



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

February 27, 2026

Donna Mooney
City Attorney
City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

**Re: Your Request for Advice
Our File No. A-25-154**

Dear Ms. Mooney:

This letter responds to your request for advice on behalf of the City of Pittsburg (“City”) Mayor Dionne Adams, who also serves as Vice Chair of the Pittsburg Power Company’s (“PPC’s”) Board of Directors (“Board”), regarding the Political Reform Act (the “Act”) and Government Code Section 1090, et seq.¹ Please note that we are only providing advice under the Act and Section 1090, not under other general conflict of interest prohibitions, such as common law conflict of interest.

Also, note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

We are required to forward your request regarding Section 1090 and all pertinent facts relating to the request to the Attorney General’s Office and the Contra Costa County District Attorney’s Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice “is not admissible in a criminal proceeding against any individual other than the requestor.” (See Section 1097.1(c)(5).)

QUESTION

Does Mayor Adams, in her capacity as PPC Board Vice Chair, have a disqualifying financial interest in the PPC decision to enter into an Interconnection Agreement with Pacific

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Gas & Electric (“PG&E”) to provide electricity for a proposed technology park due to her employment with PG&E?

CONCLUSION

Yes. Under the Act, because PG&E would be a named party in the governmental decision to approve an Interconnection Agreement, it is reasonably foreseeable that the Interconnection Agreement would have a material financial effect on Mayor Adams’ business and source of income interests in her employer. She may not participate in any manner in the decision. Additionally, under Section 1090, Mayor Adams has a remote interest as a PG&E employee. The PPC may enter into an Interconnection Agreement with PG&E, so long as she does not participate in any manner.

FACTS AS PRESENTED BY REQUESTER

Mayor Adams is a member of the Pittsburg City Council and the PPC Board. Her first term with the City Council began in 2022.

The PPC is a joint powers authority formed between the City and its former redevelopment agency. The PPC serves as an electric and natural gas municipal utility and provides wholesale and retail electric and gas utility services. PG&E exclusively provides wholesale electric services in the City pursuant to a franchise agreement. Pittsburg City Councilmembers also serve on the PPC Board, and the City Attorney serves as General Counsel to the PPC.

The PPC Board may consider an Interconnection Agreement with PG&E to allow PPC to connect to PG&E’s system to serve PPC’s retail electrical load by allowing electricity to flow over both PPC’s and PG&E’s systems for PPC to provide power to a proposed technology park. In the context of the Interconnection Agreement, PG&E is the exclusive provider of interconnection service between PPC’s proposed electric system and the wholesale market administered by the California Independent System Operator (“CAISO”).² Under the CAISO’s tariff, PG&E is a Participating Transmission Owner, and PG&E has an obligation to interconnect eligible customers to PG&E’s transmission system, thereby enabling the interconnected customer to operate in the CAISO’s markets. PPC is an eligible customer under the CAISO’s tariff and is therefore entitled to interconnection service from PG&E.

PPC has exercised its legal right to exclusively provide retail electric services to designated areas, including the proposed technology park.³ As a result, PG&E cannot provide retail electric service to those areas. Mayor Adams is a salaried employee of PG&E. According

² CAISO manages the flow of electricity across high-voltage transmission lines over long distances.

³ We note that the Fair Political Practices Commission does not provide advice related to past conduct. (See Regulation 18329(b)(6)(A).) Accordingly, we express no opinion regarding the PPC decision to exercise its legal right to exclusively provide retail electric services to designated areas, including the proposed technology park. Likewise, we express no opinion regarding any previous involvement by Mayor Adams in any such decision.

to its website, PG&E has over 28,000 employees. Mayor Adams has been employed by PG&E for 24 years, and her current position is the Director of Inclusion and Belonging within the Human Resources Division. She supervises two employees. Mayor Adams does not serve as a member of PG&E's Board of Directors. Mayor Adams owns less than 3 percent of the shares of PG&E stock. Mayor Adams did not participate in PG&E's formulation of costs or provisions for, or in the preparation of, the Interconnection Agreement.

ANALYSIS

The Act

Under Section 87100 of the Act, “[a] public official at any level of state or local government shall not make, participate in making or in any way attempt to use the official’s position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.” “A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of the official’s immediate family,” or on certain specified economic interests. (Section 87103.)

Section 87103 defines “financial interests” to include, relevant to these facts:

- An interest in a business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management. (Section 87103(d)).
- An interest in a source of income to the official or promised income, which aggregates to \$500 or more within 12 months prior to the decision. (Section 87103(c).)

Mayor Adams has identified a business interest and source of income interest in PG&E due to her employment as the Director of Inclusion and Belonging.

Regulation 18701(a) provides the applicable standard for determining the foreseeability of a financial effect on an economic interest explicitly involved in the governmental decision. It states, “[a] financial effect on a financial interest is presumed to be reasonably foreseeable if the financial interest is a named party in, or the subject of, a governmental decision before the official or the official’s agency. A financial interest is the subject of a proceeding if the decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the financial interest, and includes any governmental decision affecting a real property financial interest as described in Regulation 18702.2(a)(1)-(6).” Since PG&E is a party to the proposed contract with PPC, Mayor Adams’ financial interest is explicitly involved in the Interconnection Agreement decisions and the financial effect of the decision on the interest is presumed to be reasonably foreseeable.

Business Entity and Source of Income of Interest

The reasonably foreseeable financial effect of a government’s decision on an official’s interests in a business entity and source of income interest is material if the business will be

financially affected under the business materiality standards in Regulation 18702.1. (See Regulation 18702.3(a)(4).)

Regulation 18702.1(a)(1)(C) states that the reasonably foreseeable financial effect of a governmental decision on an official's financial interest in a business entity is material if the entity is explicitly involved as a named party in, or the subject of, the decision, including one in which the entity bids on, or enters into, a contract with the agency, or is a subcontractor on the bid or contract.

Since PG&E is a named contracting party and a source of income and employer to Mayor Adams, it is reasonably foreseeable that the financial effect of the Interconnection Agreement is material. Therefore, Mayor Adams cannot use her position to make, participate in, or influence a decision on the contract with PG&E for the Interconnection Agreement, and she must recuse herself from any PPC action on the contract.

Section 1090

Section 1090 generally prohibits public officers, while acting in their official capacities, from making contracts in which they are financially interested. Section 1090 is concerned with any financial interests, other than perhaps a remote or minimal interest, which would prevent the officials involved from exercising absolute loyalty and undivided allegiance to the best interests of their respective agencies. (*Stigall v. Taft* (1962) 58 Cal.2d 565, 569 (*Stigall*).) Section 1090 is intended not only to strike at actual impropriety but also to strike at the appearance of impropriety. (*City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191, 197.) A contract that violates Section 1090 is void. (*Thomson v. Call* (1985) 38 Cal.3d 633, 646 (*Thomson*).) The prohibition applies regardless of whether the terms of the contract are fair and equitable to all parties. (*Id.* at pp. 646-649.)

Under Section 1090, "the prohibited act is the making of a contract in which the official has a financial interest." (*People v. Honig* (1996) 48 Cal.App.4th 289, 333 (*Honig*).) An official "makes" a contract if the official participates in any way in the making of the contract, including involvement in matters such as preliminary discussions, negotiations, planning, drawing of plans and specifications. (*Millbrae Assn. for Residential Survival v. City of Millbrae* (1968) 262 Cal.App.2d 222, 237; see also *Stigall, supra*, 58 Cal.2d at p. 569.)

As a member of the PPC Board, Mayor Adams is subject to the provisions of Section 1090. Additionally, due to her status as a Board member, she is presumed to be involved in the making of all contracts by PPC irrespective of whether she actually participates in the making of the contract. (*Thomson, supra*, 38 Cal.3d at pp. 645, 649.) The determinative question is whether she has a financial interest under Section 1090 in the Interconnection Agreement between PPC and PG&E arising from her employment with PG&E, which would prohibit PPC from making the contract.

Although Section 1090 does not specifically define the term financial interest, case law and Attorney General opinions state that prohibited financial interests may be indirect as well as direct, and may involve financial losses, or the possibility of losses, as well as the prospect of pecuniary gain. (*People v. Vallergera* (1977) 67 Cal.App.3d 847, 867, fn. 5; *Terry v. Bender*

(1956) 143 Cal.App.2d 198, 207-208; 85 Ops.Cal.Atty.Gen. 34, 36-38 (2002); 84 Ops.Cal.Atty.Gen. 158, 161-162 (2001).) Officials are deemed to have a financial interest in a contract if they might profit from it in any way. (*Honig, supra*, 48 Cal.App.4th at p. 333.) The California Supreme Court in *Lexin v. Superior Court* (2010) 47 Cal.4th 1050 (*Lexin*) stated that the situation “where public officials on behalf of a public entity participate in making a contract with a second entity for which they work, the scenario poses at least the risk that the officials will be compromised by serving ‘two masters.’” (*Lexin*, at p.1075, citing *Thomson, supra*, 38 Cal.3d at p. 645 and fn. 14 [additional citations omitted].) Employees have been found to have a financial interest in a contract that involves their employer, even where the contract would not result in a change in income or directly involve the employee, because an employee has an overall interest in the financial success of the firm and continued employment. (84 Ops.Cal.Atty.Gen. 158, 161-162 (2001).) Therefore, Mayor Adams has a financial interest in the Interconnection Agreement between the PPC and her employer, PG&E. Absent an exception, Section 1090 would prohibit the contract.

The Legislature has created various statutory exceptions to Section 1090’s prohibition where the financial interest involved is deemed to be a “remote interest,” as defined in Section 1091 or a “noninterest,” as defined in Section 1091.5. If a remote interest is present, the contract may be made if the officer fully discloses the interest, the interest is noted in the agency’s official records; and the officer abstains from any participation in the making of the contract. (Section 1091(a).) If a noninterest is present, the contract may be made without the officer’s abstention, and a noninterest generally does not require disclosure. (*City of Vernon v. Central Basin Mun. Water Dist.* (1999) 69 Cal.App.4th 508, 514-515.)

Under the present circumstances, the pertinent “remote interest” exception to consider is the application of Sections 1091(b)(2), which specifies the following as a remote interest:

That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years before the officer initially accepting their office and the officer owns less than 3 percent of the shares of stock of the contracting party; and the employee or agent is not an officer or director of the contracting party and did not directly participate in formulating the bid of the contracting party.

The facts presented fall squarely within the remote interest exception in Section 1091(b)(2). PG&E is a large corporation with over 28,000 employees. Mayor Adams has been employed by PG&E for over 24 years and was employed by PG&E for at least 20 years before she accepted office as both a City Councilmember and PPC Board member. Mayor Adams owns less than 3 percent of PG&E’s stock. Mayor Adams is the Director of Inclusion and Belonging within the Human Resources Division and is not a corporate officer or director for purposes of Section 1091(b)(2).⁴ Lastly, Mayor Adams did not participate in PG&E’s formulation of costs or

⁴ See *Calciano* Advice Letter, A-20-084 (Section 1091(b)(2) remote interest applied because Councilmember employed as Director of Government Affairs of company providing solid waste management services was not an officer or director of said company); *Calciano* Advice Letter, A-18-152 (Section 1091(b)(2)

provisions for, or in the preparation of, the Interconnection Agreement. Thus, she did not take part in formulating the bid for the contract.

Based on the above analysis, because Mayor Adams will have a remote interest in the contract between the PPC and PG&E for which she is employed, the PPC may make the agreement; however, Mayor Adams is disqualified from taking part in the PPC's consideration and potential approval of the Interconnection Agreement with PG&E. Mayor Adams must disclose her interest in the contract to the PPC; the interest must be noted in the PPC's Board records; and she must abstain from any participation in the making of the contract. (Section 1091(a).) Mayor Adams' abstention under Section 1091(b)(2) would also satisfy the requirements of the Act, although we note that the Act also requires leaving the room during discussion at any public meeting of the board. (See Regulation 18707.)

If you have other questions on this matter, please contact me at JGin@fppc.ca.gov.

Sincerely,

Dave Bainbridge
General Counsel

Joanna Gin

By: Joanna Gin
Senior Counsel, Legal Division

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remote interest applied because Councilmember employed as Director of Government Affairs of company providing street sweeping services was not an officer of said company); *Googins* Advice Letter, A-20-065 (Section 1091(b)(2) remote interest applied because Councilmember's husband, who was a Senior Vice President of bank's wealth management division was neither a corporate officer nor director of the bank).