwelling unit that is within an existing structure or new accessory dwelling unit that is constructed in the same location and with the same dimensions as an existing structure.

(d) New accessory dwelling units must maintain a five-foot separation from building face to building face, and a four foot separation from eave to eave of any adjacent structure.



(e) No accessory dwelling unit may be located in a way that would prohibit access to a designated parking area or impede safe ingress and egress from a required side, rear, or front setback.

(f) No setback shall be required when an accessory dwelling unit is constructed in the same location and to the same dimensions as an existing legal structure that is converted into an accessory dwelling unit or to a portion of an accessory dwelling unit, even when that structure has been demolished.

(g) When a balcony, porch or patio is provided in conjunction with the accessory dwelling unit and is seven inches above grade level, the balcony, porch or patio must be setback from the rear and side property lines a minimum of four feet.

(h) When a staircase or landing is provided for a new or existing second story accessory dwelling unit, whether attached or detached to the primary dwelling unit, that staircase or landing must provide a minimum four foot setback to the rear and side property line.

#### *9.32.100 Design and development standards.*

(a) The exterior design of the accessory dwelling unit shall match that of the main dwelling in terms of building forms, materials, colors, exterior finishes, roof forms and style of doors and windows. The structure(s) shall retain the appearance of a single-family dwelling, and the accessory dwelling unit shall be integrated into the design of the existing primary dwelling unit on the property or as determined objectively and approved ministerially.

(b) The accessory dwelling unit shall have the same design, architecture, colors and materials of the primary dwelling, and shall comply with any objective design standards adopted by the city, regardless of whether the use of the accessory dwelling unit is continued or terminated. If a separate entrance is provided, it shall be located on the side or rear of the structure and whenever possible located toward interior yard areas. The additional entrance is prohibited from being located on the front of the primary dwelling unit. The second entrance shall be well lit and free of concealment from landscaping to assure safe entrance and exit by the occupants.

(c) Consistent with Government Code Section 66323 (a)(1)(B)(i) all visible facade elevations of accessory dwelling units from any public right of way shall comply with the objective design standards adopted by the city.

(d) When a garage is converted into an accessory dwelling unit, the garage door must be removed and replaced with windows, door, or other design treatments that are compatible with the structure and the primary dwelling unit that can be uniformly verifiable by reference to an external and uniform benchmark

(e) The accessory dwelling unit shall comply with the requirements under the Code pertaining to the adequacy of water, sewer, electrical, drainage, and fire and emergency services to the property on which the accessory dwelling unit will be located as well as all applicable codes pertaining to building, fire, health, and/or safety.

(f) The main entrance of a detached accessory dwelling unit (ADU) shall align with the main entrance of the primary dwelling unit or face the side property lines, based on objective standards that prioritize compatibility with the neighborhood character. If an ADU entrance is proposed to

face an alley or rear property line, it shall be subject to review based on an objective standard and ministerial process.

#### *9.32.110 Multifamily zones.*

All of the provisions of this section shall apply to accessory dwelling units in the Multifamily Zones, unless otherwise stated in the following:

- (a) No more than eight detached accessory dwelling units may be constructed on a lot with an existing multifamily dwelling, provided that the number of detached ADUs does not exceed the number of existing dwelling units on the lot. These accessory dwelling units must be detached from the primary structure and may be attached or detached from each other.
- (b) Accessory dwelling units may be created within a multifamily dwelling structure in areas not used as livable space, such as storage rooms, boiler rooms, passageways, attics, basements, common areas or garages, so long as the converted space complies with state building standards for dwellings.
- (c) A minimum of one accessory dwelling unit or up to twenty-five percent of the existing multifamily unit total on the subject property, is permitted within an existing multifamily dwelling unit.

#### *9.32.120 Junior ADU standards.*

All of the provisions of this section shall apply to a junior ADU unless otherwise stated in the following:

- (a) A junior ADU is limited to 500 square feet.
- (b) A junior ADU requires owner-occupancy as follows: If the junior ADU shares sanitation facilities with the primary dwelling, the owner shall reside in either the remaining portion of the single-family residence or the newly created junior ADU. If the junior ADU has separate sanitation facilities, owner-occupancy shall not be required. This provision does not apply if the owner is a governmental entity, land trust or housing organization.
- (c) A deed restriction must be recorded and will run with the land prohibiting the sale of the junior ADU separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers.
- (d) The deed restriction must include the size and attributes of the junior ADU that conforms to this Section.
- (e) The junior ADU shall be constructed within the walls of the proposed or existing single-family residence, as well as any enclosed uses within the residence. This area also includes enclosed, non-habitable rooms and uses, including but not limited to attached garages and storage rooms.
- (f) The junior ADU must include a separate entrance from the main entrance to the single-family residence and an interior entry to the main living area. A second interior doorway may be provided for sound attenuation. If a junior ADU shares a bathroom with the primary dwelling, the

junior ADU is required to have an interior entry to the primary dwelling's "main living area," independent of the exterior entrances of the junior ADU and primary dwelling.

(g) The junior ADU must include an efficiency kitchen, which shall include all the following:

(1) A cooking facility with appliances.

(2) A food preparation counter and storage cabinets that are of reasonable size in relation to the size of the Junior ADU.

(h) Additional parking may not be required as a condition to grant a permit for a junior ADU.

(i) An inspection, including the imposition of a fee for that inspection to determine whether the junior ADU is in compliance with applicable building standards may be required at any time after the junior ADU has been built.

(j) For the purposes of any fire or life protection ordinance or regulation, a junior ADU shall not be considered a separate or new dwelling unit. This Section shall not preclude the City from adopting an ordinance or regulation relating to fire and life protection requirements within a single-family residence that contains a junior ADU so long as the ordinance or regulation applies uniformly to all single-family residences within the zone regardless of whether the single-family residence includes a junior ADU or not.

(k) For the purposes of providing service for water, sewer, or power, including a connection fee, a junior ADU shall not be considered a separate or new dwelling unit.

(l) A recorded deed restriction is required, that shall run with the land, and shall be filed with the permitting agency, and shall include both of the following:

(1) A prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers.

(2) A restriction on the size and attributes of the junior accessory dwelling unit that conforms to this section.

(m) Fire sprinklers shall not be required for a junior accessory dwelling unit if fire sprinklers are not required for the primary dwelling unit. The addition of a junior accessory dwelling unit shall not trigger a requirement to install fire sprinklers in the primary dwelling unit. This subdivision shall apply notwithstanding any other provision of law, consistent with Government Code Section 66323, subdivision (d), as the same may be amended from time to time

#### *9.32.130 Short-term rentals.*

Unless otherwise provided for in the Canyon Lake Municipal Code, accessory dwelling units and junior accessory dwelling units (JADUs), which are rented, shall be rented for terms longer than 30 days.

#### *9.32.135 Impact Fees – Prohibition for Small ADUs and JADU*

- (a) No impact fee shall be imposed upon the development of an accessory dwelling unit that has 750 square feet of interior livable space or less.
- (b) No impact fee shall be imposed upon the development of a junior accessory dwelling unit that has 500 square feet of interior livable space or less.
- (c) Any impact fee imposed upon an accessory dwelling unit that has more than 750 square feet of interior livable space shall be charged proportionately in relation to the square footage of the primary dwelling unit, consistent with Government Code Section 66311.5, subdivisions (a) through (d), as the same may be amended from time to time.
- (d) An accessory dwelling unit or junior accessory dwelling unit that contains less than 500 square feet of interior livable space shall not be deemed to increase the assessable space of the parcel for purposes of property tax assessment, consistent with applicable state law.

*9.32.140 Conveyance.*

Any accessory dwelling unit may be rented separate from the primary residence and may be sold or otherwise conveyed separate from the primary residence to a qualified buyer.

*9.32.150 By rights units - building permit approval only.*

(a) An applicant shall not be required to submit an application for an ADU or JADU permit under this chapter and may instead seek building permit approval for an ADU or JADU that satisfies the requirements of Government Code Section 66323(e)(l), as the same may be amended from time to time, and the California Building Standards Code, as amended by the city.

(b) Pursuant to Government Code Section 66323(e), the city shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following:

(1) One ADU or JADU per lot with a proposed or existing single-family dwelling if all of the following apply:

(A) The ADU or JADU is within the proposed space of a single-family dwelling or existing space of a single-family dwelling or accessory structure and may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory structure. An expansion beyond the physical dimensions of the existing accessory structure shall be limited to accommodating ingress and egress.

(B) The space has exterior access from the proposed or existing singlefamily dwelling.

(C) The side and rear setbacks are sufficient for fire and safety.

(D) The JADU complies with the requirements of Section 66333 and with the requirements set forth in Section 9.32.120 above.

(2) One detached, new construction ADU that does not exceed four-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling. The ADU may be

combined with a JADU described in subsection (b)(1) above. The ADU shall be no more than 800 square feet in size, with a height limit of 16 feet.

(3) One ADU within the portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings. If requested, multiple ADUs shall be allowed, up to the number of ADUs that equals 25 percent of the existing multifamily dwelling units in the structure.

(4) Not more than eight detached ADUs located on a lot that has an existing multifamily dwelling, provided that the number of detached ADUs does not exceed the number of existing dwelling units on the lot, subject to a height limit of 16 feet and four-foot rear yard and side setbacks.

#### *9.32.155 Certificate of Occupancy During State of Emergency*

(a) Notwithstanding any other provision of this Chapter, the City shall issue a certificate of occupancy for an accessory dwelling unit constructed on a parcel located in a county subject to a proclamation of a state of emergency issued by the Governor on or after February 1, 2025, even if the primary dwelling unit on the same parcel has not yet been issued a certificate of occupancy, provided that all of the following conditions are satisfied:

(1) The primary dwelling unit was substantially damaged or destroyed by an event referenced in the state of emergency proclamation;

(2) The accessory dwelling unit satisfies all applicable building standards under the California Building Standards Code and this Chapter; and

(3) The occupancy of the accessory dwelling unit is intended to house the displaced residents of the primary dwelling unit.

(b) This section is consistent with Government Code Section 66328, as the same may be amended from time to time.

#### *9.32.160 Unpermitted Accessory Dwelling Units Constructed Before January 1, 2020.*

The City shall not deny a permit for an accessory dwelling unit or junior accessory dwelling unit that was constructed before January 1, 2020, solely on the basis of building code violations, unless the City makes a written finding that correcting the building code violation is necessary to comply with conditions that would otherwise render the structure substandard pursuant to applicable law. This section is consistent with Government Code Section 66332, subdivisions (a) through (c), as the same may be amended from time to time.



## *CITY COUNCIL STAFF REPORT*

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Sheryl Garcia, Assistant City Manager/City Clerk

DATE: 08/05/2026

SUBJECT: Approve the Appointment of the City's Alternate to the Lake Elsinore San Jacinto Watersheds Authority

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**Recommendation:**

Approve the appointment of Council Member Welty as the City's alternate to the Lake Elsinore San Jacinto Watersheds Authority.

**Background/Analysis:**

On December 11, 2025, the City Council approved appointments to various regional boards, commissions, and committees for the 2026 calendar year. The proposed action updates the City's appointment to the Lake Elsinore San Jacinto Watersheds Authority (LESJWA) by designating Council Member Welty as the City's Alternate in place of Council Member Castillo.

Upon approval, the City Clerk will notify LESJWA of the revised appointment and update any required records.

**Fiscal Impact Yes/No:** No



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Terry Shea, Finance Director

DATE: 08/05/2026

SUBJECT: Receive and File the Quarterly Investment Report for the Quarter Ended June 30, 2026

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**Recommendation:**

Receive and file the Quarterly Investment Report for the quarter ending June 30, 2026, in compliance with the City's Investment Policy.

**Background/Analysis:**

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended June 30, 2026. This report is in compliance with the California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

The City maintains a portfolio of investments to earn interest in cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. In keeping with best practices, the City has implemented an Investment Policy, which was last reviewed by the City Council on June 10, 2026. The policy is in full compliance with the requirements of both above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended June 30, 2026. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City's investment policy has set the primary goals of the portfolio management as Safety and Liquidity, followed by Yield. The City's cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City's pooled investment funds with Local Agency Investment Fund (LAIF) and Citizens Trust Allspring Funds Trust Government Money Market Funds. LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined

use of a conservative approach to evaluating cash flow needs and LAIF and the Allspring Funds Trust Government Money Market liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table below shows the average yield to maturity for the quarter ending June 30, 2026, compared to the quarter ending June 30, 2025.

| Portfolio Balance at Cost | June 30, 2026 | June 30, 2025 |
|---------------------------|---------------|---------------|
| \$6,769,217               | 3.34%         | 3.26%         |

**Fiscal Impact Yes/No:** No

**Attachments:**

- 1 - Schedule of Investments
- 2 - Investment Policy
- 3 - Citizens Bank Statement
- 4 - Multi Bank Securities Statement



**City of Canyon Lake  
Schedule of Investments  
as of June 30, 2026**

| <b>Institution</b> | <b>Par Value</b> | <b>Book Value Price @ Cost</b> | <b>(Fair Value) Market Value</b> | <b>Yield</b> | <b>Purchase Date</b> | <b>Maturity Date</b> |
|--------------------|------------------|--------------------------------|----------------------------------|--------------|----------------------|----------------------|
|--------------------|------------------|--------------------------------|----------------------------------|--------------|----------------------|----------------------|

**ACTIVE DEPOSITS**

***Money Market Accounts:***

|                                       |                      |                      |                      |        |     |     |
|---------------------------------------|----------------------|----------------------|----------------------|--------|-----|-----|
| Citizens Business Bank - Money Market | \$ 313,952.54        | \$ 313,952.54        | \$ 313,952.54        | 0.100% | N/A | N/A |
| <b>Total Money Market</b>             | <b>\$ 313,952.54</b> | <b>\$ 313,952.54</b> | <b>\$ 313,952.54</b> |        |     |     |

***Pooled Investment Accounts:***

|                                |                     |                     |                     |        |     |     |
|--------------------------------|---------------------|---------------------|---------------------|--------|-----|-----|
| Local Agency Investment Fund   | \$ 11,896.86        | \$ 11,896.86        | \$ 11,896.86        | 3.920% | N/A | N/A |
| <b>Total Pooled Investment</b> | <b>\$ 11,896.86</b> | <b>\$ 11,896.86</b> | <b>\$ 11,896.86</b> |        |     |     |

***Multi-Bank Securities***

|                                 |                        |                        |                        |        |          |          |
|---------------------------------|------------------------|------------------------|------------------------|--------|----------|----------|
| Cash Balance                    | \$ 3,780.89            | \$ 3,780.89            | \$ 3,780.89            | 0.000% | N/A      | N/A      |
| Kemba Financial Credit Union CD | 249,000.00             | 249,000.00             | 248,683.77             | 3.700% | 10/23/25 | 10/23/26 |
| Wells Fargo Bank CD             | 210,000.00             | 210,000.00             | 209,701.80             | 3.650% | 10/23/25 | 10/23/26 |
| Transportation Alliance Bank CD | 249,000.00             | 249,000.00             | 248,188.26             | 3.650% | 10/23/25 | 04/23/27 |
| Seven Seventeen Credit Union CD | 247,000.00             | 247,000.00             | 246,464.01             | 3.800% | 10/24/25 | 04/26/27 |
| Vibrant Credit Union CD         | 249,000.00             | 249,000.00             | 248,469.63             | 3.800% | 10/27/25 | 04/26/27 |
| California Credit Union CD      | 245,000.00             | 245,000.00             | 244,387.50             | 3.800% | 10/28/25 | 04/28/27 |
| Dort Financial Credit Union CD  | 247,000.00             | 247,000.00             | 246,256.53             | 3.700% | 10/28/25 | 04/28/27 |
| Live Oak Bank CD                | 249,000.00             | 249,000.00             | 248,163.36             | 3.650% | 10/28/25 | 04/28/27 |
| First Freedom Bank CD           | 210,000.00             | 210,000.00             | 209,701.80             | 3.650% | 10/23/25 | 10/23/26 |
| <b>Total MBS</b>                | <b>\$ 2,158,780.89</b> | <b>\$ 2,158,780.89</b> | <b>\$ 2,153,797.55</b> |        |          |          |

***Citizens Trust:***

|                                    |                        |                        |                        |        |          |          |
|------------------------------------|------------------------|------------------------|------------------------|--------|----------|----------|
| Allspring Funds TR Government MMKT | \$ 3,913,406.77        | \$ 3,913,406.77        | \$ 3,913,406.77        | 3.550% | N/A      | N/A      |
| Federal Home Loan Bank             | 150,000.00             | 150,000.00             | 149,349.00             | 1.050% | 08/26/21 | 08/26/26 |
| Federal Farm Credit Bank           | 100,000.00             | 99,925.00              | 99,540.00              | 0.900% | 08/26/21 | 08/26/26 |
| <b>Total Citizens Trust</b>        | <b>\$ 4,288,406.77</b> | <b>\$ 4,284,586.35</b> | <b>\$ 4,286,620.77</b> |        |          |          |

**ACTIVE DEPOSITS TOTAL**

**\$ 6,773,037.06    \$ 6,769,216.64    \$ 6,766,267.72** Effective Interest Rate **3.34%**

Unrealized Gains (Losses)

**\$ (2,948.92)**

**INACTIVE DEPOSITS**

***Checking Account:***

|                                    |                        |                        |               |     |     |
|------------------------------------|------------------------|------------------------|---------------|-----|-----|
| Citizens Business Bank - Checking  | \$ 886,371.49          | \$ 886,371.49          | 0.000%        | N/A | N/A |
| Citizens Business Bank - Rental    | 52,387.59              | 52,387.59              | 0.000%        | N/A | N/A |
| California Bank & Trust - Checking | 8,059.82               | 8,059.82               | 0.000%        | N/A | N/A |
| Investment in Real Estate          | 2,222,501.37           | 2,222,501.37           | 0.000%        | N/A | N/A |
| <b>Total</b>                       | <b>\$ 3,169,320.27</b> | <b>\$ 3,169,320.27</b> | <b>0.000%</b> |     |     |

**INACTIVE DEPOSITS TOTAL**

**\$ 3,169,320.27    \$ 3,169,320.27**

**GRAND TOTAL CASH**

**\$ 9,938,536.91    \$ 9,935,587.99**

Per Government Code requirements, the Investment Report is in compliance with the City of Canyon Lake's Investment Policy, and there are adequate funds available to meet budgeted and actual expenditures for the next six months.



Terry Shea  
6/30/2026

## **RESOLUTION NO. 2026-30**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADOPTING THE CITY OF CANYON LAKE INVESTMENT POLICY AND DELEGATING INVESTMENT AUTHORITY TO THE CITY TREASURER PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 53607**

**WHEREAS,** California Government Code Sections 53601 et seq. authorize local agencies to invest public funds and require the legislative body to annually review and approve an investment policy; and

**WHEREAS,** California Government Code Section 53607 authorizes the legislative body to delegate investment authority to the City Treasurer; and

**WHEREAS,** the City of Canyon Lake has established an Investment Policy to provide guidance for the prudent management and investment of public funds in accordance with State law; and

**WHEREAS,** the primary objectives of the City's Investment Policy are the safety of principal, maintenance of liquidity necessary to meet the City's operational needs, diversification of investments, and attainment of a reasonable rate of return consistent with those objectives; and

**WHEREAS,** the City's Investment Policy is reviewed annually to ensure compliance with applicable laws and current investment practices; and

**WHEREAS,** staff has reviewed the City's existing Investment Policy and recommended updates to reflect changes in California law and investment guidelines; and

**WHEREAS,** the City Council has reviewed the updated Investment Policy and finds that adoption of the policy is in the best interests of the City and its residents.

### **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The City Council hereby adopts the City of Canyon Lake Investment Policy, attached hereto as Exhibit "A" and incorporated herein by this reference.

**Section 3.** Pursuant to California Government Code Section 53607, the City Council hereby delegates authority to invest and reinvest City funds, and to sell or exchange securities so purchased, to the City Treasurer in accordance with the provisions of the adopted Investment Policy and applicable provisions of California law.

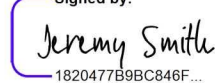
**Section 4.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 5.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 10<sup>th</sup> day of June 2026, by the following vote:

AYES: Castillo, Steeber, Terry, Welty, Smith  
NOES: None  
ABSENT: None  
ABSTAIN: None

Signed by:  
  
1820477B9BC846F...

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Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

DocuSigned by:  
  
0DF1D3D1865D487...

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Sheryl L. Garcia, MMC, CPM  
City Clerk

EXHIBIT “A”

Investment Policy

[to be attached]



## INVESTMENT POLICY

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The City of Canyon Lake has adopted the following policy for the investment of City funds.

### I. The Legal Authority

The Authority governing investments for the City of Canyon Lake is set forth in the California Government Code, sections 53601 et. Seq. The City Treasurer is granted authority to make investments on behalf of the City.

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 by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for such transactions until such time as the delegation of authority is revoked, and shall make a monthly report of such transaction to the legislative body.”

Government Code Section 53649 states “...the treasurer is responsible for the safekeeping of money in his custody and shall enter into any contract with a depository relating to any inactive deposits which in his judgment is to the public advantage.” The City Treasurer will enter into purchases subject to this policy and at the direction of City Council.

In addition, Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate the full responsibility to the treasurer of the local agency.

### II. Investment Objectives

A. The purpose of this policy is to provide guidelines for the investment of the City’s funds based upon State law and prudent money management. This policy is designed according to the specific needs of the City of Canyon Lake. The ultimate goal is to enhance the economic status of the City while ensuring the safety of funds.

B. The City holds to the “prudent investor rule” in that investments shall be made with a degree of judgment and care, not for speculation, but considering the safety of the monies and acting as a custodian of the public trust. Related activities, which comprise good cash management, include cash projections, the expeditious collection of revenue, disbursement control and a cost-effective banking relationship.

C. The investment of the funds of the City of Canyon Lake shall be guided by the goals of safety, liquidity, diversification and return on investments in that order of priority.

Safety: Safety of principal is the foremost objective of the City of Canyon Lake. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit Risk - Credit Risk; defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing only with issuers whose financial strength and reputation can be verified to be the highest as rated by nationally known rating agencies and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.

Market Risk - Market risk, the risk of the market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by (a) structuring the portfolio so that securities mature earlier than or concurrent with the timing of major cash outflows, thus eliminating the need to sell securities prior to their maturity; (b) prohibiting the use of leverage or margin accounts; (c) prohibiting the taking of short positions, that is, selling securities which the City does not own; (d) prohibiting the use of reverse repurchase agreements and repurchase agreements; and (e) prohibiting the use of "inverse floaters". It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall investment return.

Liquidity: The City's financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands.

Return on Investments: The investment portfolio shall be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

### III. Deposits/Authorized Investments

#### A. Deposits

Money must be deposited in State or national banks, State or Federal savings associations, or State or Federal Credit unions within the State. It may be in inactive deposits, active deposits or interest-bearing active deposits. The FDIC must insure the first \$250,000 of a deposit.

The bank or savings and loan must secure active and inactive deposits with eligible securities having a market value of 110% of the total amount of the deposits. State law also allows as an eligible security, first trust deeds having a value of 150% of the total amount of deposits. A third class of collateral is letter of credit drawn on the Federal Home Loan Bank (FHLB).



B. Authorized Investments

General Guidelines that the City should follow in managing its investments are as follows:

- No investment will be purchased which matures more than five years from the date of purchase without the prior approval of the City Council.
- Maturities of individual investments shall be diversified, attempting to match, where possible, cyclical cash flow requirements.
- The use of callable securities is permitted.

To reduce overall portfolio risk while attempting to attain market value rates of return consistent with the primary objectives of safety and availability of funds, investments shall be diversified cross types of investments, maturities of those investments, and institutions in which those investments are made. Generally, the portfolio is to be invested in Federal Agency securities, with a modest addition of high-grade Medium-Term Corporate Notes, Certificates of Deposit (CD’s), U.S. Treasuries and Commercial Paper.

The City specifically prohibits investments in Bonds issued by other local agencies, Reverse Repurchase Agreements and Derivatives (Interest rate floaters, range notes, interest-only strips)

**Permitted Investments Per City Policy:**

Investments shall be made only in those instruments specifically authorized by California State laws (section 53600-53609), and to no greater an extent than those authorized by those laws.

The City’s specific permitted investment guidelines are listed below. It should be noted that the City’s permitted investments are moderately more restrictive than the State guidelines. Attachment A provides a summary of the State of California Statues Applicable to Municipal Investments and a Glossary.

| PERMITTED INSTRUMENTS                   | CITY GUIDELINES                              |
|-----------------------------------------|----------------------------------------------|
| State or County Investment Pools (LAIF) | LAIF \$75,000,000 / 50% of portfolio maximum |
| Federally Insured Banks/Time Deposits   | 5 Years / No limit                           |
| U.S. Treasuries                         | 5 Years / No limit                           |
| U.S. Agency Obligations                 | 5 Years / No limit                           |
| Bankers Acceptances                     | 180 Days / 10% max / 5% per issuer           |

| PERMITTED INSTRUMENTS              | CITY GUIDELINES                                                                                   |
|------------------------------------|---------------------------------------------------------------------------------------------------|
| Commercial Paper                   | 397 Days / 25% max / 10% per issuer combined                                                      |
| Medium-Term Notes                  | 5 Years / 30% max                                                                                 |
| Negotiable Certificates of Deposit | 5 Years / 30% max                                                                                 |
| Repurchase Agreements              | 1 Year / 10% max<br><br>Only with Master Repurchase Agreement /<br>Daily mark to market valuation |
| Money Market Mutual Funds          | 20% max / \$500 million assets / 5% per issuer                                                    |
| Joint Powers Authority Pool        | No Limit / \$500 million assets / 5 years' experience in investing                                |
| Reverse Repurchase Agreements      | Not Allowed                                                                                       |
| California State Obligations       | Not Allowed                                                                                       |
| California Local Obligations       | Not Allowed                                                                                       |
| Mutual Funds                       | Not Allowed                                                                                       |
| Mortgage Pass Through Securities   | Not Allowed                                                                                       |
| Supranational Obligations          | Not Allowed                                                                                       |

#### IV. Investment Program Controls

A. Separation of Reconciliation. A separation of responsibilities of reconciling bank statements and conducting investment transactions provides an internal control of checks and balances. Only individuals authorized by the City Manager and City Clerk may conduct investment transactions. Consequently, individuals responsible for reconciling bank statements may not conduct investment transactions.

B. Third Party Safekeeping Agreements. Contractual agreement between the City and third-party custodian public investment agencies (LAIF) is used to secure City invested funds.

C. Quarterly Treasurer's Report. The City Treasurer shall submit a quarterly investment report to the City Council. This report shall include types of investment, investment ratings, institutions involved, dates of purchases, dates of maturity, amount of deposits or cost of the security, current market value of securities, interest rates, investment fund balances and a statement that there are sufficient funds to meet the City's cash obligations.

D. Annual Policy Review. The City Manager shall review the City's investment policies annually and as needed to make recommendations for improvements to the City Council.



**ATTACHMENT A:**

**Summary of State of California Statutes Applicable to Municipal Investment**

The following investments are authorized by California State Code, Title 5, Division 2, Sections 53600 et seq. and 16429.1.

**FIGURE 1**
**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT  
CODE (AS OF JANUARY 1, 2026)<sup>A</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>B</sup>**

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

| INVESTMENT<br>TYPE                                                                     | MAXIMUM<br>MATURITY <sup>C</sup> | MAXIMUM<br>SPECIFIED<br>% OF<br>PORTFOLIO <sup>D</sup> | MINIMUM<br>QUALITY<br>REQUIREMENTS                               | GOV'T<br>CODE<br>SECTIONS       |
|----------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------|------------------------------------------------------------------|---------------------------------|
| Local Agency Bonds                                                                     | 5 years                          | None                                                   | None                                                             | 53601(a)                        |
| U.S. Treasury Obligations                                                              | 5 years                          | None                                                   | None                                                             | 53601(b)                        |
| State Obligations—<br>CA And Others                                                    | 5 years                          | None                                                   | None                                                             | 53601(c)<br>53601(d)            |
| CA Local Agency Obligations                                                            | 5 years                          | None                                                   | None                                                             | 53601(e)                        |
| U.S Agency Obligations                                                                 | 5 years                          | None                                                   | None                                                             | 53601(f)                        |
| Bankers' Acceptances                                                                   | 180 days                         | 40% <sup>E</sup>                                       | None                                                             | 53601(g)                        |
| Commercial Paper—Non-Pooled Funds <sup>F</sup><br>(under \$100,000,000 of investments) | 397 days<br>or less              | 25% <sup>G</sup>                                       | Highest letter and<br>number rating by an<br>NRSRO <sup>H</sup>  | 53601(h)                        |
| Commercial Paper—Non-Pooled Funds <sup>F</sup><br>(min. \$100,000,000 of investments)  | 397 days<br>or less              | 40% <sup>G</sup>                                       | Highest letter and<br>number rating by an<br>NRSRO <sup>H</sup>  | 53601(h)                        |
| Commercial Paper—<br>Pooled Funds <sup>I</sup>                                         | 397 days<br>or less              | 40% <sup>J</sup>                                       | Highest letter and<br>number rating by an<br>NRSRO <sup>H</sup>  | 53635(a)                        |
| Negotiable Certificates of Deposit                                                     | 5 years                          | 30% <sup>K</sup>                                       | None                                                             | 53601(i)                        |
| Non-negotiable Certificates of Deposit                                                 | 5 years                          | None                                                   | None                                                             | 53630 et seq.                   |
| Placement Service<br>Deposits                                                          | 5 years                          | 50% <sup>L</sup>                                       | None                                                             | 53601.8 and 53635.8             |
| Placement Service<br>Certificates of Deposit                                           | 5 years                          | 50% <sup>L</sup>                                       | None                                                             | 53601.8 and 53635.8             |
| Repurchase Agreements                                                                  | 1 year                           | None                                                   | None                                                             | 53601(j)                        |
| Reverse Repurchase Agreements and<br>Securities Lending Agreements                     | 92 days <sup>M</sup>             | 20% of the base<br>value of the portfolio              | None <sup>N</sup>                                                | 53601(j)                        |
| Medium-Term Notes <sup>O</sup>                                                         | 5 years<br>or less               | 30%                                                    | "A" rating category or<br>its equivalent or better               | 53601(k)                        |
| Mutual Funds And Money<br>Market Mutual Funds                                          | N/A                              | 20% <sup>P</sup>                                       | Multiple <sup>Q, R</sup>                                         | 53601(l) and<br>53601.6(b)      |
| Collateralized Bank Deposits <sup>S</sup>                                              | 5 years                          | None                                                   | None                                                             | 53630 et seq.<br>and 53601(n)   |
| Mortgage Pass-Through and<br>Asset-Backed Securities <sup>T</sup>                      | 5 years<br>or less <sup>T</sup>  | 20%                                                    | "AA" rating category or<br>its equivalent or better <sup>T</sup> | 53601(o)                        |
| County Pooled<br>Investment Funds                                                      | N/A                              | None                                                   | None                                                             | 27133                           |
| Joint Powers Authority Pool                                                            | N/A                              | None                                                   | Multiple <sup>U</sup>                                            | 53601(p)                        |
| Local Agency Investment Fund (LAIF)                                                    | N/A                              | None                                                   | None                                                             | 16429.1                         |
| Voluntary Investment Program Fund <sup>V</sup>                                         | N/A                              | None                                                   | None                                                             | 16340                           |
| Supranational Obligations <sup>W</sup>                                                 | 5 years<br>or less               | 30%                                                    | "AA" rating category or<br>its equivalent or better              | 53601(q)                        |
| Public Bank Obligations                                                                | 5 years                          | None                                                   | None                                                             | 53601(r), 53635(c)<br>and 57603 |

TABLE OF NOTES FOR FIGURE 1

- <sup>A</sup> Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- <sup>B</sup> Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- <sup>C</sup> Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years from the settlement date. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five-year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- <sup>D</sup> Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- <sup>E</sup> No more than 30% of the agency's money may be in bankers' acceptances of any one commercial bank.
- <sup>F</sup> Applies to local agencies, other than counties or a city and county, that are a city, a district, or other local agency that do not pool money in deposits or investments with other local agencies other than local agencies that have the same governing body (non-pooled).
- <sup>G</sup> Local agencies, described in footnote F (non-pooled), may invest no more than 10% of their investment assets in the commercial paper and medium-term notes of any single issuer.
- <sup>H</sup> Issuing entity must be organized and operating within the U.S. as a general corporation, have assets in excess of \$500 million, and have debt other than commercial paper, if any, rated by a NRSRO in a rating category of "A" or its equivalent or higher; or the issuing entity must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.
- <sup>I</sup> Includes the City of Los Angeles and agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body (pooled).
- <sup>J</sup> Local agencies, described in footnote I (pooled), may invest no more than 10% of their investment assets in the commercial paper of any single issuer.
- <sup>K</sup> No more than 30% of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601 (i).
- <sup>L</sup> Effective January 1, 2020, no more than 50% of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2031, the maximum percentage of the portfolio reverts back to 30%. Investments made pursuant to 53635.8 remain subject to a maximum of 30% of the portfolio.
- <sup>M</sup> Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- <sup>N</sup> Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- <sup>O</sup> "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, 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."
- <sup>P</sup> No more than 10% invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- <sup>Q</sup> A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- <sup>R</sup> A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- <sup>S</sup> Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- <sup>T</sup> Security types authorized under Section 53601(o) that are issued or guaranteed by an issuer identified in subdivisions (b) or (f), are not subject to the limitations placed on privately issued securities authorized in Section 53601(o)(2)(A)(B).
- <sup>U</sup> A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- <sup>V</sup> Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- <sup>W</sup> Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

## GLOSSARY

**ACTIVE DEPOSITS:** Demand or checking accounts, which receive revenues and pay disbursements.

**AGENCIES:** Federal agency securities.

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at its maturity. An acceptance is a highgrade negotiable instrument. Acceptances are purchased in various denominations for 30, 60, or 90 days, but no longer than 180 days. The interest is calculated on a 360-day discount basis similar to treasury bills. Local agencies may not invest more than 40% of their surplus money in banker's acceptance.

**BASIS POINT:** A basis point equals one one-hundredth of 1% (.01%).

**BID:** The price offered for securities.

**BOOK-ENTRY SECURITIES:** All U.S. Treasury and Federal Agencies are maintained on computerized records at the Federal Reserve now known as "wireable" securities.

**BROKER:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

**CERTIFICATES OF DEPOSIT (CD):** Time deposits of a bank or savings and loan. They are purchased in various denominations with maturities ranging from 30 to 360 days. The interest is calculated on a 360-day, actual day month basis and is payable monthly.

**NEGOTIABLE CERTIFICATES OF DEPOSIT:** Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of \$1,000,000, the secondary market usually trades in denominations of \$500,000, although smaller lots are occasionally available. As a matter of practice, only the ten largest U.S. banks, where there is a secondary market established for continued liquidity are considered for investment.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The official annual report for the City of Canyon Lake. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related, legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**COMMERCIAL PAPER:** Short-term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing. Local agencies are permitted by State law to invest in commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical ratings as provided by Moody's Investor's Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 270 days maturity nor exceed 30% of the local agency's surplus funds.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of a signed receipt for the securities.

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

**DISCOUNT:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury bills).

**DIVERSIFICATION:** Dividing investment funds among a variety of securities and issuers offering independent returns.

**DERIVATIVE:** An asset that derives its value from another asset. For example, a call option on the stock of Coca-Cola is a derivative security that obtains value from the shares of Coca-Cola that can be purchased with the call option. Call options, put options, convertible bonds, futures contracts, and convertible preferred stock are examples of derivatives. A derivative can be either a risky or low-risk investment, depending upon the type of derivative and how it is used.



**FEDERAL CREDIT AGENCIES:** Guaranteed directly or indirectly by the United States Government. All agency obligations qualify as legal investments and are acceptable as security for public deposits. They usually provide higher yields than regular Treasury issues with all of the same advantages. Examples include Federal Home Loan Bank, Federal Farm Credit Bank, FNMA (Fannie Mae) and Federal Home Loan Mortgage Corp. (Freddie Mac).

**FEDERAL FUNDS:** Non-interest-bearing deposits held by member banks at the Federal Reserve. Also used to denote "immediately available" funds in the clearing sense. "Fed Funds" also used to refer to these funds.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

**INTEREST-BEARING ACTIVE DEPOSITS:** Money-market accounts at a financial institution, (e.g., bank, savings and loan, credit union). These accounts are demand accounts (i.e., checking accounts) with restricted transaction activity.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LAIF (Local Agency Investment Fund):** A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period, and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum balance of \$75,000,000 for any agency. The City is restricted to a maximum of fifteen transactions per month. It offers high liquidity because deposits can be converted into cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. The State retains an amount for reasonable costs of making the investments, not to exceed one-quarter of one percent of the earnings. The interest rates are fairly high because of pooling the State's surplus cash with the surplus cash deposited. This creates a multi-billion-dollar money pool and allows diversified investments.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase--reverse agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MEDIUM-TERM CORPORATE NOTES:** Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium-term corporate notes can be defined as extended-maturity commercial paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by a nationally recognized rating service. Further restrictions are a maximum term of five years to maturity and total investments in medium-term corporate notes may not exceed 30% of the local agency's surplus funds.

**MONEY MARKET FUNDS:** Open-ended mutual fund that invests in highly liquid and safe securities (bills, commercial paper, bankers' acceptances, CD's, etc.) and pays money market rates of interest. The fund's net asset value remains a constant \$1 a share.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PASSBOOK SAVINGS ACCOUNTS:** Similar to an inactive deposit except that the period of time is not fixed. The interest rate is much lower than for a certificate of deposit, but the savings account is more flexible. Funds can be deposited and withdrawn according to daily needs.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC), registered securities broker-dealers, banks, and a few unregulated firms.

**PRIME RATE:** The rate at which banks lend to their best or "prime" customers. Also known as the "reference rate."

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one which would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**REPURCHASE AGREEMENTS (RP OR REPO):** A repo or reverse-repo is a short-term investment transaction. Banks buy temporarily idle funds from a customer by selling U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date. Repurchase agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal funds and the maturity of the repo. Some banks will execute repurchase agreements for a minimum of \$100,000 to \$500,000, but most banks have a minimum of \$1,000,000. A reverse-repo is exactly what the name implies.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SETTLEMENT DATE:** The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

**TRADE DATE:** The date on which a transaction is initiated or entered into by the buyer and seller.

**TREASURY BILLS:** Issued weekly with maturity dates up to one year. They are issued and traded on a discount basis with interest figured on 1 360-day basis, actual number of days. They are issued in amounts of \$10,000 and up, in multiples of \$5,000. They are a highly liquid security.

**TREASURY NOTES:** Initially issued with two- to ten-year maturities. They are actively traded in a large secondary market and are very liquid. The Treasury may issue note issues with a minimum of \$1,000; however, the average minimum is \$5,000.

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities of more than ten years.



**UNIFORM NET CAPITAL RULE (SEC RULE 15C3-1):** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**WHEN-ISSUED TRADES:** Typically, there is a lag between the time a new bond is announced and sold, and the time when it is issued. During this interval, the security trades "when, as, and if issued."

**YIELD:** The rate of annual income returned on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**YIELD TO MATURITY:** The rate of return yielded by a debt security held to maturity when both interest payments and the investor's capital gain or loss on the security is considered.

TERRY SHEA  
735 E. CARNEGIE DRIVE, STE 100  
SAN BERNARDINO CA 92408

STATEMENT FOR THE PERIOD FROM 06/01/2026 TO 06/30/2026  
[REDACTED]

THIS IS YOUR REPORT OF INVESTMENTS AND TRANSACTIONS FOR THE PERIOD. INCLUDED  
IN THE REPORT ARE

- \* PORTFOLIO: SUMMARY GRAPHICAL DISPLAY WITH MARKET VALUE & PERCENT

- \* ACTIVITY SUMMARY: MARKET VALUE WITH TRANSACTION SUMMARY

- \* PORTFOLIO STATEMENT: A LISTING OF COST AND MARKET VALUE OF ASSETS  
HELD IN THE PORTFOLIO

COST BASIS APPLICABLE FOR CALCULATING CAPITAL GAINS AND LOSSES.  
MARKET VALUE IS THE CURRENT VALUE OF EACH ASSET FOR MOST STOCKS AND BONDS.  
MARKETS ARE THE CLOSING PRICES ON THE LAST TRADING DAY OF THE PERIOD.

- \* TRANSACTION STATEMENT: A COMPLETE LISTING FOR THE PERIOD GROUPED BY  
TRANSACTION TYPE.

- \* DISCLOSURES: CITIZENS BUSINESS BANK MAY RECEIVE RESEARCH AND OTHER BENEFITS  
FROM BROKER DEALERS WHICH MAY BE CONSIDERED COMPENSATION TO US. UPON REQUEST  
WE WILL DISCLOSE DETAILS OF ANY COMPENSATION RECEIVED.

- \* TO TRUST BENEFICIARIES: UNDER SECTION 17200 OF CALIFORNIA PROBATE CODE,  
YOU MAY PETITION THE COURT TO OBTAIN A COURT REVIEW OF THE ACCOUNT AND  
THE ACTS OF THE TRUSTEE. CLAIMS AGAINST THE TRUSTEE FOR BREACH OF TRUST  
MUST BE MADE WITHIN THREE YEARS FROM THE DATE OF RECEIPT OF AN ACCOUNTING  
OR OTHER REPORT DISCLOSING FACTS GIVING RISE TO THE CLAIM.

June 01, 2026 To June 30, 2026

TERRY SHEA  
735 E. CARNEGIE DRIVE, STE 100  
SAN BERNARDINO, CA 92408

Account Name: **CITY OF CANYON LAKE (PLEDGED)  
CITIZENS BUSINESS BANK**

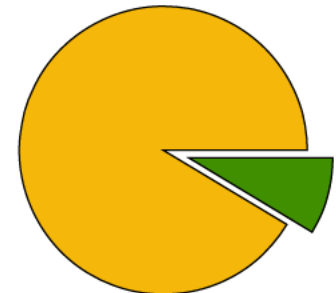
Account Number: [REDACTED]

Your Relationship  
Manager Is: **ADAM T. COPPERSMITH**

Phone: [REDACTED]

### Portfolio Manager

| Market Value As Of                                                                                          | 06/01/2026          | 06/30/2026          | % Of Account  |
|-------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------|
|  CASH AND CASH EQUIVALENTS | \$908,201.43        | 3,913,406.77        | 91.3%         |
|  FIXED INCOME             | 372,860.25          | 373,214.00          | 8.7%          |
| <b>Total</b>                                                                                                | <b>2,281,061.68</b> | <b>4,286,620.77</b> | <b>100.0%</b> |



### Investment Portfolio Summary

|                        | This Period   | Year To Date  | Realized Capital Gains / Losses |              |
|------------------------|---------------|---------------|---------------------------------|--------------|
|                        |               |               | This Period                     | Year To Date |
| Beginning Market Value | 2,281,061.68  | 3,336,374.72  |                                 |              |
| Assets Distributed     | 0.00          | 1,100,000.00- |                                 |              |
| Other Receipts         | 2,000,000.00  | 2,000,000.00  |                                 |              |
| Bank Fees              | 728.26-       | 3,211.79-     |                                 |              |
| Cash Management        | 2,005,205.34- | 1,345,086.05- |                                 |              |
| Interest               | 0.00          | 5,153.75      |                                 |              |
| Dividends              | 5,933.60      | 43,144.09     |                                 |              |
| Change In Market Value | 2,005,559.09  | 1,350,246.05  |                                 |              |
| Ending Market Value    | 4,286,620.77  | 4,286,620.77  |                                 |              |
|                        |               |               | <b>Total Gains / Losses</b>     | <b>0.00</b>  |
|                        |               |               |                                 | <b>0.00</b>  |

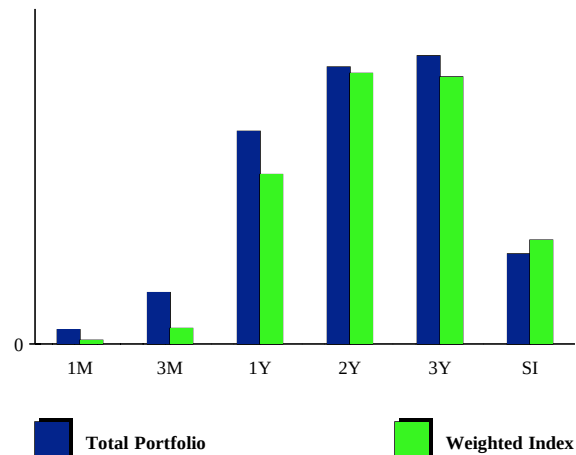
Account Number: [REDACTED]

June 01, 2026 To June 30, 2026

## Performance Summary - Total Returns

|                                  | Market Value | 1<br>Month | 3<br>Months | 1<br>Year | 2<br>Years | 3<br>Years | Since<br>Inception<br>03/01/2010 |
|----------------------------------|--------------|------------|-------------|-----------|------------|------------|----------------------------------|
| Total Portfolio                  | 4,297,351    | 0.23       | 0.83        | 3.44      | 4.48       | 4.66       | 1.46                             |
| Return On Indexes<br>Gov Bench 2 |              | 0.06       | 0.25        | 2.74      | 4.38       | 4.32       | 1.68                             |

## Return Comparison



PAST RESULTS ARE NOT INDICATIVE OF FUTURE INVESTMENT RESULTS. FUND DATA IS ON TRADE DATE BASIS. PERFORMANCE RESULTS ARE GROSS OF MANAGEMENT FEES. RETURNS FOR PERIODS LONGER THAN ONE YEAR ARE ANNUALIZED. MARKET VALUE DOES NOT INCLUDE ACCRUED INCOME.

Account Number: [REDACTED]

June 01, 2026 To June 30, 2026

## Portfolio Statement

| Quantity                         | Description                                                                            | Market Value        | Cost Basis          |
|----------------------------------|----------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Fixed Income</b>              |                                                                                        |                     |                     |
| 125,000.000                      | 037833CJ7<br>APPLE INC DTD 02/09/2017 3.35%<br>02/09/2027-2026                         | 124,325.00          | 121,254.58          |
| 100,000.000                      | 3130ANJT8<br>FEDERAL HOME LOAN BANKS CONS DTD<br>08/26/2021 .9% 08/26/2026             | 99,540.00           | 99,925.00           |
| 150,000.000                      | 3130ANND8<br>FEDERAL HOME LOAN BANKS CONS DTD<br>08/26/2021 1.05% 08/26/2026-2022      | 149,349.00          | 150,000.00          |
| <b>Total</b>                     | <b>Fixed Income</b>                                                                    | <b>373,214.00</b>   | <b>371,179.58</b>   |
| <b>Cash And Cash Equivalents</b> |                                                                                        |                     |                     |
| 3,913,406.770                    | 94975P405<br>ALLSPRING FUNDS TR GOVT MMKT I                                            | 3,913,406.77        | 3,913,406.77        |
| <b>Total</b>                     | <b>Cash And Cash Equivalents</b>                                                       | <b>3,913,406.77</b> | <b>3,913,406.77</b> |
| <b>Miscellaneous</b>             |                                                                                        |                     |                     |
| 1.000                            | CBB000AB6<br>INVESTMENT MANAGEMENT AGREEMENT<br>CITY OF CANYON LAKE A/C#<br>1035003119 | 0.00                | 0.00                |
| <b>Total</b>                     | <b>Miscellaneous</b>                                                                   | <b>0.00</b>         | <b>0.00</b>         |
| <b>Grand Total Assets</b>        |                                                                                        | <b>4,286,620.77</b> | <b>4,284,586.35</b> |

## Account Activity Summary

|                                     | Total Cash    | Cost Basis<br>Excluding Cash | Market Value<br>Including Cash |
|-------------------------------------|---------------|------------------------------|--------------------------------|
| <b>Balances Beginning Of Period</b> | 0.00          | 2,279,381.01                 | 2,288,951.19                   |
| Prior Accruals                      |               |                              | 7,889.51-                      |
| Unrealized Appreciation This Period |               |                              | 2,005,559.09                   |
| Current Accruals                    |               |                              | 10,730.47                      |
| Bank Fees                           | 728.26-       | 0.00                         | 728.26-                        |
| Cash Management                     | 2,005,205.34- | 2,005,205.34                 | 2,005,205.34-                  |
| Dividends                           | 5,933.60      | 0.00                         | 5,933.60                       |
| Other Receipts                      | 2,000,000.00  | 0.00                         | 2,000,000.00                   |
| Realized Gain/loss                  |               |                              | 0.00                           |
| Non Cash Asset Changes              |               |                              |                                |
| <b>Balances End Of Period</b>       | 0.00          | 4,284,586.35                 | 4,297,351.24                   |

Account Number: [REDACTED]

June 01, 2026 To June 30, 2026

## Transaction Statement

| Date                         | Quantity      | Description                                                                                                                                  | Transaction Type | Cash          | Cost Basis   |
|------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|--------------|
| 06/01/26                     |               | <b>Beginning Balance</b>                                                                                                                     |                  | 0.00          | 2,279,381.01 |
| <b>Other Receipts</b>        |               |                                                                                                                                              |                  |               |              |
| 06/17/26                     |               | RECEIVED FROM CITIZENS BUSINESS BANK CASH RECEIVED FROM CBB ACCT ENDING 5402 PER CLIENT WRITTEN & VERBALLY CONFIRMED REQUEST DATED 6/17/2026 | CASH RCVD        | 2,000,000.00  |              |
| <b>Total Other Receipts</b>  |               |                                                                                                                                              |                  | 2,000,000.00  | 0.00         |
| <b>Bank Fees</b>             |               |                                                                                                                                              |                  |               |              |
| 06/29/26                     |               | MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 06/20/2026                                                                      | DISBURSEMENT     | 728.26-       |              |
| <b>Total Bank Fees</b>       |               |                                                                                                                                              |                  | 728.26-       | 0.00         |
| <b>Cash Management</b>       |               |                                                                                                                                              |                  |               |              |
| 06/30/26                     | 2,005,205.340 | 94975P405<br>NET CASH MANAGEMENT                                                                                                             | NET CASH MGMT    | 2,005,205.34- | 2,005,205.34 |
| <b>Total Cash Management</b> |               |                                                                                                                                              |                  | 2,005,205.34- | 2,005,205.34 |
| <b>Dividends</b>             |               |                                                                                                                                              |                  |               |              |
| 06/01/26                     |               | 94975P405<br>DIVIDEND ON ALLSPRING FUNDS TR GOVT MMKT I PAYABLE 06/01/2026 EFFECTIVE 05/31/2026 TAX EFFECTIVE 05/31/2026                     | DIVIDEND         | 5,933.60      |              |
| <b>Total Dividends</b>       |               |                                                                                                                                              |                  | 5,933.60      | 0.00         |
| 06/30/26                     |               | <b>Ending Balance</b>                                                                                                                        |                  | 0.00          | 4,284,586.35 |

Account Number: [REDACTED]

June 01, 2026 To June 30, 2026

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**Important Information**

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**Year-end statement REMINDER:**

If your account was active on our trust and investment system that was upgraded on 2/3/25, your 12/31/25 annual statement will only include eleven (11) months of information from the new system under your new account number. This information should be reviewed along with your separate January, 2025 monthly statement which was generated under your old account number in order to represent a complete, full year of statement activity. Weblink users can readily obtain that historical statement from that site. Clients who receive printed statements in the mail were notified to retain those statements for reference. If you need additional assistance, please contact your relationship manager.



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# Brokerage Account Statement

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June 1, 2026 - June 30, 2026

CITY OF CANYON LAKE  
31516 RAILROAD CANYON RD  
CANYON LAKE CA 92587-9400

## Portfolio at a Glance

|                                                                                                                                     |  |                       |
|-------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------|
| <b>Your Account Executive:</b><br>PETER YANEZ                                                                                       |  |                       |
|                                                                                                                                     |  | <b>This Period</b>    |
| <b>BEGINNING ACCOUNT VALUE</b>                                                                                                      |  | \$2,150,384.42        |
| Dividends, Interest and Other Income                                                                                                |  | 3,780.89              |
| <b>Net Change in Portfolio<sup>1</sup></b>                                                                                          |  | -367.76               |
| <b>ENDING ACCOUNT VALUE</b>                                                                                                         |  | <b>\$2,153,797.55</b> |
| Estimated Annual Income                                                                                                             |  | \$80,017.00           |
| <sup>1</sup> Net Change in Portfolio is the difference between the ending account value and beginning account value after activity. |  |                       |

## Asset Summary

| Percent | Asset Type                           | Last Period           | This Period           |
|---------|--------------------------------------|-----------------------|-----------------------|
| 1%      | Cash, Money Funds, and Bank Deposits | 0.00                  | 3,780.89              |
| 99%     | Fixed Income/Debt Securities         | 2,150,384.42          | 2,150,016.66          |
| 100%    | <b>Account Total</b>                 | <b>\$2,150,384.42</b> | <b>\$2,153,797.55</b> |

Please review your allocation periodically with your Account Executive.

## Client Service Information

**Your Account Executive:** FBG  
PETER YANEZ

**Contact Information**  
**E-Mail:** customerservice@mbssecurities.com

### Client Service Information

**Service Hours:** Weekdays 09:00 a.m. - 05:00 p.m. (EST)  
**Client Service Telephone Number:** (800) 967-9045  
**Web Site:** WWW.MBSSECURITIES.COM

800066657110P-SD

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## Your Account Information

### INVESTMENT OBJECTIVE

Investment Objective: NONE SPECIFIED  
Please discuss your investment objective with your Account Executive.

### TAX LOT DEFAULT DISPOSITION METHOD

Default Method for Mutual Funds: First In First Out  
Default Method for Stocks in a Dividend Reinvestment Plan: First In First Out  
Default Method for all Other Securities: First In First Out

### BOND AMORTIZATION ELECTIONS

Amortize premium on taxable bonds based on Constant Yield Method: Yes  
Accrual market discount method for all other bond types: Constant Yield Method  
Include market discount in income annually: No

### ELECTRONIC DELIVERY

You have **not** enrolled any documents for electronic delivery. The following documents are available for electronic delivery:

|                        |               |                                  |
|------------------------|---------------|----------------------------------|
| Statements and Reports | Notifications | Tax Documents                    |
| Trade Confirmations    | Prospectus    | Proxy/Shareholder Communications |

Please log in to your account or contact your Account Executive to make any changes to your electronic delivery preferences.

## Income and Expense Summary

|                        | Current Period    |               | Year-to-Date       |               |
|------------------------|-------------------|---------------|--------------------|---------------|
|                        | Taxable           | Non Taxable   | Taxable            | Non Taxable   |
| <b>Interest Income</b> |                   |               |                    |               |
| Bond Interest          | 3,780.89          | 0.00          | 34,913.07          | 0.00          |
| <b>Total Income</b>    | <b>\$3,780.89</b> | <b>\$0.00</b> | <b>\$34,913.07</b> | <b>\$0.00</b> |

## Portfolio Holdings

| Description                                                                  | Quantity     | Opening Balance | Closing Balance | Accrued Income   | 30-Day Yield            |
|------------------------------------------------------------------------------|--------------|-----------------|-----------------|------------------|-------------------------|
| CASH, MONEY FUNDS AND BANK DEPOSITS 1.00% of Portfolio                       |              |                 |                 |                  |                         |
| Cash Balance                                                                 |              | 0.00            | 3,780.89        |                  |                         |
| TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS                                    |              |                 |                 |                  |                         |
|                                                                              |              | \$0.00          | \$3,780.89      | \$0.00           |                         |
| Description                                                                  | Quantity     | Market Price    | Market Value    | Accrued Interest | Estimated Annual Income |
| FIXED INCOME/DEBT SECURITIES 99.00% of Portfolio (In Maturity Date Sequence) |              |                 |                 |                  |                         |
| Certificates of Deposit                                                      |              |                 |                 |                  |                         |
| FIRST FREEDOM BK LEBANON TENN CTF DEP 3.650% 10/23/26 B/E                    | 210,000.0000 | 99.8580         | 209,701.80      | 147.00           | 7,665.00                |
| DTD 10/23/25 ACT/365 1ST CPN DTE 11/23/25                                    |              |                 |                 |                  |                         |
| Security Identifier: 32027BAY3                                               |              |                 |                 |                  |                         |
|                                                                              |              |                 |                 |                  | 3.65%                   |

June 1, 2026 - June 30, 2026  
CITY OF CANYON LAKE

**Portfolio Holdings (continued)**

| Description                                                                                                                  | Quantity       | Market Price | Market Value   | Accrued Interest | Estimated Annual Income | Estimated Yield |
|------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|----------------|------------------|-------------------------|-----------------|
| <b>FIXED INCOME/DEBT SECURITIES (continued)</b>                                                                              |                |              |                |                  |                         |                 |
| <b>Certificates of Deposit (continued)</b>                                                                                   |                |              |                |                  |                         |                 |
| KEMBA FINL CR UN GAHANNA OHIO SH CTF 3.700% 10/23/26 B/E DTD 10/23/25<br>Security Identifier: 48836LCWO                      | 249,000.0000   | 99.8730      | 248,683.77     | 176.69           | 9,213.00                | 3.70%           |
| WELLS FARGO BK N A SIOUX FALLS S D CTF 3.650% 10/23/26 B/E DTD 10/23/25 ACT/365<br>Security Identifier: 949764SN5            | 210,000.0000   | 99.8580      | 209,701.80     | 5,250.00         | 7,665.00                | 3.65%           |
| TRANSPORTATION ALLIANCE BK INC OGDEN UTAH CTF DEP 3.650% 04/23/27 B/E DTD 10/23/25 ACT/365<br>Security Identifier: 89388CKV9 | 249,000.0000   | 99.6740      | 248,188.26     | 174.30           | 9,088.50                | 3.66%           |
| SEVEN SEVENTEEN CR UN WARREN OHIO SH CTF 3.800% 04/26/27 B/E DTD 10/24/25<br>Security Identifier: 81788WAE7                  | 247,000.0000   | 99.7830      | 246,464.01     | 2,314.36         | 9,386.00                | 3.80%           |
| VIBRANT CR UN MOLINE IL SH CTF 3.800% 04/27/27 B/E DTD 10/27/25<br>Security Identifier: 92559TAR9                            | 249,000.0000   | 99.7870      | 248,469.63     | 751.78           | 9,462.00                | 3.80%           |
| CALIFORNIA FED CR UN GLENDALE CALIF SH CTF 3.800% 04/28/27 B/E DTD 10/28/25<br>Security Identifier: 130162BU3                | 245,000.0000   | 99.7500      | 244,387.50     | 1,606.93         | 9,310.00                | 3.80%           |
| DORT FINL CR UN GRAND BLANC MI SH CTF 3.700% 04/28/27 B/E DTD 10/28/25<br>Security Identifier: 25844MCK2                     | 247,000.0000   | 99.6990      | 246,256.53     | 2,253.45         | 9,139.00                | 3.71%           |
| LIVE OAK BKG CO WILMINGTON N C CTF DEP 3.650% 04/28/27 B/E DTD 10/28/25 ACT/365<br>Security Identifier: 5380365X8            | 249,000.0000   | 99.6640      | 248,163.36     | 722.10           | 9,088.50                | 3.66%           |
| <b>Total Certificates of Deposit</b>                                                                                         | 2,155,000.0000 |              | \$2,150,016.66 | \$13,396.61      | \$80,017.00             |                 |
| <b>TOTAL FIXED INCOME/DEBT SECURITIES</b>                                                                                    | 2,155,000.0000 |              | \$2,150,016.66 | \$13,396.61      | \$80,017.00             |                 |
| <b>Total Portfolio Holdings</b>                                                                                              |                |              |                |                  |                         |                 |
|                                                                                                                              |                |              | Market Value   | Accrued Interest | Estimated Annual Income |                 |
|                                                                                                                              |                |              | \$2,153,797.55 | \$13,396.61      | \$80,017.00             |                 |



## Portfolio Holdings Disclosures

### Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. In some cases the pricing vendor may provide prices quoted by a single broker or market maker. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

### Estimated Annual Figures

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to [www.bny.com/pershing/us/en/disclosures.html](http://www.bny.com/pershing/us/en/disclosures.html) for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

### Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions, including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

### Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

### Certificates of Deposit

Certificates of Deposit acquired through the Certificate of Deposit Account Registry Service ("CDARS") and held in your brokerage account are subject to Securities Investor Protection Corporation (SIPC) coverage. Please see additional information about SIPC under Important Information and Disclosures on this statement.

Please be advised that the secondary market for CDs is generally illiquid; the actual value of CDs may be different from their purchase price; and a significant loss of principal could result if your CDs are sold prior to maturity. In the event that the CDs listed above do not indicate a market valuation, an accurate market value could not be determined. In the event that a price is listed above for your CDs, Pershing has obtained a price from sources deemed to be reliable or has priced your CDs using a matrix formula. Prices are estimates and the actual value you may obtain for your CD may be different if you elect to sell your CD in the secondary market.

### Foreign Currency Transactions

Pershing will execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

### Proxy Vote

Securities not fully paid for in your margin account may be lent by Pershing to itself or others in accordance with the terms outlined in the Margin Agreement. The right to vote your





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June 1, 2026 - June 30, 2026  
CITY OF CANYON LAKE

### Portfolio Holdings Disclosures (continued)

#### Proxy Vote (continued)

shares held on margin may be reduced by the amount of shares on loan. The Proxy Voting Instruction Form sent to you may reflect a smaller number of shares entitled to vote than the number of shares in your margin account.

#### Variable Rate Securities

Interest rate data for certain complex and/or variable rate securities is provided to Pershing by third-party data service providers pursuant to contractual arrangements. Although we seek to use reliable sources of information, the accuracy, reliability, timeliness, and completeness of interest rate data may vary sometimes, particularly for complex and/or variable rate securities and those with limited or no secondary market. As a result, we can offer no assurance as to the accuracy, reliability, timeliness, or completeness of interest rate data for such securities. Pershing may also occasionally make interest rate updates and adjustments based on its reasonable efforts to obtain accurate, reliable, timely, and/or complete interest rate data from other data sources, but we can similarly provide no assurance that those rates or adjustments will be accurate, reliable, timely, or complete.

When updated interest rate data is received from a third-party data service provider or adjusted by Pershing, the updated data will be reflected in various sources where interest rate data is used or viewed, including both paper and electronic communications and data sources. Prior use or communication of interest rate-related data will not be revised. Since variable interest rates may be subject to change at any time and are only as accurate as the data received from third-party data service providers or otherwise obtained by Pershing, interest rate data should not be relied on for making investment, trading, or tax decisions. All interest rate data and other information derived from and/or calculated using interest rates are not warranted as to accuracy, reliability, timeliness, or completeness and are subject to change without notice. Pershing disclaims any responsibility or liability to the fullest extent permitted by applicable law for any loss or damage arising from any reliance on or use of the interest rate data or other information derived from and/or calculated using interest rates in any way. You should request a current valuation for your securities from your financial adviser or broker prior to making a financial decision or placing an order or requesting a transaction in these securities.

#### Structured Products

Structured products in this section are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity (a redemption could affect the yield represented); early redemption fees or other applicable fees; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with a comparable maturity; unique tax implications; concentration risk of owning the related security; limited or no secondary market; restrictions on transferability; conflicts of interest; and limits on participation in appreciation of underlying asset(s). To review a complete list of risks, please refer to the offering documents for the structured product. For more information about the risks specific to your structured products, you should contact your financial institution or advisor. Certain structured products are designed to make periodic distributions to you and any such structured product distributions you receive will be listed in the Transactions section of your statement. Structured product distributions may be listed there as "Bond Interest Received"; however, this description is not intended to reflect a determination as to either the asset classification of the product or the U.S. tax treatment of such distributions.

### Activity Summary (All amounts shown are in base currency)

|                               | Credits This Period | Debits This Period | Net This Period | Credits Year-to-Date | Debits Year-to-Date | Net Year-to-Date |
|-------------------------------|---------------------|--------------------|-----------------|----------------------|---------------------|------------------|
| <b>Dividends and Interest</b> | \$3,780.89          | \$0.00             | \$3,780.89      | \$34,913.07          | \$0.00              | \$34,913.07      |
| <b>Cash</b>                   |                     |                    |                 |                      |                     |                  |
| Withdrawals                   | 0.00                | 0.00               | 0.00            | 0.00                 | -38,815.19          | -38,815.19       |

### Activity Summary (continued)

|                   | Credits This Period | Debits This Period | Net This Period | Credits Year-to-Date | Debits Year-to-Date | Net Year-to-Date |
|-------------------|---------------------|--------------------|-----------------|----------------------|---------------------|------------------|
| <b>Total Cash</b> | \$0.00              | \$0.00             | \$0.00          | \$0.00               | -\$38,815.19        | -\$38,815.19     |
| <b>Totals</b>     | \$3,780.89          | \$0.00             | \$3,780.89      | \$34,913.07          | -\$38,815.19        | -\$3,902.12      |

### Transactions by Type of Activity

| Process/<br>Settlement<br>Date      | Activity Type                       | Description                                                                                                          | Quantity | Price  | Accrued Interest | Amount     | Currency |
|-------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------|--------|------------------|------------|----------|
| <b>Dividends and Interest</b>       |                                     |                                                                                                                      |          |        |                  |            |          |
| 06/01/26                            | BOND INTEREST RECEIVED<br>5380365X8 | 249000 LIVE OAK BKG CO WILMINGTON N C CTF DEP<br>3.650% 04/28/27 B/E DTD 10/28/25 RD 05/29 PD<br>06/01/26            |          |        |                  | 771.90     | USD      |
| 06/01/26                            | BOND INTEREST RECEIVED<br>92559TAR9 | 249000 VIBRANT CR UN MOLINE IL SH CTF 3.800%<br>04/27/27 B/E DTD 10/27/25 RD 05/29 PD 06/01/26                       |          |        |                  | 803.62     | USD      |
| 06/23/26                            | BOND INTEREST RECEIVED<br>32027BAY3 | 210000 FIRST FREEDOM BK LEBANON TENN CTF DEP<br>3.650% 10/23/26 B/E DTD 10/23/25 RD 06/08 PD<br>06/23/26             |          |        |                  | 651.00     | USD      |
| 06/23/26                            | BOND INTEREST RECEIVED<br>48836LCWO | 249000 KEMBA FINL CR UN GAHANNA OHIO SH CTF<br>3.700% 10/23/26 B/E DTD 10/23/25 RD 06/22 PD 06/23/26                 |          |        |                  | 782.47     | USD      |
| 06/23/26                            | BOND INTEREST RECEIVED<br>89388CKV9 | 249000 TRANSPORTATION ALLIANCE BK INC OGDEN<br>UTAH CTF DEP 3.650% 04/23/27 B/E DTD 10/23/25 RD<br>06/22 PD 06/23/26 |          |        |                  | 771.90     | USD      |
| <b>Total Dividends and Interest</b> |                                     |                                                                                                                      |          |        |                  |            |          |
| <b>Total Value of Transactions</b>  |                                     |                                                                                                                      |          | \$0.00 | \$0.00           | \$3,780.89 | USD      |
|                                     |                                     |                                                                                                                      |          |        |                  | \$3,780.89 | USD      |

The price and quantity displayed may have been rounded.

Account Number: RMB-041344  
800088657110P-SD



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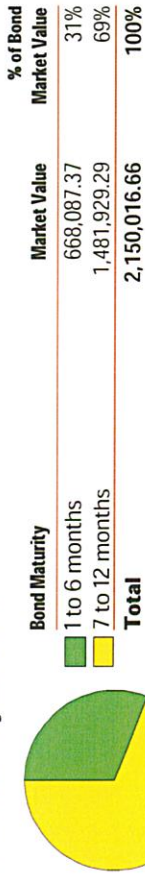
June 1, 2026 - June 30, 2026  
CITY OF CANYON LAKE

## Fixed Income/Debt Securities Analysis

### Bond Quality

| Bond Quality | Market Value        | % of Bond<br>Market Value |
|--------------|---------------------|---------------------------|
| Unrated      | 2,150,016.66        | 100%                      |
| <b>Total</b> | <b>2,150,016.66</b> | <b>100%</b>               |

### Bond Maturity Schedule



Percentages of bond market values are rounded to the nearest whole percentage.

Bond quality ratings reflect Moody's or Standard and Poor's ratings. Bonds may be rated by other services. Bonds that are in default are not included. Please refer to your Portfolio Holdings section.

You are 100% invested in bonds with a bond quality of Unrated.

Fixed income securities which appear as "NR" in the description have been marked "Not Rated" by a ratings agency. If there is no rating information in the description of the fixed income securities, then there is no rating information available, and these securities are "Unrated". Ratings information has been obtained from rating sources; however, accuracy cannot be guaranteed.

### Messages

Although a money market mutual fund (money fund) seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money fund. The money fund's sponsor has no legal obligation to provide financial support to a money fund, and you should not expect that the sponsor will provide financial support to a money fund at any time, including during periods of market stress. Although no money fund's board has current intentions to impose a fee upon the sale of shares, each board reserves the ability to impose liquidity fees if it determines it's in the best interest of the fund. Pursuant to SEC Rule 10b-10(b) (1) confirmations are not sent for purchases into money funds processed on the sweep platform. Pursuant to applicable regulation, account statements will be produced monthly or quarterly. Federal Deposit Insurance Corporation (FDIC) eligible bank deposit sweep products automatically deposit any available cash into FDIC member banks where those balances are eligible for pass-through FDIC insurance coverage on swept balances, based on account type pursuant to FDIC regulation and subject to certain conditions. The name and amount at each FDIC member bank holding balances in FDIC eligible bank deposit sweep products are reported in the section of this statement titled "FDIC Eligible Bank Deposits" on or around the 15th day of each calendar month (Reporting Date). The bank deposit sweep balances available on the Reporting Date may not reflect changes to your bank sweep deposit balances between the Reporting Date and the calendar month end. Balances in FDIC member banks in bank deposit sweep products are not protected by Securities Investor Protection Corporation (SIPC). Shares of a money fund or the balance of a bank deposit product held in your brokerage account may be liquidated upon request with the proceeds credited to your brokerage account. Please see the money fund's prospectus or the bank deposit product's disclosure document or contact your advisor for additional information.

### PERSHING LLC (BNY PERSHING) ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

BNY Pershing, as the custodian for your accounts, is required to disclose certain information to you on an annual basis. This document contains those disclosures.

### TRADING ACTIVITY DISCLOSURES

Account Number: RMB-041344  
800088625F110P-S0



Rated Excellent  
Every Year Since 2007  
DIA/BARRATED COMMUNICATIONS  
EXCELLENCE

Clearing through Pershing LLC, a wholly owned  
subsidiary of The Bank of New York Mellon  
Corporation (BNY)  
Pershing LLC, member FINRA, NYSE, SIPC



## Messages (continued)

### CREDIT INTEREST AND CHECK DISBURSEMENT

Under certain conditions, BNY Pershing earns revenue based on free credit balances in client accounts. A small number of firms share in a portion of that revenue. In situations where you request a check disbursement from your account, BNY Pershing will continue to earn revenue based on the amount of the check from the date that it is disbursed until its final settlement and payment. Free credit balances in your account are for investment purposes. If you currently maintain free credit balances in your account solely for the purpose of receiving credit interest and have no intention of investing the funds in the future, contact your firm to discuss your investment options.

### MUTUAL FUND FEES AND REVENUE SHARING

BNY Pershing provides operational services to mutual fund companies and receives fees for those services. These fees are paid to BNY Pershing for its work on behalf of the funds, such as dividend calculations and posting, accounting, reconciliation, client confirmation and statement preparation and mailing, and tax statement preparation and mailing.

Where applicable, BNY Pershing facilitates payments of SEC Rule 12b-1 fees received from mutual funds and paid to you or your firm. In limited circumstances, pursuant to agreements with certain firms, BNY Pershing retains a portion of those fees. BNY Pershing offers a mutual fund no-transaction-fee program called FundVest® and Offshore Flex (for nonUS clients). BNY Pershing receives fees from mutual funds that participate in FundVest and Offshore Flex. There are some firms that choose to participate in this program and have agreements with BNY Pershing to share in the fees received by BNY Pershing. These fees are considered revenue sharing and are a source of revenue for BNY Pershing and, where applicable, a source of revenue for your firm. These fees create an incentive for BNY Pershing to support these products on its platform.

### MONEY FUND AND BANK DEPOSIT SWEEP PRODUCT FEES AND REVENUE SHARING

Money fund and bank deposit sweep product processing fees and revenue sharing arrangements are a source of revenue for BNY Pershing and, where applicable, a source of revenue for your firm. Not all sweep products are available to all firms or accounts. For the money funds supported on its sweep platform available to all clients, BNY Pershing receives remuneration paid out of the total operating expenses of the fund, some of which include SEC Rule 12b-1 fees. If your firm selects a sweep product available to all clients that pays BNY Pershing remuneration, in most cases a portion of the fees BNY Pershing receives from money fund and bank deposit sweep product providers will be shared with your firm. In addition, BNY Pershing receives fees for providing access to its platform from money funds and bank deposit sweep product providers. In most cases, these fees are paid based on assets in the products. In certain circumstances, BNY Pershing shares these fees with your firm. Some firms have unique sweep products, where BNY Pershing does not receive fees from the sweep product provider. When BNY Pershing receives fees, a portion is applied against costs associated with providing services, including maintaining cash sweep systems, sub-accounting, dividend and interest calculations, posting, reconciliation, client statement preparation and distribution, tax statement preparation and distribution, marketing and distribution related support and other services. For a listing of money funds and bank deposit products that pay BNY Pershing revenue-sharing and processing fees, refer to <https://www.bny.com/pershing/us/en/disclosures>.

### FEES RECEIVED BY AFFILIATES

The Dreyfus money funds supported as sweep options by BNY Pershing, which may be offered to you by your firm, are managed by the funds' investment adviser, BNY Mellon Investment Adviser, Inc. (BNYMIA). BNYMIA has engaged its affiliate, Dreyfus, a division of Mellon Investments Corporation (MIC) to serve as sub-adviser. The funds are distributed by BNY Mellon Securities Corporation (BNYMSC). BNYMSC and BNYMIA are affiliates of BNY Pershing and BNYMSC receives compensation for delivering services to the Dreyfus money funds. The Dreyfus Insured Deposits products are bank deposit sweep products that automatically deposit swept funds into FDIC member participating banks (Program Banks), where swept balances receive pass through FDIC insurance coverage through those Program Banks. The Dreyfus Insured Deposits products are supported by BNY Pershing, and may be offered to you by your firm, operate through a private labelling arrangement with Dreyfus. BNY Pershing has appointed Dreyfus to provide certain services with respect to the operation of the Dreyfus Insured Deposits products. The Bank of New York Mellon is a state-chartered bank and BNY Mellon, National Association (BNY Mellon, N.A.) is a national banking association, both of which may act as Program Banks by participating in the bank deposit sweep products that BNY Pershing supports on its sweep platform. BNYMSC is a registered investment adviser and broker-dealer, and a subsidiary of BNYMIA. BNY Pershing, Pershing Advisor Solutions, BNYMSC, BNYMIA, The Bank of New York Mellon and BNY Mellon, N.A. are BNY companies. BNY is the corporate brand for The Bank of New York Mellon Corporation. BNY Pershing, Pershing Advisor Solutions and BNYMSC earn fees (which may or may not be account-based) based on the amount of money in the Dreyfus Money Funds and Dreyfus Insured Deposits products. Depending on the specific terms of the products offered, BNY Pershing and Pershing Advisor Solutions may earn a higher fee on balances in any of the bank deposit sweep products supported on the platform than in other sweep products, such as money funds. Based on the agreement between BNY Pershing and your firm, BNY Pershing, in its sole discretion, will share a portion of the fees it earns from the support of these sweep products with your firm, in which case your firm would earn fees on balances in these products, which may be higher than fees earned on

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8000868653TDP-SD



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MBS MULTI-BANK SECURITIES, INC.\*

1000 Town Center, Suite 2300  
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(800) 967-9045  
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June 1, 2026 - June 30, 2026  
CITY OF CANYON LAKE

### Messages (continued)

other money market products. The Bank of New York Mellon and BNY Mellon, N.A. may participate in bank deposit sweep products that BNY Pershing supports on its sweep platform. If they participate, the Bank of New York Mellon and BNY Mellon, N.A. will realize an economic benefit from balances received through the bank deposit sweep products on the BNY Pershing platform. The Program Banks, including the Bank of New York Mellon and BNY Mellon, N.A., do not have a duty to offer the highest rates available or rates that are comparable to money funds or those offered by other depository institutions.

#### SPONSORSHIP FEES

Third-party product and service providers (e.g., mutual fund companies, annuity companies, ETF providers, money market fund companies, money managers, alternative asset managers, fintech firms and business solution providers) provide sponsorship fee payments to BNY Pershing in connection with educational conferences, events, seminars and workshops for their clients. These payments cover the expenses of educational materials and/or other conference and event related expenses.

#### ADDITIONAL INFORMATION

Further detailed information regarding a number of the above topics can be found on our website at [www.bny.com/pershing/us/en/disclosures](http://www.bny.com/pershing/us/en/disclosures)

#### PERSHING LLC (BNY PERSHING) ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

BNY Pershing, as the custodian for your accounts, is required to disclose certain information to you on an annual basis. This document contains those disclosures.

#### TRADING ACTIVITY DISCLOSURES

##### FOREIGN CURRENCY TRANSACTIONS

BNY Pershing will execute foreign currency transactions as principal for your account. BNY Pershing's compensation for such transactions is based on the difference between the prevailing Foreign Exchange Interbank market and the rate applied at the time of the trade. Each currency conversion rate applied by BNY Pershing will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Some firms increase or decrease the currency conversion rate you are charged by BNY Pershing and such increase or decrease in the rate results in compensation to your firm. Conversion rates may differ from rates in effect on the date a dividend, interest payment or corporate action is credited or declared. Unless you instruct your firm otherwise, BNY Pershing automatically converts foreign currency to or from U.S. dollars for dividends, interest and corporate actions.

##### STOP ORDER ELECTION/TRIGGER

Equity odd-lot sales count toward consolidated and participant exchange volumes, but do not update the last-sale, open, close, high, or low price. Since odd-lot executions are not last-sale eligible, they will not trigger non-directed stop, stop-limit or trailing-stop orders routed to BNY Pershing for execution.

##### CONFIRMATION OF EXECUTIONS AND/OR CANCELLATIONS

Confirmations of executions and/or cancellation requests may be delayed, erroneous (e.g., due to computer system issues) or subject to further edits including cancellation by a market center. A customer is bound by the conditions of the actual order execution if consistent with the customer's order instructions. Further, requests to cancel an order are not



Messages (continued)

guaranteed, and will only be cancelled if received and applied to the still unexecuted order at the relevant market center. Customers may not assume that any order has been executed or cancelled until the customer has received a transaction or cancellation confirmation from BNY Pershing. Even in the event such execution or cancellation is reported to a customer, any reporting or posting errors, including errors in reporting or posting execution prices or cancellations, may be corrected to reflect what actually occurred in the marketplace. Note that during market hours, it is rarely possible to cancel a market order or a marketable limit order as such orders are subject to immediate execution.

BNY PERSHING'S IMPARTIAL LOTTERY PROCESS: PARTIAL CALLS

Information about BNY Pershing's impartial lottery process can be found at [www.bny.com/pershing/us/en/disclosures](http://www.bny.com/pershing/us/en/disclosures). A printed copy of this information is available by calling (888) 367-2563, option 3 then option 5.

When a security is subject to a partial redemption, BNY Pershing has procedures to treat you fairly. When an issuer initiates a partial call of securities, the depository holding such securities (typically, the Depository Trust and Clearing Corporation, or DTCC) conducts an impartial, computerized lottery using an incremental random number technique to determine the allocation of called securities to participants for which it holds securities on deposit (including BNY Pershing). Because DTCC's lottery is random and impartial, participants may or may not receive an allocation of securities selected for redemption. BNY Pershing conducts a similar, computer-generated random lottery. The lottery determines the accounts that will be selected and the number of securities in the account that will be redeemed. Allocations are based on the number of trading units held in the account. The probability of any trading unit held by an account being selected as called in a partial call is proportional to the total number of trading units held through BNY Pershing.

Once the lottery is complete, BNY Pershing notifies your firm which accounts have received an allocation. Securities registered in the client's name, either in transit or held in custody, are excluded from the BNY Pershing lottery process. BNY Pershing initiates the lottery process by identifying the accounts holding the called security, the total par value of the called securities held, and the trading unit of the security.

For example (unit of trade = \$25,000):

| Client Account | Par Value | Number of Trading Units |
|----------------|-----------|-------------------------|
| ABC-123234     | \$100,000 | 4                       |
| DEF-325465     | \$75,000  | 3                       |
| EDR-567433     | \$150,000 | 6                       |
| EGT-876574     | \$50,000  | 2                       |
| EGT-888345     | \$25,000  | 1                       |
| FRT-435234     | \$25,000  | 1                       |
| FRT-658797     | \$75,000  | 3                       |

In brief, the allocation process involves the following steps:

- The number of trading units held in each account is identified.
- A sequential number is assigned to each trading unit (e.g., account EDR-567433 would be assigned six numbers).
- A random number is generated that will result in one of these trading units being the first unit in the selection process.
- Thereafter, the trading units participating in the allocation are based on an incremental random number technique until the number of trading units allocated to BNY Pershing is exhausted.



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### Messages (continued)

#### Additional Information

- The allocation of called securities is not made on a pro-rata basis. Therefore, it is possible that a client may receive a full or partial redemption of shares held. Conversely, it is also possible that a client may not have any securities selected for redemption.
- When a partial call is deemed favorable to the holders of the called security, BNY Pershing will exclude certain accounts from the lottery. Excluded accounts will include BNY Pershing's proprietary and employee accounts, as well as proprietary and employee accounts of your firm (if BNY Pershing carries and clears those accounts). No allocation will be made to these proprietary and employee accounts until all other client positions at BNY Pershing in such securities have been called. When a partial call is deemed unfavorable to holders of the called security, BNY Pershing will not exclude any accounts from the lottery.
- If the partial call is made at a price above the current market price as captured in BNY Pershing's price reporting system, BNY Pershing will generally categorize the partial call as one that is favorable to the holders of such security. If the partial call is made at a price that is equal to or below the current market price of the security as captured in BNY Pershing's price reporting system, BNY Pershing will generally categorize that call as one that is unfavorable to holders of the security.
- Clients have the right to withdraw uncalled, fully paid securities from BNY Pershing at any time prior to the cut-off date and time established by the issuer, transfer agent and/or depository with respect to the partial call. Clients also have the right to withdraw excess margin securities, provided that the client account is not subject to restriction under Regulation T or that such withdrawal will not cause an under-margined condition.
- Impartial lottery is conducted based on settled positions as of the close of business the day prior to the publication date.

#### OTHER SOURCES OF REVENUE TO BNY PERSHING

As a custodian, BNY Pershing receives compensation from third parties for the services it provides to support certain products, including but not limited to, mutual funds, 529 plans, money funds, bank deposit sweep products, annuities, alternative investments, and exchange traded funds (ETFs).

### Cash Not Yet Received

| Security                                 | Record Date | Payable Date | Quantity Held | Rate     | Dividend Option | Amount of Payment |
|------------------------------------------|-------------|--------------|---------------|----------|-----------------|-------------------|
| <b>Interest</b>                          |             |              |               |          |                 |                   |
| DORT FINL CR UN GRAND BLANC MI SH CTF    | 06/30/26    | 07/01/26     | 247,000.0000  | 9.224657 | Cash            | 2,278.49          |
| LIVE OAK BKG CO WILMINGTON N C CTF DEP   | 06/30/26    | 07/01/26     | 249,000.0000  | 3.000000 | Cash            | 747.00            |
| SEVEN SEVENTEEN CR UN WARREN OHIO SH CTF | 06/16/26    | 07/01/26     | 247,000.0000  | 9.473972 | Cash            | 2,340.07          |

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## Cash Not Yet Received (continued)

| Security                                                                             | Record Date | Payable Date | Quantity Held | Rate     | Dividend Option | Amount of Payment |
|--------------------------------------------------------------------------------------|-------------|--------------|---------------|----------|-----------------|-------------------|
| <b>Interest (continued)</b><br>VIBRANT CR UN MOLINE IL SH CTF<br>3.800% 04/27/27 B/E | 06/30/26    | 07/01/26     | 249,000.0000  | 3.123287 | Cash            | 777.70            |
| <b>Total Cash Not Yet Received</b>                                                   |             |              |               |          |                 | <b>\$6,143.26</b> |

Assets shown here are not reflected in your account. This information has been received from sources we believe to be reliable. Pershing does not guarantee the accuracy of the information.

## Important Information and Disclosures

### The Role of Pershing

- **Pershing LLC, member FINRA, NYSE, carries your account as clearing broker pursuant to a clearing agreement with your financial institution.** Pershing is not responsible or liable for any acts or omissions of your financial institution or its employees and it does not supervise them. Pershing provides no investment advice nor does it assess the suitability of any transaction or order. Pershing acts as the agent of your financial institution and you agree that you will not hold Pershing or any person controlling or under common control with it liable for any investment losses incurred by you.
- Pershing performs several key functions at the direction of your financial institution. It acts as custodian for funds and securities you may deposit with it directly or through your financial institution or that it receives as the result of securities transactions it processes.
- Your financial institution is responsible for adherence to the securities laws, regulations and rules which apply to it regarding its own operations and the supervision of your account, its sales representatives and other personnel. Your financial institution is also responsible for approving the opening of accounts and obtaining account documents; the acceptance and, in certain instances, execution of securities orders; the assessment of the suitability of those transactions, where applicable; the rendering of investment advice, if any, to you and in general, for the ongoing relationship that it has with you.
- Inquiries concerning the positions and balances in your account may be directed to the **Pershing Customer Service Department at (201) 413-3333**. All other inquiries regarding your account or activity should be directed to your financial institution. Your financial organization's contact information can be found on the first page of this statement.
- For a description of other functions performed by Pershing please consult the Disclosure Statement provided to you upon the opening of your account. This notice is not meant as a definitive enumeration of every possible circumstance, but as a general disclosure. If you have any questions regarding this notice or if you would like additional copies of the Disclosure Statement, please contact your financial institution.
- Pershing is a member of the Securities Investor Protection Corporation (SIPC®). Please note that SIPC does not protect against loss due to market fluctuation. An explanatory brochure is available upon request at [www.sipc.org](http://www.sipc.org). In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits. For more detailed information please visit: [www.bny.com/pershing/us/en/about/strength-and-stability.html](http://www.bny.com/pershing/us/en/about/strength-and-stability.html)
- This statement will be deemed conclusive. You are advised to report any inaccuracy or discrepancy (including unauthorized trading) promptly, but no later than ten days after receipt of this statement, to your financial organization and Pershing. Please be advised that any oral communication should be re-confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act.
- Your financial organization's contact information can be found on the first page of this statement. Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330**. Errors and Omissions excepted.

### Important Arbitration Disclosures

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.



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CITY OF CANYON LAKE

### Important Information and Disclosures (continued)

#### Important Arbitration Agreement

Any controversy between you and Pershing LLC shall be submitted to arbitration before the Financial Industry Regulatory Authority. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (I) the class certification is denied; (II) the class is decertified; or (III) the client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein. The laws of the State of New York govern.

Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330.**



## TERMS AND CONDITIONS

### GENERAL INFORMATION

- WHENEVER YOU ARE INDEBTED TO PERSHING LLC ("BNY PERSHING") FOR ANY AMOUNT, ALL SECURITIES HELD BY IT FOR YOU IN ANY ACCOUNT IN WHICH YOU HAVE ANY INTEREST SHALL SECURE ALL YOUR LIABILITIES TO BNY PERSHING, AND BNY PERSHING MAY IN ITS DISCRETION AT ANY TIME, WITHOUT TENDER, DEMAND OR NOTICE TO YOU, CLOSE OR REDUCE ANY OR ALL OF YOUR ACCOUNTS BY PUBLIC OR PRIVATE SALE OR PURCHASE OR BOTH OF ALL OR ANY SECURITIES CARRIED IN SUCH ACCOUNTS; ANY BALANCE REMAINING DUE BNY PERSHING TO BE PROMPTLY PAID BY YOU.
- WHENEVER YOU ARE INDEBTED TO BNY PERSHING FOR ANY AMOUNT, ALL SECURITIES CARRIED FOR YOUR ACCOUNT ARE OR MAY BE, WITHOUT FURTHER NOTICE TO YOU, LOANED OR PLEDGED BY BNY PERSHING, EITHER SEPARATELY OR UNDER CIRCUMSTANCES WHICH WILL PERMIT THE COMMINGLING THEREOF, WITH OTHER SECURITIES FOR ANY AMOUNT LESS THAN, EQUAL TO OR GREATER THAN YOUR LIABILITIES TO BNY PERSHING, BUT NOT UNDER CIRCUMSTANCES FOR AN AMOUNT PROHIBITED BY LAW.
- BNY PERSHING MAY TRADE FOR ITS OWN ACCOUNT AS A MARKET MAKER, SPECIALIST, ODD LOT DEALER, BLOCK POSITIONER, ARBITRAGEUR, OR INVESTOR. CONSEQUENTLY, AT THE TIME OF ANY TRANSACTION YOU MAY MAKE, BNY PERSHING MAY HAVE A POSITION IN SUCH SECURITIES, WHICH POSITION MAY BE PARTIALLY OR COMPLETELY HEDGED.
- IF AVERAGE PRICE TRANSACTION IS INDICATED ON THE FRONT OF THIS STATEMENT YOUR FINANCIAL INSTITUTION OR BNY PERSHING MAY HAVE ACTED AS PRINCIPAL, AGENT, OR BOTH. DETAILS AVAILABLE UPON REQUEST.
- A FINANCIAL STATEMENT OF BNY PERSHING IS AVAILABLE FOR YOUR PERSONAL INSPECTION AT BNY PERSHING'S OFFICES. A COPY OF IT WILL BE MAILED UPON YOUR WRITTEN REQUEST OR YOU CAN VIEW IT ONLINE AT [www.bny.com/pershing](http://www.bny.com/pershing).
- FOR BUSINESS CONTINUITY AND ADDITIONAL DISCLOSURES: [www.bny.com/pershing/us/en/disclosures.html](http://www.bny.com/pershing/us/en/disclosures.html)
- THIS STATEMENT SHOULD BE RETAINED FOR YOUR RECORDS.

### TRANSACTIONS

- ALL ORDERS AND TRANSACTIONS SHALL BE SOLELY FOR YOUR ACCOUNT AND RISK SHALL BE SUBJECT TO THE CONSTITUTION, RULES, REGULATIONS, CUSTOMS, USAGES, RULINGS AND INTERPRETATIONS OF THE EXCHANGE OR MARKET AND THE CLEARING FACILITY, IF ANY, WHERE THE TRANSACTIONS ARE EXECUTED AND/OR SETTLED, OR IF APPLICABLE, OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY AND TO ALL APPLICABLE LAWS AND REGULATIONS.
- TITLE TO SECURITIES SOLD TO YOU, WHERE BNY PERSHING HAS ACTED AS PRINCIPAL, SHALL REMAIN WITH BNY PERSHING UNTIL THE ENTIRE PURCHASE PRICE IS RECEIVED OR UNTIL THE SETTLEMENT DATE, WHICHEVER IS LATER.
- YOU MAY HAVE RECEIVED CONFIRMATIONS FOR TRANSACTIONS WHICH DO NOT APPEAR ON YOUR STATEMENT. IF SO, THE TRANSACTIONS WILL APPEAR ON YOUR NEXT PERIODIC STATEMENT. SUCH TRANSACTIONS MUST BE CONSIDERED BY YOU WHEN COMPUTING THE VALUE OF YOUR ACCOUNT. THIS IS ESPECIALLY TRUE IF YOU HAVE WRITTEN OPTIONS WHICH HAVE BEEN EXERCISED.

**FREE CREDIT BALANCES:** ANY FREE CREDIT BALANCE CARRIED FOR YOUR ACCOUNT REPRESENTS FUNDS PAYABLE UPON DEMAND WHICH, ALTHOUGH PROPERLY ACCOUNTED FOR ON BNY PERSHING'S BOOKS OF RECORD, ARE NOT SEGREGATED AND MAY BE USED IN THE CONDUCT OF ITS BUSINESS.

**DEBIT BALANCES:** INTEREST CHARGED ON DEBIT BALANCES IN YOUR ACCOUNT APPEARS ON THE STATEMENT. THE RATE OF INTEREST AND PERIOD COVERED ARE INDICATED. THE RATE MAY CHANGE FROM TIME TO TIME DUE TO FLUCTUATIONS IN MONEY RATES OR OTHER REASONS. INTEREST IS COMPUTED AS DESCRIBED IN MATERIAL PREVIOUSLY FURNISHED TO YOU. PLEASE CONTACT YOUR FINANCIAL INSTITUTION IF YOU DESIRE ADDITIONAL COPIES.

**MARGIN INFORMATION:** IF YOU MAINTAIN A MARGIN ACCOUNT, THIS IS A COMBINED STATEMENT OF YOUR GENERAL ACCOUNT AND A SPECIAL MEMORANDUM ACCOUNT MAINTAINED FOR YOU UNDER REGULATION T OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. THE PERMANENT RECORD OF THE SEPARATE ACCOUNT AS REQUIRED BY REGULATION T IS AVAILABLE FOR YOUR INSPECTION UPON REQUEST.

### TAX INFORMATION

- AFTER YEAR END, BNY PERSHING IS REQUIRED TO PROVIDE TAX INFORMATION TO THE INTERNAL REVENUE SERVICE AND OTHER GOVERNMENTAL AUTHORITIES. AT THAT TIME BNY PERSHING WILL PROVIDE THAT INFORMATION ON THE ANNUAL TAX INFORMATION STATEMENT TO YOU; USE THAT STATEMENT TO PREPARE YOUR TAX FILINGS. THE TAX STATEMENT ALSO INCLUDES OTHER USEFUL INFORMATION TO ASSIST IN ACCUMULATING THE DATA TO PREPARE YOUR TAX RETURNS. DIVIDENDS, INTEREST AND OTHER DISTRIBUTIONS SHOWN ON THIS STATEMENT WERE CLASSIFIED AS TAXABLE OR NONTAXABLE BASED ON CERTAIN INFORMATION KNOWN AS OF THE DISTRIBUTION DATE. THIS CLASSIFICATION IS SUBJECT TO CHANGE AND IS SOLELY INTENDED FOR USE AS GENERAL INFORMATION.

- BNY PERSHING DOES NOT PROVIDE TAX, INVESTMENT OR LEGAL ADVISORY SERVICES AND NO ONE ASSOCIATED WITH BNY PERSHING IS AUTHORIZED TO RENDER SUCH ADVICE. DO NOT RELY UPON ANY SUCH ADVICE, IF GIVEN. INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE APPROPRIATE TAX TREATMENT OF THEIR BUSINESS.

### PAYMENT FOR ORDER FLOW AND ORDER ROUTING POLICY DISCLOSURES [REGULATION NMS – RULE 607 (A) (1) – (2)]

BNY PERSHING SENDS EQUITY AND OPTION ORDERS TO EXCHANGES, OR BROKER-DEALERS AS MARKET MAKERS OR AUTOMATED TRADING SYSTEMS (ATSS). CERTAIN OF THESE VENUES PROVIDE PAYMENTS TO BNY PERSHING OR CHARGE ACCESS FEES TO BNY PERSHING DEPENDING UPON THE CHARACTERISTICS OF THE ORDER AND ANY SUBSEQUENT EXECUTION. THE DETAILS OF THESE PAYMENTS AND FEES ARE AVAILABLE UPON WRITTEN REQUEST. COMPENSATION IS GENERALLY IN THE FORM OF A PER SHARE OR PER OPTION CONTRACT CASH PAYMENT. IN ADDITION, BNY PERSHING EXECUTES CERTAIN TRANSACTIONS IN EQUITY PREFERRED SECURITIES AND FRACTIONAL SHARES AS PRINCIPAL. BNY PERSHING ALSO ROUTES CERTAIN EQUITY ORDERS TO ITS AFFILIATE, BNY MELLON CAPITAL MARKETS, LLC, FOR EXECUTION AS PRINCIPAL.

**BEST EXECUTION:** NOTWITHSTANDING THE PREVIOUS PARAGRAPH REGARDING PAYMENT FOR ORDER FLOW, BNY PERSHING SELECTS CERTAIN MARKET CENTERS TO PROVIDE EXECUTION OF OVER-THE-COUNTER AND EXCHANGE-LISTED SECURITIES TRANSACTIONS WHICH AGREE TO ACCEPT ORDERS, TRANSMITTED ELECTRONICALLY UP TO A SPECIFIED SIZE, AND TO EXECUTE THEM AT OR BETTER THAN THE NATIONAL BEST BID OR OFFER (NBBO). IN CERTAIN SECURITIES THAT ARE NOT ELECTRONICALLY QUOTED, BNY PERSHING DIRECTLY CONTACTS MARKET CENTERS TO OBTAIN AN EXECUTION. THE DESIGNATED MARKET CENTERS TO WHICH ORDERS ARE AUTOMATICALLY ROUTED ARE SELECTED BASED ON THE CONSISTENT HIGH QUALITY OF THEIR EXECUTIONS AND THEIR ABILITY TO PROVIDE OPPORTUNITIES FOR EXECUTIONS AT PRICES SUPERIOR TO THE NBBO. BNY PERSHING ALSO REGULARLY REVIEWS REPORTS FOR QUALITY OF EXECUTION PURPOSES.

IF ANY OF THE ABOVE TERMS AND CONDITIONS ARE UNACCEPTABLE TO YOU, PLEASE NOTIFY BNY PERSHING IMMEDIATELY IN WRITING BY CERTIFIED MAIL TO ONE PERSHING PLAZA, JERSEY CITY, NJ 07399, ATTN: LEGAL DEPT

Account Number: RMB-041344  
80008686CSTMDP-SD



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## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Jeff LaTendresse, Fire Chief

DATE: 08/05/2026

SUBJECT: Consideration of a Resolution Authorizing the City Manager to Enter into a Lease/Purchase Agreement with PNC Equipment Finance, LLC, for a New Type I Fire Engine in the Amount of \$1,136,301.95

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**Recommendation:**

Adopt Resolution No. 2026-36 authorizing the City Manager to enter into a Lease/Purchase Agreement with PNC Equipment Finance, LLC, for a new Type I structural fire engine in the amount of \$1,136,301.95.

**Background/Analysis:**

At the October 11, 2023, City Council meeting, the City Council approved the purchase of a new Type I structural fire engine from South Coast Fire Equipment of Corona. The engine will be built by Pierce Manufacturing and will be delivered in approximately forty-three to forty-six months. The fire engine will be Lease/Purchased through PNC Equipment Finance, LLC, and as part of the lease agreement a Resolution is required. The engine is expected to be delivered to the City in May 2027.

**Fiscal Impact Yes/No:** No**Additional Fiscal Information:**

None with the adoption of the Resolution. The first lease payment will not be due until August of FY 2027/2028. The cost of the new engine is \$1,176,148.24, and the City received a prepayment discount of \$39,846.29, leaving a balance of \$1,136,301.95. This amount will be leased on a ten-year term with an annual payment of \$151,547.06 at a 5.61% interest rate. The proposed costs will be included in the City's future financial projections.

**Attachments:**

- 1 - Resolution
- 2 - Terms

## **RESOLUTION NO. 2026-36**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADOPTING A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE/PURCHASE AGREEMENT WITH PNC EQUIPMENT FINANCE, LLC, FOR A NEW TYPE I FIRE ENGINE IN THE AMOUNT OF \$1,176,148.24**

**WHEREAS**, the City of Canyon Lake is a political subdivision of the State in which Municipality is located (the “State”) and is duly organized and existing pursuant to the Constitution and laws of the State. and

**WHEREAS**, South Coast Fire Equipment is a local vendor for Pierce Manufacturing which provides fire engines for the Cities of Murrieta, Riverside, Palm Springs, Cathedral City; and

**WHEREAS**, the Houston-Galveston Area Council (H-GAC) conducted a competitive bid process and has obtained competitive pricing for such vehicles and participating members; and

**WHEREAS**, THE City is authorized under the Canyon Lake Municipal Code section 3.08.360 to award contracts for materials, supplies, equipment or services; and

**WHEREAS**, the lease/purchase agreement will commence in August, 2027; and

**WHEREAS**, PNC Bank, National Association (“Lessor”) shall act as Lessor under said Leases.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The City Council authorizes the City Manager, or their designee, enter into a lease/purchase agreement for (1) Type I structural fire engine from PNC Equipment Finance through H-GAC for a purchase cost of \$1,176,148.24.

**Section 3.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 4.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**Section 5.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 5th day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

---

Sheryl L. Garcia, MMC, CPM  
City Clerk





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## Tax Exempt Lease Purchase

|                          |                             |                                                          |
|--------------------------|-----------------------------|----------------------------------------------------------|
| SALES ORGANIZATION:      | South Coast – Bryden Newell | 7/27/2026                                                |
| LESSEE:                  | City of Canyon Lake         | Contact information:                                     |
| TYPE OF EQUIPMENT:       | One (1) Pierce PUC Pumper   | Kim Simon                                                |
| EQUIPMENT COST:          | \$1,176,148.24              | Locator: B4-B230-06-07                                   |
| PREPAYMENT DISCOUNTS:    | \$39,846.29                 | 155 East Broad St                                        |
| AMOUNT TO FINANCE:       | \$1,136,301.95              | Columbus, OH 43215                                       |
| DELIVERY TIME:           | Per Contract                | Ph: 614-670-3994                                         |
| PAYMENT MODE:            | Annual In Arrears           | Fax (866) 852-3101                                       |
| FIRST PAYMENT DUE DATE:  | August 2027                 | <a href="mailto:Kim.simon@pnc.com">Kim.simon@pnc.com</a> |
| LEASE COMMENCEMENT DATE: | August 2026                 |                                                          |

|                    |              |
|--------------------|--------------|
| Term               | 10 years     |
| Number of Payments | 10 Annual    |
| Payment Amount     | \$151,547.06 |
| Interest rate:     | 5.61%        |

**NOTE:** All lease documents must be fully executed within 7 days of the date of this proposal. Failure to receive completed documents may alter the final payment schedule due to changes in rates and/or discounts.

**PERFORMANCE BOND:** To utilize the prepay program, a performance bond is required. Said performance bond shall be paid for directly to Pierce Manufacturing or financed by PNC Equipment Finance as part of the transaction

**ESCROW FUNDING OPTION:** At lease closing, if all of the equipment has not yet been delivered, Lessor will fund an escrow account from which disbursements will be made to the equipment provider(s) upon receipt of a Requisition Request and Certificate of Acceptance from Lessee. Escrow agent will either be Lessor or third-party provider selected by Lessor and approved by Lessee. All escrow earnings will be for the benefit of Lessee. The escrow agent will assess a \$250.00 account set up fee payable at closing.

**TYPE OF FINANCING:** Tax-exempt Lease Purchase Agreement with a \$1.00 buy out option at end of lease term. Said agreement shall be a net lease arrangement whereby lessee is responsible for all costs of operation, maintenance, insurance, and taxes.

**BANK QUALIFICATION:** This proposal assumes that the lessee will not be issuing more than \$10 million in tax-exempt debt this calendar year. Furthermore, it is assumed that the lessee will designate this issue as a qualified tax-exempt obligation per the tax act of 1986.

**LEGAL TITLE:** Legal title to the equipment during the lease term shall vest in the lessee, with PNC Equipment Finance perfecting a first security interest

**AUTHORIZED SIGNORS:** The lessee's governing board shall provide PNC Equipment Finance with its resolution or ordinance authorizing this agreement and shall designate the individual(s) to execute all necessary documents used therein.

**LEGAL OPINION:** The lessee's counsel shall furnish PNC Equipment Finance with an opinion covering this transaction and the documents used herein. This opinion shall be in a form and substance satisfactory to PNC Equipment Finance.

**VOLUNTEER FIRE DEPARTMENTS:** If Lessee is a Volunteer Fire Department, a public hearing under the requirements of Section 147(f) of the Internal Revenue Code of 1986 shall be conducted to authorize this transaction. It is recommended that a notice of the public hearing be published 10 to 14 days in advance of the public hearing.

This proposal will be valid for Seven Days (7) from the above date and is subject to final credit approval by PNC Equipment Finance and approval of the lease documents in PNC Equipment Finance's sole discretion. To render a credit decision, lessee shall provide PNC Equipment Finance with their most recent three years' audited financial statements, copy of their most recent interim financial statement, and current budget.

Accepted by: \_\_\_\_\_ Proposal submitted by Kim Simon



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Ruby Manzano, Community Development Manager

DATE: 08/05/2026

SUBJECT: Consideration of a Resolution Authorizing the City's Participation in the County of Riverside Urban County Program for Federal Fiscal Years 2027-2028, 2028-2029, 2029-2030 and Approving the Execution of a Cooperation Agreement with the County

### **Recommendation:**

Adopt Resolution No. 2026-37 authorizing the City's participation in the County of Riverside Urban County Program for Federal Fiscal Years 2027-2028, 2028-2029, and 2029-2030, approving the Cooperation Agreement between the County of Riverside and the City of Canyon Lake, and authorizing the City Manager to execute the agreement on the City's behalf.

### **Background/Analysis:**

The County of Riverside administers the Urban County Program, which enables participating local jurisdictions to receive and benefit from federal housing and community development funding administered by the U.S. Department of Housing and Urban Development (HUD). Through the Urban County Program, participating agencies may be eligible to receive funding through the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG).

To continue participating in the Urban County Program, the City of Canyon Lake must enter into a Cooperation Agreement with the County of Riverside for Federal Fiscal Years 2027-2028, 2028-2029, and 2029-2030. The agreement establishes the City's participation as a cooperating unit of local government and allows the County to include the City in its Urban County designation and Consolidated Planning process.

Participation in the Urban County Program preserves the City's eligibility to apply for and receive federal funding opportunities that may support future community development, public facility improvements, housing, and eligible public service projects. The Cooperation Agreement also allows the City to participate in the County's required planning efforts associated with these federal grant programs.

Approval of the Cooperation Agreement ensures the City remains eligible to participate in the program throughout the three-year term and maintains access to potential funding opportunities administered through the County. Although the County has requested that the Cooperation Agreement be executed by July 31, the City was granted an extension because the City Council does not have a meeting scheduled in July.

**Fiscal Impact Yes/No:** No

**Additional Fiscal Information:**

No fiscal impact

**Attachments:**

- 1 - Resolution
- 2 - Participation Letter
- 3 - Cooperation Agreement

**RESOLUTION NO. 2026-37**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING PARTICIPTION IN THE COUNTY OF RIVERSIDE’S URBAN COUNTY PROGRAM FOR FISCAL YEARS 2027-2028, 2028-2029, AND 2029-2030**

**WHEREAS**, the City of Canyon Lake (“City”) is a municipal corporation in the County of Riverside, State of California and

**WHEREAS**, City of Canyon Lake has elected to participate as unit of local government (Cooperating City) in the County of Riverside’s Urban County Program for Federal Fiscal Years 2027-28, 2028-29, and 2029-30; and

**WHEREAS**, the Cooperation Agreement will allow the County and City to carry-out activities which are funded by Community Development Blog Grant (CDBG), Home Investment Partnerships Program (HOME) funds, and Emergency Solutions Grant (ESG); and

**WHEREAS**, the Cooperation Agreement will allow the cooperating City to participate in the Urban County Consolidated Planning Programs.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The Cooperation Agreement between the County of Riverside and the City of Canyon Lake is hereby approved.

**Section 3.** The City Council hereby authorizes and directs the City Manager to execute the Cooperation Agreement on behalf of the City of Canyon Lake.

**Section 4.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 5.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 5th day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

---

Sheryl L. Garcia, MMC, CPM  
City Clerk



June 23, 2026

Arron Brown, City Manager  
City of Canyon Lake  
31516 Railroad Canyon Road,  
Canyon Lake, CA 92587

**SUBJECT: Cooperation Agreement for Urban County Qualification 2027-2029;  
Community Development Block Grant, HOME Investment  
Partnerships Program, and Emergency Solutions Grant.**

Dear Mr. Brown:

This letter serves to confirm the City of Canyon Lake's election to participate in the County of Riverside's Community Development Block Grant, Emergency Solutions Grant, and HOME Urban County programs for Federal Fiscal Years 2027-28, 2028-29, and 2029-30 (July 1, 2027, through June 30, 2029).

Cities that have chosen to be included in the designation must enter into a cooperation agreement no later than July 31, 2026. During the three-year period beginning July 1, 2027, and ending June 30, 2029, cities will not be allowed to withdraw from the County's urban program. Any unincorporated portion of the County that incorporates, or is annexed, during the qualification period will remain a part of the urban county through the end of the period.

Execution of the Cooperation Agreement and adoption of the resolution allows the City of Canyon Lake to participate in the County's CDBG, HOME, and ESG programs. Consequently, the City is ineligible to apply for grants under HUD's Small Cities (State CDBG) programs, and the City cannot receive funding through a HOME consortium, for the fiscal years during the period in which you are participating in the Urban County program.

The Cooperation Agreement complies with current HUD requirements and cannot be altered or modified. In addition, your City Council must adopt a resolution confirming participation in the County's program. We have enclosed a sample resolution; please incorporate all of the text contained in the sample into your City's resolution format.

Please return the following documents to HWS, no later than **July 31, 2026**:

- Executed *Cooperation Agreement* (3-originals);
- Resolution adopted by City Council confirming participation in the Urban County program; and
- Copy of the City Council minute order approving the *Cooperation Agreement*.

Your assistance in meeting the required deadline of **July 31, 2026**, is critical, as there will be no allowable extension beyond this date. If you have any questions, please contact my office at (951) 955-5933 or [SOrozco@rivco.org](mailto:SOrozco@rivco.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'Susana Orozco', with a stylized, flowing script.

Susana Orozco  
CDBG/ESG Programs

Enclosures: Cooperation Agreement and Sample Resolution



**COOPERATION AGREEMENT  
FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT,  
HOME INVESTMENT PARTNERSHIPS PROGRAM, AND  
EMERGENCY SOLUTIONS GRANT  
FOR FISCAL YEARS 2027, 2028, 2029**

This Cooperation Agreement for the Community Development Block Grant, HOME Investment Partnerships Program, and the Emergency Solutions Grant for Fiscal Years 2027, 2028, and 2029, hereinafter referred to as "Agreement" is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2026, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and CITY OF CANYON LAKE, an incorporated municipality within the geographical boundaries of the COUNTY, hereinafter referred to as "CITY." City and County individually referred to herein as "Party" and collectively as the "Parties."

**RECITALS**

**WHEREAS**, the Housing and Community Development Act of 1974, as amended (42 U.S.C.A. § 5301 et seq.) (Public Law 93-383), hereinafter called "ACT", provides that Community Development Block Grant funds hereinafter referred to as "CDBG", may be used for the support of activities that provide decent housing, suitable living environments, and expanded economic opportunities principally for persons of low and moderate-income; and

**WHEREAS**, the HOME Investment Partnerships Act program, hereinafter referred to as "HOME," was enacted as Title II of the National Affordable Housing Act of 1990, for the purposes of: expanding the supply of decent, affordable housing for low and very-low income families with emphasis on rental housing; building State and local capacity to carry out affordable housing programs; and providing for coordinated assistance to participants in the development of affordable low-income housing; and

**WHEREAS**, the Emergency Solutions Grant, hereinafter referred to as "ESG," was authorized by the McKinney-Vento Homeless Assistance Act of 1987 and the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The objectives of the ESG program are to increase the number and quality of emergency shelters and transitional

1 housing facilities for homeless individuals and families, to operate these facilities and provide  
2 essential social services, and to help prevent homelessness;

3 **WHEREAS**, CDBG regulations require counties to re-qualify as an Urban County under  
4 the CDBG program every three (3) years.

5 **WHEREAS**, the chief executive officer of the COUNTY is authorized to execute this  
6 Agreement pursuant to Riverside County Ordinance No. 442.

7 **WHEREAS**, the City Manager or Mayor of CITY is authorized to execute this Agreement  
8 on the CITY's behalf.

9 **WHEREAS**, the COUNTY Board of Supervisors on July 14, 2026 via Minute Order  
10 30623 authorized the COUNTY Director of Housing and Workforce Solutions to execute this  
11 agreement on behalf of the COUNTY.

12 **NOW THEREFORE**, in consideration of the mutual covenants herein set forth and the  
13 mutual benefits to be derived there from, the parties agree as follows:

14 1. GENERAL.

15 (a). This Agreement gives COUNTY authority to undertake, or assist in  
16 undertaking, activities for Fiscal Years 2027, 2028, and 2029, that will be funded from the CDBG,  
17 HOME, and ESG programs and from any program income generated from the expenditure of such  
18 funds. COUNTY and CITY agree to cooperate, to undertake, or to assist in undertaking,  
19 community renewal and lower-income housing assistance activities. COUNTY is qualified as an  
20 "Urban County" under the ACT. CITY, by executing this Agreement, hereby gives notice of its  
21 election to participate in an Urban County's Community Development Block Grant (CDBG),  
22 Home Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs,  
23 hereinafter referred to as "Urban County Programs".

24 (b). By executing this Agreement, CITY understands that it may not apply for  
25 grants from appropriations under the Small Cities or State CDBG Programs for fiscal years during  
26 the period in which it participates in the Urban County's CDBG program, and that CITY may only  
27 participate in the HOME program through the COUNTY'S Urban County Programs, not a HOME  
28

consortium. The CITY may also apply for HOME funds from the State of California, if permitted by the State.

(c). By executing this Agreement, CITY understands that it may only receive a formula allocation of ESG funds through the COUNTY'S Urban County Programs. The CITY may also apply for ESG funds from the State of California, if permitted by the State.

## 2. TERM.

The term of this Agreement shall be for three (3) years commencing on October 1, 2026, and expiring on September 30, 2029, unless an earlier date of termination is fixed by U.S.

Department of Housing and Urban Development, hereinafter called HUD, pursuant to ACT.

This Agreement shall remain in effect until funds granted and program income received during the three-year program period are expended and the funded activities completed.

Neither the COUNTY nor the CITY may terminate, withdraw, or be removed from the program during the three-year program period.

This Agreement will renew automatically for participation in one successive three-year Urban County qualification period (Federal Fiscal Years 2027-29), unless the CITY or the COUNTY provides written notice to the other party that it elects not to participate in a new qualification period. The terminating party shall send a copy of the notice of termination to the HUD field office by the date specified on the HUD Exchange Urban Counties website. By executing this Agreement, the CITY acknowledges that it has been notified in writing of the CITY's right to make this election. A copy of this Agreement will be sent to the HUD field office by the date specified on the HUD Exchange Urban Counties website.

The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the agreement for such qualification period.

## 3. PREPARATION OF FEDERALLY REQUIRED FUNDING APPLICATIONS.

The County of Riverside Housing and Workforce Solutions, subject to approval of COUNTY's Board of Supervisors, shall be responsible for preparing and submitting to the U.S.

1 Department of Housing and Urban Development (HUD), in a timely manner, all reports and  
2 statements required by the ACT and the Federal regulations promulgated by HUD to secure  
3 entitlement grant funding under the CDBG, HOME, and ESG programs. This duty shall include  
4 the preparation and processing of COUNTY Housing, Community, and Economic Development  
5 Needs Identification Report, Citizen Participation Plan, the County Five-Year Consolidated Plan,  
6 One-Year Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER), and  
7 other related programs which satisfy the application requirements of ACT and its regulations.

8 4. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND  
9 OTHER APPLICABLE STATUTES, REGULATIONS AND ORDINANCES.

10 (a) COUNTY and CITY will comply with the applicable provisions of the  
11 ACT and those Federal regulations promulgated by HUD pursuant thereto, as the same currently  
12 exists or may hereafter be amended.

13 (b) The COUNTY and CITY are hereby obligated to take all actions  
14 necessary to assure compliance with COUNTY's certification regarding affirmatively furthering  
15 fair housing pursuant to Section 104 (b) of Title I of ACT, as amended.

16 (c) COUNTY and CITY will comply with the applicable provisions of  
17 the following: National Environmental Policy Act of 1969; Title VI of the Civil Rights Act of 1964  
18 and the implementing regulations at 24 CFR Part 1; The Fair Housing Act, Title VIII of the Civil  
19 Rights Act of 1968, the implementing regulations at 24 CFR Part 100, and the duty to affirmatively  
20 further fair housing (AFFH); Title 24 Code of Federal Regulations part 570; Cranston-Gonzales  
21 National Affordable housing Act (Public Law 101-625); Executive Order 11063, as amended by  
22 Executive Order 12259; Executive Order 11988; the Uniform Relocation Assistance and Real  
23 Property Acquisition Policies Act of 1970 (42 U.S.C. §4630, et. seq.); Section 109 of Title I of the  
24 ACT and implementing regulations at 24 CFR part 6, including Section 504 of the Rehabilitation  
25 Act of 1973 and the implementing regulations at 24 CFR Part 8, Title II of the Americans with  
26 Disabilities Act and the implementing regulations at 28 CFR part 35, the Age Discrimination Act  
27 of 1975 and the implementing regulations at 24 CFR part 146, Section 3 of the Civil Rights Act of  
28 1963, as amended, Section 3 of the Housing and Urban Development Act of 1968, the Uniform

1 Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the implementing  
2 regulations at 49 CFR Part 24, and Section 104(d) of the Act and implementing regulations at 24  
3 CFR Part 42; and other Federal or state statute or regulation applicable to the use of CDBG, HOME  
4 Investment Partnerships Act (enacted as Title II of the National Affordable Housing Act of 1990),  
5 and Emergency Solutions Grant funds.

6 (d) CITY agrees that the Urban County Program funding for activities in, or in  
7 support of, the CITY are prohibited if CITY does not affirmatively further fair housing within  
8 CITY'S jurisdiction or impedes COUNTY actions to comply with its fair housing certification.

9 (e) CITY and COUNTY shall meet the citizen participation requirements of 24  
10 CFR 570.301 and provide Urban County Program citizens with all of the following:

11 i. The estimate of the amount of CDBG funds proposed to be used for  
12 activities that will benefit persons of low and moderate-income;

13 ii. A plan for minimizing displacement of persons as a result of  
14 activities assisted with CDBG funds and to assist persons actually displaced as a result of such  
15 activities;

16 iii. A plan that provides for and encourages citizen participation, with  
17 particular emphasis on participation by persons of low and moderate-incomes, residents of slum  
18 and blighted areas, and of areas in which funds are proposed to be used, and provides for  
19 participation of residents in low and moderate-income neighborhoods;

20 iv. Reasonable and timely access to local meetings, information, and  
21 records relating to the grantee's proposed use of funds, as required by the regulations of the  
22 Secretary, and relating to the actual use of funds under the ACT;

23 v. Provide for public meetings to obtain citizen views and to respond  
24 to proposals and questions at all stages of the community development program, including at least  
25 the development of needs, the review of proposed activities and review of program performance.  
26 Meeting shall be held after adequate notice, at times and locations convenient to potential or actual  
27 beneficiaries, and with accommodation for the disabled.

1 (f). CITY shall develop a community development plan, for the period of this  
2 Agreement, which identifies community development and housing needs and specifies both short  
3 and long-term community development objectives.

4 (g). CITY certifies, to the best of its knowledge and belief, that:

5 i. No Federal appropriated funds have been paid or will be paid, by or  
6 on behalf of the CITY, to any person influencing or attempting to influence an officer or employee  
7 of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a  
8 Member of Congress, in connection with the awarding of any Federal contract, the making of any  
9 Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and  
10 the extension, continuation, renewal, amendment or modification of any Federal contract, grant,  
11 loan or cooperative agreement.

12 ii. If any funds other than Federally-appropriated funds have been paid  
13 or will be paid to any person for influencing or attempting to influence an officer or employee of  
14 any agency, a Member of Congress, an officer or employee of Congress, or an employee of a  
15 Member of Congress, in connection with this Federal contract, grant, loan, or cooperative  
16 agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to  
17 Report Lobbying", in accordance with its instructions.

18 iii. The CITY shall require that the language provided in Sections 4(c)  
19 of this Agreement be included in the award documents for all sub-awards at all tiers (including  
20 subcontracts, sub- grants and contracts under grants, loans, and cooperative agreements) and that  
21 all sub-recipients shall certify and disclose accordingly. This certification is a material  
22 representation of fact upon which reliance was placed when this transaction was made or entered  
23 into.

24 (iv). In accordance with Section 519 of Public Law 101-144, (the 1990  
25 HUD Appropriations Act), the CITY certifies that it has adopted and is enforcing a policy  
26 prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against  
27 any individuals engaged in non-violent civil rights demonstrations, and that it has adopted and is  
28 enforcing applicable State and local laws against physically barring entrance to, or exit from, a

1 facility or location which is the subject of such non-violent civil rights demonstrations within its  
2 jurisdiction.

3 5. COMPLIANCE WITH POLICY AND PROGRAM OBJECTIVES.

4 The COUNTY's Board of Supervisors have adopted policies and procedures to  
5 ensure efficient and effective administration of the CDBG, HOME and ESG programs. COUNTY  
6 will provide these policies and procedures to CITY within a reasonable time after this Agreement's  
7 commencement date. COUNTY and City agree to comply with these said policies and program  
8 objectives and to take no actions to obstruct implementation of the approved 2024-2029 Five Year  
9 Consolidated Plan and the subsequent Five-Year Consolidated Plan.

10 6. OTHER AGREEMENTS

11 Pursuant to Federal regulations at 24 CFR 570.501(b), CITY is subject to the same  
12 requirements applicable to sub-recipients, including the requirement of a written agreement set  
13 forth in Federal regulations at 24 CFR 570.503. For each fiscal year during the term of this  
14 Agreement, COUNTY and CITY shall enter into an additional agreement, commonly known as a  
15 Supplemental Agreement, that will have a term coinciding with a CDBG Program Year and  
16 enumerate the project(s) CITY will implement with its entitlement funds. Said Supplemental  
17 Agreement will set forth the time schedule for completion of said project(s) and any funding  
18 sources, in addition to entitlement funds, that will be used in completing the project(s). If  
19 substantial compliance with the completion schedule, due to unforeseen or uncontrollable  
20 circumstances, cannot be met by CITY, the schedule for the project(s) may be extended by  
21 COUNTY. If COUNTY determines that substantial progress toward drawdown of funds is not  
22 made during the term of the Supplemental Agreement, the entitlement funds associated with the  
23 project(s) may be reprogrammed by COUNTY, to other activities as determined by COUNTY,  
24 after COUNTY provides appropriate written notice to CITY. COUNTY's decision not to extend  
25 the completion schedule associated with the project(s), or to reprogram the entitlement funds  
26 associated with the project(s), will not excuse CITY from complying with terms of this Agreement.

27 7. DETERMINATION OF PROJECTS TO BE FUNDED AND  
28 DISTRIBUTION OF ENTITLEMENT FUNDS.

1 CITY agrees to submit to COUNTY in writing, no later than the date specified by  
2 COUNTY prior to each program year, the activities that the CITY desires to implement with its  
3 entitlement funds, said designation to comply with statutory and regulatory provisions governing  
4 citizen's participation. Said designation is to be reviewed by the COUNTY's Housing and  
5 Workforce Solutions to determine that the projects are eligible under Federal regulations for  
6 funding and inclusion in the One Year Action Plan of the County's Five-Year Consolidated Plan  
7 and consistent with both Federal and COUNTY policy governing use of Community Development  
8 Block Grant (CDBG) funds.

9 In the event that CITY fails to submit to COUNTY the identified activities that the  
10 CITY desires to implement with its entitlement funds by the date specified prior to each program  
11 year, the COUNTY may determine the activities to be funded, without consent of the CITY,  
12 consistent with both Federal and COUNTY policy governing use of Community Development  
13 Block Grant (CDBG) funds.

14 Consistent with Sections 3, 4, 5, 6, and 7 of this Agreement, COUNTY's Board of  
15 Supervisors will make the final determination of the distribution and disposition of all CDBG  
16 funds received by COUNTY pursuant to the Act.

17 8. COMMUNITY DEVELOPMENT BLOCK GRANT MANUAL.

18 CITY warrants that those officers, employees, and agents, retained by it and  
19 responsible for implementing projects funded with CDBG have received, reviewed, and will  
20 follow the Community Development Block Grant Manual that has been prepared and amended by  
21 COUNTY, which Manual is incorporated herein and made a part hereof by this reference.

22 9. REAL PROPERTY ACQUIRED OR PUBLIC FACILITY  
23 CONSTRUCTED WITH CDBG FUNDS.

24 When CDBG funds are used, in whole or in part, by CITY to acquire real property  
25 or to construct a public facility, CITY shall comply with the National Environmental Policy Act  
26 of 1969 (42 U.S.C. § 4321, et seq.), the California Environmental Quality Act (Cal. Pub. Resources  
27 Code § 21000, et seq.), the Uniform Relocation Assistance and Real Property Acquisition Policies  
28 Act of 1970 (42 U.S.C. § 4630, et seq.), and California Government Code Sections 7260 et seq.,



1 as those laws may be amended from time-to-time and any Federal or state regulations issued to  
2 implement the aforementioned laws.

3 In addition, the following is to occur:

4 (a) Title to the real property shall vest in CITY;

5 (b) The real property title will be held by or the constructed facility will be  
6 maintained by the CITY for the approved use until five years after the date that the CITY is no  
7 longer considered by HUD to be a part of the metropolitan city or urban county, pursuant to 24  
8 CFR 570.501(b).

9 (c) While held by CITY, the real property or the constructed facility is to be  
10 used exclusively for the purpose for which acquisition or construction was originally approved by  
11 COUNTY;

12 (d) CITY shall provide timely written notice to COUNTY of any action which  
13 would result in a modification or change in the use of the real property purchased or improved, in  
14 whole or in part, with CDBG or HOME funds from that planned at the time of acquisition or  
15 improvement, including disposition.

16 (e) CITY shall provide timely written notice to citizens and opportunity to  
17 comment on any proposed modification or change;

18 (f) Written approval from COUNTY must be secured if the property or the  
19 facility is to be put to an alternate use that is or is not consistent with Federal regulations governing  
20 CDBG funds;

21 (g) Should CITY desire during the five (5) year period to use the real property  
22 or the constructed facility for a purpose not consistent with applicable Federal regulations  
23 governing CDBG funds or to sell the real property or facility, then:

24 (i) If CITY desires to retain title, it will have to reimburse either COUNTY  
25 or the Federal government an amount that represents the percentage of current fair market value  
26 that is identical to the percentage that CDBG funds initially comprised when the property was  
27 acquired or the facility was constructed;

28 (ii) If CITY sells the property or facility, or is required to sell the property

or facility, CITY is to reimburse the COUNTY an amount that represents the percentage of proceeds realized by the sale that is identical to the percentage that CDBG funds comprised of the monies paid to initially acquire the property or construct the facility. This percentage amount will be calculated after deducting all actual and reasonable cost of sale from the sale proceeds.

10. DISPOSITION OF INCOME GENERATED BY THE EXPENDITURE OF CDBG FUNDS.

CITY shall inform COUNTY in writing of any income generated by the expenditure of CDBG funds received by CITY from COUNTY. CITY may not retain program income so generated. Any and all program income shall be returned to the County and may only be used for eligible activities in accordance with all CDBG requirements, including all requirements for citizen participation.

The COUNTY is required by HUD to monitor and report the receipt and use of all program income. CITY is required to track, monitor, and report any and all program income as requested by COUNTY.

11. TERMINATION.

Except as provided for in Section 2, CITY and COUNTY cannot terminate or withdraw from this Agreement while it remains in effect.

12. NOTICES.

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

Heidi Marshall, Director

County of Riverside HWS

3403 Tenth Street, Suite 300

Riverside, CA 92501

CITY OF CANYON LAKE

Arron Brown, City Manager

City of Canyon Lake

31516 Railroad Canyon Road

Canyon Lake, CA 92587

1                   13.    AGREEMENT ADMINISTRATION.

2           The City Manager of the CITY, and the Director of Housing and Workforce Solutions of  
3 County of Riverside, or their designee, shall administer the terms and conditions of this Agreement  
4 for their respective city or county.

5                   14.    COOPERATION; FURTHER ACT.

6           The PARTIES shall cooperate fully with one another, and shall take any additional acts or  
7 sign any additional documents as may be necessary, appropriate or convenient to attain the purpose  
8 of the Agreement.

9                   15.    NO THIRD-PARTY BENEFICIARIES.

10          This Agreement is made and entered into for the sole protection and benefit of the PARTIES hereto  
11 and shall not create any rights in any third parties. No other person or entity shall have any right  
12 or action based upon the provisions of the Agreement.

13                  16.    SECTION HEADINGS.

14          The Section headings herein are for the convenience of the PARTIES only and shall not be deemed  
15 to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or  
16 language of this Agreement.

17                  17.    FORMER AGREEMENTS UTILIZING COMMUNITY  
18 DEVELOPMENT BLOCK GRANT FUNDS BETWEEN COUNTY AND CITY.

19           All agreements between CITY and COUNTY regarding the use of CDBG funds for  
20 fiscal years 1975-76 through fiscal years 2026-27 and any Supplemental Agreements there under,  
21 shall remain in full force and effect. If the language of this Agreement is in conflict or inconsistent  
22 with the terms of any prior said agreements between CITY and COUNTY, the language of this  
23 Agreement will be controlling.

24                  18.    INDEMNIFICATION

25           CITY agrees to indemnify, defend, and hold harmless COUNTY and its authorized  
26 officers, employees, agents, and volunteers from any and all claims, actions, losses, damages,  
27 and/or liability arising from CITY acts, errors or omissions and for any costs or expenses incurred  
28 by COUNTY on account of any claim therefore, except where such indemnifications is prohibited

1 by law. CITY shall promptly notify COUNTY in writing of the occurrence of any such claims,  
2 actions, losses, damages, and/or liability.

3 CITY shall indemnify and hold harmless COUNTY against any liability, claims,  
4 losses, demands, and actions incurred by COUNTY as a result of the determination by HUD or its  
5 successor that activities undertaken by CITY under the program(s) fail to comply with any laws,  
6 regulations, or policies applicable thereto or that any funds billed by and disbursed to CITY under  
7 this Agreement were improperly expended.

8 19. COMPLIANCE WITH LAWS AND REGULATIONS.

9 By executing this Agreement, the Parties hereby certify that they will adhere to and  
10 comply with all Federal, state and local laws, regulations and ordinances.

11 20. ENTIRE AGREEMENT.

12 It is expressly agreed that this Agreement embodies the entire agreement of the  
13 Parties in relation to the subject matter hereof, and that no other agreement or understanding,  
14 verbal or otherwise, relative to this subject matter, exists between the Parties at the time of  
15 execution.

16 21. SEVERABILITY.

17 Each paragraph and provision of this Agreement is severable from each other  
18 provision and in the event any provision in this Agreement is held by a court of competent  
19 jurisdiction to be invalid, void, or unenforceable, the remaining provision will never the less  
20 continue in full force without being impaired or invalidated in any way.

21 22. ASSIGNMENT.

22 CITY shall not make any sale, assignment, conveyance or lease of any trust or  
23 power, or transfer in any other form with respect to this Agreement, or delegate or assign any  
24 interest in this Agreement without prior written approval of the County.

25 23. INTERPRETATION AND GOVERNING LAW.

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

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

4 24. WAIVER.

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

9 25. JURISDICTION AND VENUE.

10 Any action at law or in equity arising under this Agreement or brought by a Party  
11 hereto for the purpose of enforcing, construing or determining the validity of any provision of this  
12 Agreement shall be filed in the Superior Court of California, County of Riverside, State of  
13 California, and the Parties hereto waive all provisions of law providing for the filing, removal or  
14 change of venue to any other court or jurisdiction.

15 26. AMENDMENTS

16 No change, amendment, or modification to the Agreement shall be valid or binding  
17 upon CITY or COUNTY unless such change, amendment, or modification is in writing and duly  
18 executed. CITY and COUNTY agree to adopt any necessary amendments to this Agreement to  
19 incorporate changes required by HUD as set forth in the Urban County Qualification Notice.  
20 Amendments must be submitted to HUD as provided in the Urban County Qualification Notice  
21 and failure to do so will void the automatic renewal for such qualification period.

22 27. PROHIBITION OF CDBG FUND TRANSFER

23 Parties to this Agreement understand and agree that they may not sell, trade, or  
24 otherwise transfer all or any portion of CDBG Part 52 funds to a Metropolitan City, Urban  
25 County, unit of general local government, or insular area that directly or indirectly receives CDBG  
26 funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds  
27 for activities eligible under Title I of the Housing and Community Development Act of 1974, as  
28 amended

1                   28.    EMERGENCY SOLUTIONS GRANT FORMULA ALLOCATION

2                   CITY acknowledges that while participating in the COUNTY's Urban County  
3 program, CITY can only receive a formula Emergency Solutions Grant (ESG) allocation from  
4 the Urban County program and only at such times as authorized by the Board of Supervisors. The  
5 CITY and COUNTY may also apply for ESG funds from the State of California, if permitted by  
6 the State.

7                   29.    HOME INVESTMENT PARTNERSHIP ACT FORMULA  
8 ALLOCATION

9                   CITY acknowledges that while participating in the COUNTY's Urban County  
10 program, CITY can only receive a formula HOME allocation from the Urban County program  
11 and only at such times as authorized by the Board of Supervisors. The CITY and COUNTY may  
12 also apply for HOME funds from the State of California, if permitted by the State.

13                  30.    AUTHORITY TO EXECUTE.

14                  The persons executing this Agreement or exhibits attached hereto on behalf of the  
15 Parties to this Agreement hereby warrant and represent that they have the authority to execute  
16 this Agreement and warrant and represent that they have the authority to bind the respective  
17 Parties to this Agreement to the performance of its obligations hereunder.

18                  31.    INCORPORATION OF RECITALS

19                  The Parties hereby affirm the facts set forth in the recitals above. Said recitals are  
20 incorporated herein and made an operative part of this Agreement.

21                  32.    COUNTERPARTS

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

24  
25  
26  
27                               **[SIGNATURES ON FOLLOWING PAGE]**  
28

1  
2                   **IN WITNESS WHEREOF**, the COUNTY and CITY have executed this  
3 Agreement on the date shown below.

4  
5 Date: \_\_\_\_\_

6  
7 COUNTY OF RIVERSIDE,  
8 a political subdivision of the  
9 State of California

CITY OF CANYON LAKE,  
a general law city

10  
11 BY: \_\_\_\_\_  
12 Heidi Marshall, Director  
13 Housing and Workforce Solutions

BY: \_\_\_\_\_  
Mayor or City Manager

14  
15 APPROVED AS TO FORM:  
16 Minh C. Tran,  
17 County Counsel

ATTEST:

18  
19 By: \_\_\_\_\_  
20 Braden Holly  
21 Deputy County Counsel

BY: \_\_\_\_\_  
City Clerk

22 APPROVED AS TO FORM:

23  
24 BY: \_\_\_\_\_  
25 City Attorney  
26  
27  
28

1  
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3  
4 COUNTY COUNSEL CERTIFICATION  
5

6 The Office of County Counsel of the County of Riverside hereby certifies that the terms  
7 and provisions of this Agreement are fully authorized under state and local law and that the  
8 Agreement provides full legal authority for the COUNTY to undertake, or assist in undertaking,  
9 essential community development and housing assistance activities specifically urban renewal and  
10 publicly assisted housing.

11 County Counsel  
12

13 By: \_\_\_\_\_  
14 Deputy County Counsel, Braden Holly  
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## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Sheryl Garcia, Assistant City Manager/City Clerk

DATE: 08/05/2026

SUBJECT: Consideration of a Resolution Adopting the City's Amended Conflict of Interest Code

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**Recommendation:**

Adopt Resolution No. 2026-38 rescinding Resolution No. 2024-39 and adopting the City's amended Conflict of Interest Code.

**Background/Analysis:**

Pursuant to the Political Reform Act (Act), every government agency must adopt a Conflict of Interest Code (COI Code) identifying positions required to file Statements of Economic Interests (FPPC Form 700) and specifying their disclosure requirements. The COI Code must identify positions within the City that make or participate in making governmental decisions that may affect their financial interests. The Act requires agencies to review their COI Code in even-numbered years and update it as necessary to reflect changes in positions and responsibilities.

The City last adopted its COI Code on September 3, 2024. The proposed amendments update the designated positions to align the Conflict of Interest Code with the City's current organizational structure and the positions authorized in the City's adopted budget.

Approval of the amended COI Code ensures continued compliance with the Political Reform Act and maintains transparency in governmental decision-making.

**Fiscal Impact Yes/No:** No

**Attachments:**

1 - Resolution

## **RESOLUTION NO. 2026-38**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, RESCINDING RESOLUTION NO. 2024-39 AND ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES**

**WHEREAS**, the Political Reform Act of 1974, California Government Code Section 81000, et seq., requires every state and local government agency to adopt and promulgate a Conflict of Interest Code (Government Code section 87300) and requires local agencies to review its conflict of interest code at least every even-numbered year; and

**WHEREAS**, a designated employee is anyone within the City of Canyon Lake who is an officer, employee, board, commission, committee member, or consultant who is designated in the Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest (Government Code section 82019) including “Acting” and “Interim” position designations;

**WHEREAS**, the term “designated employee” does not include public officials specified in Government Code section 87200, e.g. city council members, planning commissioners, city managers, city attorneys, city treasurers, etc., who are already required by law to file Statements of Economic Interests, nor does it include a position which is solely clerical, ministerial, or manual; and

**WHEREAS**, on September 3, 2024, the City Council adopted Resolution No. 2024-39, which provided a single conflict of interest code for officials and designated employees of the City in compliance with the Act, which now needs to be rescinded; and

**WHEREAS**, pursuant to the provisions of Government Code section 87306.5, the City has conducted its required biennial review of the conflict of interest code and is proposing the conflict of interest code set forth in Exhibit “A”, attached hereto and incorporated herein by reference.

### **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** Resolution No. 2024-39 is hereby rescinded, and all previously adopted conflict of interest codes are hereby superseded and of no further force and effect.

**Section 3.** The City Council hereby adopts the Conflict of Interest Code attached hereto as Exhibit “A” and incorporated herein by this reference.

**Section 4.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 5.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

---

Sheryl L. Garcia, MMC, CPM  
City Clerk

## EXHIBIT “A”

### **CITY OF CANYON LAKE CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Exhibit “A” designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the City of Canyon Lake.

Individuals holding designated positions shall file their Statements of Economic Interest (“Form 700”) with the Canyon Lake City Clerk who will make the statements available for public inspection and reproduction pursuant to Government Code section 81008. For those positions listed in Government Code section 87200, filings must be electronically filed directly with the Fair Political Practices Commission.

## **DESIGNATED POSITIONS**

The City requires full disclosure under “Category 1” for the positions listed below which participate in making decisions which may foreseeably have a material effect on financial interests. Category 1 means disclosure of all investments and business positions in, and sources of income from, business entities that do business or own real property within jurisdiction of the City, plan to do business or own real property within the jurisdiction of the City within the next year or have done business or owned real property within the jurisdiction of the City within the past two (2) years.

City Council Members, the City Manager, the City Attorney, the City Treasurer and all other City officials who manage public investments, as defined by 2 Cal. Code of Regulations Section 18701(b), are not subject to the City’s Conflict of Interest Code but are subject to the disclosure requirements of the Political Reform Act (Government Code section 87200 et seq.). Those officials are listed below.

### **GOVERNMENT CODE SECTION 87200 FILERS**

| <b>DESIGNATED POSITION</b> | <b>DISCLOSURE CATEGORY</b> |
|----------------------------|----------------------------|
| City Council Members (5)   | 1                          |
| City Manager               | 1                          |
| City Treasurer             | 1                          |
| City Attorney              | 1                          |
| Finance Director           | 1                          |

### **CITY OF CANYON LAKE EMPLOYEES AND CONSULTANTS**

| <b>DESIGNATED POSITION</b>                                                                             | <b>DISCLOSURE CATEGORY</b> |
|--------------------------------------------------------------------------------------------------------|----------------------------|
| Administrative Services Senior Analyst                                                                 | 1                          |
| Assistant City Manager/City Clerk                                                                      | 1                          |
| Building Official/Senior Building Inspector                                                            | 1                          |
| Community Development Manager                                                                          | 1                          |
| Facilities Maintenance & Building Inspector                                                            | 1                          |
| Fire Chief                                                                                             | 1                          |
| Fire Battalion Chief                                                                                   | 1                          |
| Police Chief                                                                                           | 1                          |
| Police Captain                                                                                         | 1                          |
| Consultants (consultants who will make or participate in governmental decisions on behalf of the City) | 1                          |

## **CONSULTANT DESCRIPTION**

Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The City Manager may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described herein. Such written determination must include a description of the consultant’s duties and, based upon the description, a statement of the extent of disclosure requirements. The City Manager’s determination is a public record and must be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code section 81008.)

Consultants for the purposes of the Conflict of Interest Code, include the following:

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

### **§ 18700.3. Consultant, Public Official Who Manages Public Investments: Definitions.**

(a) For purposes of Sections 82019 and 82048, “consultant” means an individual who, pursuant to a contract with a state or local government agency:

- (1) Makes a governmental decision whether to:
  - (A) Approve a rate, rule, or regulation;
  - (B) Adopt or enforce a law;
  - (C) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
  - (D) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;
  - (E) Grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract;
  - (F) Grant agency approval to a plan, design, report, study, or similar item;
  - (G) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or

(2) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in Regulation 18704(a) and (b) or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code under Section 87302.

(b) For purposes of Section 87200, the following definitions apply:

(1) “Other public officials who manage public investments” means:

(A) Members of boards and commissions, including pension and retirement boards or commissions, or of committees thereof, who exercise responsibility for the management of public investments;

(B) High-level officers and employees of public agencies who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers. This category shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers; and

(C) Individuals who, pursuant to a contract with a state or local government agency, perform the same or substantially all the same functions that would otherwise be performed by the public officials described in subdivision (b)(1)(B).

(c) “Public investments” means the investment of public moneys in real estate, securities, or other economic interests for the production of revenue or other financial return.

(d) “Public moneys” means all moneys belonging to, received by, or held by, the state, or any city, county, town, district, or public agency therein, or by an officer thereof acting in the officer's official capacity, and includes the proceeds of all bonds and other evidences of indebtedness, trust funds held by public pension and retirement systems, deferred compensation funds held for investment by public agencies, and public moneys held by a financial institution under a trust indenture to which a public agency is a party.

(e) “Management of public investments” means the following nonministerial functions: directing the investment of public moneys; formulating or approving investment policies; approving or establishing guidelines for asset allocations; or approving investment transactions.



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Brianna Hemsley, Executive Assistant to the City Manager

DATE: 08/05/2026

SUBJECT: Consideration of a Professional Services Agreement with Animal Friends of the Valleys, Inc. for Animal Control Services

### **Recommendation:**

Approve a Professional Services Agreement with Animal Friends of the Valleys, Inc. for animal control services in an amount not to exceed \$43,050 annually and authorize the City Manager to execute the Agreement on a form acceptable to the City Attorney.

### **Background/Analysis:**

The City of Canyon Lake has contracted with Animal Friends of the Valleys, Inc. (SFV) for animal control services. These services are meant to safeguard the health and safety of its citizens and domestic animals through field services, after-hours emergency response, humane animal treatment, and enforcement of the City's related animal control municipal codes. The City is responsible for providing animal control and sheltering services to its residents, either directly or through contractual agreements. Since incorporation in 1990, the City has contracted with AFV for animal control services and, beginning in 2004, for animal sheltering services under separate agreements. Animal sheltering services are provided through an agreement with the Southwest Communities Financing Authority (SCFA), administered by Riverside County on behalf of the City and neighboring jurisdictions.

At the November 8, 2023 City Council meeting Council approved a new long-term agreement that maintained existing service levels while incorporating several administrative and financial updates. The agreement included a 2.5 percent annual cost-of-living adjustment, increased boarding fees to better reflect sheltering costs, and revisions to the Canyon Lake Municipal Code related to animals running at large. The agreement was approved for a three-year term through June 30, 2026, with two optional one-year extensions.

Since the initial three-year term has expired, rather than exercising one of the optional one-year extensions, staff is recommending approval of a new three-year Professional Services Agreement with Animal Friends of the Valleys, Inc. This approach provides the opportunity to comprehensively review and update both the agreement and the Scope of Services to ensure they accurately reflect the City's current operational needs and service expectations. As a result of this review, revisions were made to improve clarity, correct inconsistencies, strengthen performance and reporting requirements, and incorporate additional operational standards. The most significant updates include:

- Clarified and standardized operational, administrative, and financial provisions throughout the agreement.
- Added new operational standards for statutory holding periods, shelter standards of care, microchipping, monthly performance reporting, City ownership of animal management data,



disaster response planning, and end-of-term transition assistance.

The proposed agreement is for a three-year term, through June 30, 2029, with the option of two (2) one-year extensions, for a maximum term of five years. The proposed agreement provides the City with cost certainty by maintaining the current compensation rate of \$3,587.50 per month, not to exceed \$43,050 annually, for the initial three-year term.

**Fiscal Impact Yes/No:** Yes

**Additional Fiscal Information:**

Costs to cover the annual not-to-exceed amount of \$43,050 are included in the adopted FY 2026-27 budget, account no. 430-6610.



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Sheryl Garcia, Assistant City Manager/City Clerk

DATE: 08/05/2026

SUBJECT: Consideration of a Resolution Approving Fiscal Year 2025-26 to Fiscal Year 2026-27 Expenditure Carryover Requests

### **Recommendation:**

Adopt Resolution No. 2026-41 authorizing the carryover of Fiscal Year 2025-26 appropriations into Fiscal Year 2026-27 for the Police and Fire Departments.

### **Background/Analysis:**

As part of the Fiscal Year 2025-26 closeout process, Staff has identified funds that remain available for projects and expenditures that were not completed or fully expended prior to the end of the fiscal year. To ensure continued availability of previously approved funding and allow departments to complete planned activities and projects, Staff is requesting authorization to carry forward the remaining balances into Fiscal Year 2026-27 through adoption of the accompanying resolution.

The Police Department has remaining funds available in its \$1.2 million start-up account (10-416-6976) that were appropriated during Fiscal Year 2025-26 but were not fully expended prior to year-end. Staff is requesting authorization to carry forward the remaining unspent balance into Fiscal Year 2026-27. Carrying forward these funds will allow the Police Department to continue utilizing the available appropriation for its intended purpose during Fiscal Year 2026-27.

The Fire Department has remaining funds available totaling approximately \$120,934.60 which are associated with capital improvement projects that were not completed during Fiscal Year 2025-26. The requested carryover will ensure the previously approved funding remains available in Fiscal Year 2026-27 to complete the outstanding capital improvement projects.

The requested action does not appropriate new funding; rather, it preserves previously approved funding for expenditures and projects that remain incomplete or unspent at fiscal year-end. The final carryover amounts will be reflected after completion of the fiscal year-end financial close process.

**Fiscal Impact Yes/No:** Yes

### **Additional Fiscal Information:**

Adoption of the accompanying Resolution will authorize the carryover of existing Fiscal Year 2025-26 appropriations into Fiscal Year 2026-27, including the remaining unspent balance in Police Department account 10-416-6976 and approximately \$120,934.60 in Fire Department account 40-000-8017.

**Attachments:**

1 - Resolution

## **RESOLUTION NO. 2026-41**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING THE CARRYOVER OF CERTAIN FISCAL YEAR 2025-26 APPROPRIATIONS INTO FISCAL YEAR 2026-27**

**WHEREAS**, as part of the Fiscal Year 2025-26 budget closeout process, City staff reviewed outstanding appropriations and identified funds that remain available for projects and expenditures that were not completed or fully expended prior to the end of the fiscal year; and

**WHEREAS**, the Police Department has remaining funds available in account 10-416-6976, which were appropriated during Fiscal Year 2025-26 but were not fully expended prior to fiscal year-end; and

**WHEREAS**, the Fire Department has remaining funds available in account 40-000-8017 totaling approximately \$120,934.60, which are associated with capital improvement projects that were not completed during Fiscal Year 2025-26; and

**WHEREAS**, the City Council desires to ensure the continued availability of previously approved funding to allow City departments to complete planned activities, expenditures and projects; and

**WHEREAS**, the requested carryovers do not represent new appropriations, but rather the continuation of previously approved Fiscal Year 2025-26 funding for expenditures and projects that remain incomplete or unspent at fiscal year-end.

### **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The City Council hereby authorizes the carryover of the remaining unspent Fiscal Year 2025-26 appropriation balance in Police Department account 10-416-6976 into Fiscal Year 2026-27.

**Section 3.** The City Council hereby authorizes the carryover of approximately \$120,934.60 in remaining Fiscal Year 2025-26 appropriation funds in Fire Department account 40-000-8017 into Fiscal Year 2026-27.

**Section 4.** The City Manager, or designee, is authorized to take all necessary administrative actions, including any required budget adjustments and accounting entries, to implement the approved carryovers consistent with this Resolution.

**Section 5.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 6.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**Section 7.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

---

Sheryl L. Garcia, MMC, CPM  
City Clerk



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Sheryl Garcia, Assistant City Manager/City Clerk

DATE: 08/05/2026

SUBJECT: Consideration of Resolutions Certifying the Initiative Petition entitled "Canyon Lake Public Safety and Emergency Response Protection Measure" and Calling a General Municipal Election and Requesting Consolidation with the County of Riverside for the Initiative

### **Recommendation:**

Adopt Resolution Nos. 2026-39 and 2026-40 certifying the sufficiency of the initiative petition entitled "Canyon Lake Public Safety and Emergency Response Protection Measure" and calling a General Municipal Election for the Initiative on November 3, 2026, requesting that the County of Riverside provide election administration services and taking all actions required by the California Elections Code.

### **Background/Analysis:**

On April 22, 2026, proponents of the "Canyon Lake Public Safety and Emergency Response Protection Measure" ("Initiative") submitted a Notice of Intent to Circulate Petition and the text of the proposed Initiative to the City Clerk in accordance with the California Elections Code.

Signed petition sections were subsequently filed with the City Clerk and forwarded to the Riverside County Registrar of Voters for signature verification. The Registrar of Voters has certified that the petition contains the number of valid signatures required under California Elections Code section 9215 to qualify the Initiative for placement on the November 3, 2026, ballot.

The proposed resolutions certify the sufficiency of the Initiative and call a General Municipal Election to submit the Initiative to the voters at the November 3, 2026, election and establish the procedures for the preparation and filing of the impartial analysis, ballot arguments, and rebuttal arguments as required by the California Elections Code.

**Fiscal Impact Yes/No:** No

### **Additional Fiscal Information:**

There is no fiscal impact associated with the adoption of the resolutions. Sufficient funds to cover the costs of the election have been included in the City's Fiscal Year 2026/2027 adopted budget.

### **Attachments:**

- 1 - Resolution Cert of Sufficiency
- 2 - Resolution Calling Election

## **RESOLUTION NO. 2026-39**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ACCEPTING THE CERTIFICATION OF THE COUNTY OF RIVERSIDE REGISTRAR OF VOTERS AS TO THE SUFFICIENCY OF THE INITIATIVE PETITION ENTITLED “CANYON LAKE PUBLIC SAFETY AND EMERGENCY RESPONSE PROTECTION MEASURE”**

**WHEREAS**, on April 22, 2026, proponents of an initiative measure entitled “Canyon Lake Public Safety and Emergency Response Protection Measure” (“Initiative”) submitted a Notice of Intention and written text of the Initiative and requested that a title and summary be prepared by the City Attorney for the Initiative in order to circulate the Initiative Petition; and

**WHEREAS**, the City of Canyon Lake had 8,448 registered voters as of the Secretary of State Report of Registration effective on the publication date of the Notice of Intention (May 1, 2026); and

**WHEREAS**, the Initiative requires at least 845 (10%) valid signatures to be sufficient to qualify for a regular election; and

**WHEREAS**, in accordance with the provisions of Elections Code section 9210, proponents of the Initiative filed Petition sections on May 30, 2024, and the City Clerk determined that the number of signatures, prima facie, was in excess of the minimum number of signatures required, and therefore accepted the Initiative for filing; and

**WHEREAS**, the Petition Sections for the Initiative were submitted to the County of Riverside Registrar of Voters (“County ROV”) on June 15, 2026, for signature verification; and

**WHEREAS**, the results of the signature verification conducted by the County ROV established that the number of signatures found sufficient meets the minimum number of signatures required pursuant to Election Code section 9215; and

**WHEREAS**, the County ROV has prepared the Certificate of Sufficiency of the Initiative Petition attached hereto as Exhibit “A”; and

**WHEREAS**, Elections Code Section 9114 requires that if the Initiative is found sufficient, the results of the examination shall be submitted to the City Council at the next regular City Council meeting following the certification.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The City Council of the City of Canyon Lake hereby accepts the County ROV's Certificate of Sufficiency regarding the City of Canyon Lake Public Safety Funding Ordinance.

**Section 3.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 4.** That the City Clerk shall certify the adoption of this Resolution and that the same shall be in full force and effect.

**Section 5.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

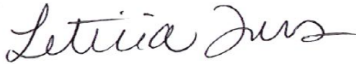
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Sheryl L. Garcia, MMC, CPM  
City Clerk



EXHIBIT "A"

Certificate of Sufficiency of the Initiative Petition

|                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Registrar of Voters</p>                                                                                                                                                                                                                                                   | <h1>RivCo VOTE</h1> <p>Your Voice. Every Vote. Our Future.</p>                                                                                      |
| <p>ART TINOCO<br/>REGISTRAR OF VOTERS</p> <p>MATTHEW CEBALLOS<br/>ASSISTANT REGISTRAR OF VOTERS</p>                                                                                                                                                                                                                                                            | <p>State of California )<br/>                                  ) ss.<br/>County of Riverside )</p> <p>July 1, 2026</p>                              |
| <p>I, <b>ART TINOCO</b>, Registrar of Voters of the County of Riverside, State of California, do hereby certify that on June 15, 2026, the "Measure Establishing a One Percent (1%) Transaction and Use (Sales) Tax" petition was delivered to my office for the purpose of verifying that the signatures thereon were registered within the defined area.</p> |                                                                                                                                                     |
| <p>I further certify that the signatures on said petition were counted and examined by means of a full verification process and that the results of said examination are as follows:</p>                                                                                                                                                                       |                                                                                                                                                     |
| <p>That the total number of signatures submitted for said petition was ..... 1,113<br/>The total number of signatures checked was..... 1,113<br/>The total number of sufficient signatures on petition is .....903<br/>The total number of insufficient signatures on petition is .....210</p>                                                                 |                                                                                                                                                     |
| <p>If you have any questions, please contact our office at (951) 486-7200.</p>                                                                                                                                                                                                                                                                                 |                                                                                                                                                     |
|                                                                                                                                                                                                                                                                             | <p><b>ART TINOCO</b><br/>Registrar of Voters</p>                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                | <p><br/>Leticia Flores<br/>Chief Deputy Registrar of Voters</p> |
| <p>2724 GATEWAY DRIVE<br/>RIVERSIDE, CA 92507-0918<br/>MAIN (951) 486-7200<br/>FAX (951) 486-7335<br/>CA RELAY SERVICE (DIAL 711)<br/>VOTEINFO.NET</p>                                                                                                                                                                                                         |                                                                |

## **RESOLUTION NO. 2026-40**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A CONSOLIDATED MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026, REGARDING THE BALLOT MEASURE TITLED “CANYON LAKE PUBLIC SAFETY AND EMERGENCY RESPONSE PROTECTION MEASURE”; REQUESTING THE COUNTY OF RIVERSIDE REGISTRAR OF VOTERS TO CONSOLIDATE SAID ELECTION WITH THE CITY’S PREVIOUSLY CALLED CONSOLIDATED GENERAL MUNICIPAL ELECTION; DIRECTING PREPARATION OF AN IMPARTIAL ANALYSIS; AND PERMITTING THE FILING OF BALLOT ARGUMENTS**

**WHEREAS**, on June 15, 2026, proponents of an initiative measure entitled “Canyon Lake Public Safety and Emergency Response Protection Measure” (“Initiative”) presented signed petition sections to the City Clerk for filing; and

**WHEREAS**, the County of Riverside Registrar of Voters (“County ROV”) verified the signatures on the petition and certified the Initiative as sufficient; and

**WHEREAS**, on August 5, 2026, the City Council for the City of Canyon Lake (“City Council”) called a general municipal election to be held on November 3, 2026, for the election of Municipal Officers; and

**WHEREAS**, the City Council is required by statute to call the election for the Initiative and desires to consolidate the Initiative with the City’s previously called Consolidated General Municipal Election to be held on Tuesday, November 3, 2026.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** Pursuant to the requirements of the laws of the State of California relating to general law cities, the City Council hereby calls and orders a general municipal election of the City of Canyon Lake to be conducted on Tuesday, November 3, 2026, for the purpose of submitting the proposed ordinance, attached hereto as Exhibit “A”, and incorporated herein by reference.

**Section 3.** The City Council does hereby order that the proposed ordinance shall be presented and printed upon the November 3, 2026, ballot and submitted to the qualified voters in substantially the following form:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| CANYON LAKE PUBLIC SAFETY AND EMERGENCY RESPONSE PROTECTION MEASURE; Shall the measure establishing a 1¢ transactions and use tax, estimated to generate \$1,140,000.00 annually until repealed by voters, and requiring the proceeds and specified existing EMS subscription-fee, property-tax fire, and utility-users-tax revenues to be deposited in a restricted fund used only for Canyon Lake police, fire, paramedic, and emergency-response staffing, compensation, equipment, and operations, with annual independent audits, be adopted? | YES |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | NO  |

**Section 4.** That the vote requirement for the Initiative to pass is a majority of the votes cast.

**Section 5.** Election Procedures.

- a. That pursuant to the requirements of Elections Code section 10403, the Riverside County Board of Supervisors is hereby requested to consent and agree to the consolidation of the Initiative with the City's previously consolidated general municipal election, and the Statewide general election on Tuesday, November 3, 2026.
- b. That the ballots to be used at the election shall be in the form and content as required by law.
- c. The City shall reimburse the County ROV for necessary costs associated with the administration of the election upon presentation to the City of a properly approved invoice.
- d. That the vote centers for the election shall be open at such hours and on such days as determined by the County ROV provided that the opening and closure of voting sites is conducted in accordance with Elections Code sections 10242, 14212, and 14401.
- e. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.
- f. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**Section 6.** Impartial Analysis.

- a. The City Clerk is directed to transmit a copy of the Initiative to the City Attorney, and the City Attorney shall prepare an impartial analysis of the Initiative not exceeding 500 words showing the effect of the Initiative on the existing law and the operation of the Initiative. The impartial analysis shall be prepared no later than August 17, 2026.
- b. The analysis shall include a statement indicating whether the Initiative was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of

the city.

- c. In the event the entire text of the Initiative is not printed on the ballot, nor in the voter information portion of the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: “The above statement is an impartial analysis of the Canyon Lake Public Safety and Emergency Response Protection Measure. If you desire a copy of the Ordinance, please call the City Clerk at 951-244-2955 and a copy will be mailed at no cost to you.”

**Section 7.** Arguments For and Against.

- a. Any person, including any member of the City Council, may file written arguments in favor of or against the Initiative not exceeding 300 words, accompanied by the printed names and signatures of the authors submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk after which no arguments for or against the Initiative may be submitted to the City Clerk.
- b. The arguments shall be filed with the City Clerk, signed, with the printed names and signatures of the authors submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement to be Filed by Author(s) of Argument, per Elections Code section 9600.
- c. The arguments in favor or against the Initiative shall be filed with the City Clerk on or before 5:00 p.m. on August 17, 2026, after which no arguments for or against the Initiative may be submitted to the City Clerk.

**Section 8.** Rebuttals.

- a. That pursuant to Elections Code section 9285, when the City Clerk has selected the arguments for and against the Initiative (not exceeding 300 words each), which will be printed and distributed to the voters, the City Clerk shall send a copy of an argument in favor of the Initiative to the authors of any argument against the Initiative and a copy of an argument against the Initiative to the authors of any argument in favor of the Initiative immediately upon receiving the arguments.
- b. The author or a majority of the authors of an argument relating to the Initiative may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument.
- c. A rebuttal argument shall not be signed by more than five authors.
- d. The rebuttal arguments shall be filed with the City Clerk by 5:00 p.m. on August 27, 2026, signed, with the printed names and signatures of the authors submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and

signature of at least one of its principal officers, not more than 10 days after the final date for filing direct arguments. The rebuttal arguments shall be accompanied by the Form of Statement to be Filed by Author(s) of Argument, per Elections Code section 9600.

- e. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

**Section 9.** The City Clerk/Elections Official is hereby directed to forward a certified copy of this Resolution to the County ROV.

**Section 10.** This Resolution shall apply to the City's general municipal election being held on November 3, 2026.

**Section 11.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 12.** The City Clerk shall certify to the adoption of this Resolution and the same shall be in full force and effect.

**PASSED, APPROVED AND ADOPTED** this 5<sup>th</sup> day of August 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the mayor's signature above and certify that the City Council duly adopted this Resolution as recorded in the vote tally stated herein.

\_\_\_\_\_  
Sheryl L. Garcia, MMC, CPM  
City Clerk

EXHIBIT “A”

Proposed Ordinance

[attached]

# **Canyon Lake Public Safety and Emergency Response Protection Measure**

---

**The people of the City of Canyon Lake do hereby ordain as follows:**

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## **Section 1. Title**

This ordinance shall be known as the *Canyon Lake Public Safety and Emergency Response Protection Measure*.

---

## **Section 2. Purpose and Findings**

The purpose of this measure is to protect Canyon Lake residents and maintain high-quality public safety services by establishing a dedicated funding source to support competitive compensation, recruitment, and retention for police, fire, paramedic, and emergency response services.

The residents and visitors of Canyon Lake rely on rapid, professional emergency response services to protect life, property, and public safety.

The City of Canyon Lake faces significant public safety challenges, including:

- Public safety compensation and benefits are significantly lower than surrounding agencies.
- Loss of experienced sworn personnel seeking competitive pay and benefit packages elsewhere.
- Increasing difficulty recruiting qualified Firefighters, Paramedics, and Police officers.
- Rising service costs and reduced revenues threatening long-term emergency response capability.
- Limited staffing

Without action, Canyon Lake will continue losing experienced personnel and weakening its emergency response system.

Historical use of City revenues are insufficient to address public safety compensation, recruitment, and retention needs without adversely impacting other essential City services.

The EMS Subscription Program, which residents pay into for guaranteed emergency medical service access, generates fees that are to be appropriately dedicated to funding the public safety

services for which they are collected and should be protected within a ring-fenced Public Safety fund.

The Property Tax Fire revenues are property taxes based on the assessed value and are received from the County of Riverside to be used for the cost of fire protection services and to be protected within a ring-fenced Public Safety fund.

The City of Canyon Lake Utility Users Tax should be protected within a ring-fenced Public Safety Fund.

The people of Canyon Lake intend by this Measure to establish a permanent, locally controlled, independently overseen, and legally protected fund dedicated exclusively to public safety purposes, insulated from borrowing, diversion, or misappropriation.

---

### **Section 3. Local Public Safety Protection Tax**

(a) Imposition of Tax. To maintain and protect local emergency services, the City of Canyon Lake shall adopt a one percent (1%) local transactions and use tax (sales tax) as authorized under Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and in accordance with California Government Code Section 53723 et seq.

(b) Applicability. This tax shall apply to all retail transactions subject to the California Transactions and Use Tax Law (Revenue and Taxation Code Section 7251 et seq.) occurring within the City of Canyon Lake.

(c) Administration. The tax shall be administered and collected by the California Department of Tax and Fee Administration (CDTFA) pursuant to a contract between the City and the CDTFA in accordance with applicable state law. The City shall enter into the necessary contract and take all required steps to implement collection as promptly as practicable following voter approval.

(d) Effective Date. This tax shall take effect on the first day of the calendar quarter commencing more than 110 days after the date of voter approval, as required by applicable state law.

(e) Revenue Dedication. One hundred percent (100%) of all net revenue generated by this tax, after deduction of CDTFA administrative fees, shall be deposited exclusively into the Canyon Lake Public Safety Fund established in Article I of this Measure. Under no circumstances shall any portion of the revenue be deposited into or commingled with the City's General Fund or any other City fund.

---

## **ARTICLE I**

### **CANYON LAKE PUBLIC SAFETY FUND**



### **Section 1.1. Creation of the Canyon Lake Public Safety Fund**

There is hereby created a separate, dedicated, and legally restricted account designated as the Canyon Lake Public Safety Fund (hereinafter "the Fund"). The Fund shall be maintained as a separate account in the City's treasury, clearly segregated from the City's General Fund and all other City funds. The Fund shall be subject to the exclusive terms and restrictions set forth in this Measure.

### **Section 1.2. Revenue Sources Deposited into the Fund**

The following revenue streams shall be deposited into the Fund:

- (a) Sales Tax Revenue. One hundred percent (100%) of net revenue generated by the transactions and use tax imposed pursuant to Section 3 of this Measure, after deduction of CDTFA administrative fees.
- (b) EMS Subscription Program Fees. One hundred percent (100%) of all fees, subscription charges, renewal payments, and any other revenue collected by or on behalf of the City of Canyon Lake through its Emergency Medical Services (EMS) Subscription Program, however denominated, shall be deposited into the Fund upon the effective date of this Measure. The City shall not redirect, offset, or retain any portion of EMS Subscription Program revenue outside of the Fund for any purpose not authorized by this Measure.
- (c) Property Tax Fire revenues received from the County of Riverside shall be deposited into the Fund.
- (d) The Utility Users Tax dedicated to Police, Fire, and Paramedic Services shall be deposited into the Fund
- (e) Interest and Investment Earnings. All interest earned and investment returns attributable to Fund balances shall be retained in the Fund and used exclusively for the purposes authorized herein.
- (f) Other Authorized Deposits. Any grants, gifts, or other revenues specifically designated by the donor or grantor for public safety purposes consistent with this Measure, if accepted by the City Council, may be deposited into the Fund.

### **Section 1.3. Authorized Uses of Fund Revenue**

Revenue deposited into the Fund shall be used exclusively for Canyon Lake public safety purposes, including:

- Competitive compensation, salaries, wages, and benefits for the City of Canyon Lake's sworn public safety employees classified as "Safety" personnel, including Firefighters, Paramedics, and Police Officers.

- Recruitment, retention, and hiring incentives for qualified public safety personnel, including signing bonuses, educational reimbursements, and relocation assistance, to the extent permitted by law.
- Hiring and onboarding of additional sworn emergency responders when deemed necessary by the City to maintain adequate staffing levels.
- Maintenance and support of 24-hour Fire, Paramedic, and Police emergency response services, including equipment, training, and operational costs directly related to public safety response.
- Emergency Medical Services program costs, including equipment, supplies, and personnel costs directly associated with EMS delivery.
- Any other expenditure directly and exclusively related to the delivery, staffing, equipping, or operation of public safety services within the City of Canyon Lake, as approved by the City Council consistent with this Measure.

No revenue from the Fund shall be expended for any purpose not expressly authorized in this Section 1.3.

#### **Section 1.4. Absolute Prohibition on Borrowing, Loans, and Transfers**

- (a) **No Interfund Loans or Transfers.** The City of Canyon Lake, including its City Council, City Manager, Finance Director, and any other City official, officer, employee, agent, or designee, is hereby absolutely and unconditionally prohibited from approving, authorizing, executing, or allowing any interfund loan, interfund transfer, temporary advance, internal borrowing, cash-flow borrowing, sweep, or any other mechanism — whether formal or informal, with or without a repayment agreement — that would remove, reduce, encumber, pledge, or otherwise make unavailable, even temporarily, any funds deposited in the Canyon Lake Public Safety Fund for any purpose other than those expressly authorized in Section 1.3 of this Measure.
- (b) **No Pledge or Encumbrance.** Fund revenues and balances shall not be pledged, hypothecated, assigned, encumbered, or used as collateral or security for any City debt, obligation, bond, note, or other financial instrument of any kind.
- (c) **No Land Acquisition or Capital Projects.** Fund revenue shall not be used, directly or indirectly, for the acquisition of real property, land, easements, or any interest therein, nor for the construction, renovation, or improvement of any City-owned facilities, buildings, or infrastructure, except as strictly necessary for the direct, exclusive operational support of sworn public safety services (e.g., repair of a fire station used exclusively by sworn personnel).
- (d) **No General Fund Subsidies.** Fund revenue shall not be used to offset, supplement, or substitute for General Fund expenditures that would otherwise be made for non-public-safety purposes.

(e) No Administrative Diversion. The City shall not charge administrative overhead, indirect costs, or management fees against the Fund beyond the reasonable, direct, and documented costs of administering the Fund itself, which shall not exceed two percent (2%) of annual Fund revenue in any fiscal year.

(f) Void Transactions. Any transaction, resolution, agreement, or action taken in violation of this Section 1.4 shall be void ab initio and of no legal force or effect. No estoppel, ratification, or subsequent Council action shall cure or validate a prohibited transaction.

#### **Section 1.5. Annual Independent Financial Audit**

The City Shall annually verify that the taxes owed under this chapter have been properly applied, exempted, collected, and remitted in accordance with this chapter, and properly expended according to applicable law. The annual verification shall be performed by a qualified, independent, third party and review shall employ reasonable, cost-effective steps to ensure compliance, including the use of sampling audits.

#### **Section 1.6. Local Control and Non-Diversion**

All revenue deposited into the Fund shall remain under the exclusive local control of the City of Canyon Lake and shall not be redirected, transferred, seized, or diverted to the State of California, Riverside County, any other governmental agency, or any other jurisdiction. In the event the State of California or any other governmental entity attempts to take, redirect, or offset Fund revenues, the City shall take all lawful steps to protect the Fund.

#### **Section 1.7. Remedies and Enforcement**

(a) Any resident or qualified elector of the City of Canyon Lake shall have standing to bring a civil action in the Riverside County Superior Court to enforce the provisions of this Measure, to enjoin any violation thereof, and to compel the return of any funds improperly transferred or expended.

(b) In any action to enforce this Measure, the prevailing party who is a City resident bringing an enforcement action shall be entitled to an award of reasonable attorneys' fees and court costs pursuant to California Code of Civil Procedure Section 1021.5 (private attorney general doctrine).

(c) Any City official who knowingly authorizes, approves, or permits a transaction in violation of Section 1.4 of this Measure may be subject to removal from office and personal liability to the extent permitted by applicable law.

#### **Section 1.8. Sunset and Review**

This Measure shall remain in effect unless repealed by a majority vote of the Canyon Lake electorate at a subsequent election. The City Council shall conduct a public review of the Fund

and this Measure no less frequently than every four (4) years, with findings reported publicly to the community.

#### **Section 1.9. Severability**

If any provision of this Ordinance, or any part thereof, or the application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect any other provision or application which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable. The people of Canyon Lake hereby declare their intent that this Measure would have been adopted even if the invalid provision had not been included.

#### **Section 1.10. Liberal Construction**

This Measure shall be liberally construed to effectuate its purposes of protecting public safety funding, preventing the diversion of dedicated public safety revenues, and ensuring transparent and accountable management of the Canyon Lake Public Safety Fund.

#### **Section 3. Statement of Purpose**

This Measure is intended to ensure reliable, adequately staffed, and professionally compensated public safety services in the City of Canyon Lake by establishing a locally controlled, ring-fenced, and independently overseen funding source dedicated exclusively to sworn public safety employees — including Firefighters, Paramedics, and Police Officers classified as "Safety" personnel — and to the Emergency Medical Services program that serves all Canyon Lake residents.

#### **Section 4. Names and Addresses of Proponents**

(At least one required; additional proponents are recommended)

1. Name: Tina O'Malley Address: \_\_\_\_\_

2. Name: Angie Smith Address: \_\_\_\_\_

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

#### **Section 5. Request for Ballot Title and Summary**

Pursuant to California Elections Code Section 9203, the proponents hereby request that the City Attorney of the City of Canyon Lake prepare a ballot title and summary of the proposed measure for inclusion in the official ballot materials.

**Section 6. Signatures of Proponents — Full Petition**

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am a proponent of the proposed measure.

Signature: \_\_\_\_\_

Printed Name: Tim O'Malley

Date: 4/22/2026

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am a proponent of the proposed measure.

Signature: \_\_\_\_\_

Printed Name: Damon Smith

Date: 4/22/26

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am a proponent of the proposed measure.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_



## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Sheryl Garcia, Assistant City Manager/City Clerk

DATE: 08/05/2026

SUBJECT: Designation of a Voting Delegate and Alternate(s) for the League of California Cities 2026 Annual Conference and Expo Annual Business Meeting

### **Recommendation:**

Designate a voting delegate and up to two alternates for the League of California Cities 2026 Annual Conference and Expo Annual Business Meeting.

### **Background/Analysis:**

The League of California Cities ("Cal Cities") will hold its 2026 Annual Conference and Expo on September 23–25, 2026, in Anaheim, California. As part of the conference, the General Assembly will convene on September 25, 2026, and will consist of one appointed voting delegate from each member city. During the General Assembly, voting delegates play a vital role by representing their cities and voting on resolutions that help shape Cal Cities' policies and advocacy priorities.

To cast a vote during the General Assembly, the City of Canyon Lake must designate a voting delegate and up to two alternates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official. Once designated by the City Council, the City Clerk will submit the Voting Delegate form affirming the action taken by the City Council.

**Fiscal Impact Yes/No:** No

### **Additional Fiscal Information:**

There is no fiscal impact associated with designating voting delegates. Costs associated with attendance at the conference have been included in the City's FY 26-27 adopted operating budget.