



City of San Juan Bautista

The "City of History"

www.san-juan-bautista.ca.us

AGENDA **CITY COUNCIL MEETING**

TUESDAY ~ JANUARY 24, 2023 ~ 6:00 P.M.

(RESCHEDULED FROM JANUARY 17, 2023)

CITY HALL COUNCIL CHAMBERS

311 Second Street
San Juan Bautista, California

– HYBRID MEETING – **PUBLIC PARTICIPATION BY ZOOM AND IN PERSON**

THIS MEETING WILL BE CONDUCTED PURSUANT TO GOVT. CODE §54953(e)(1)(A).

In order to minimize the spread of the COVID 19 virus the City Council is conducting this meeting by Zoom webinar and will be offering alternative options for public participation. You are encouraged to watch the meeting live on Zoom or Facebook.

THIS MEETING WILL BE OPEN TO THE PUBLIC UNDER THE FOLLOWING CONDITIONS:

All Attendees must comply and wear a face covering if not fully vaccinated and show proof. If providing proof attendees will not need to wear a face covering. If you are exempt from the state face covering guidance or not fully vaccinated, you will be required to wear a mask to attend the meeting; All attendees must comply with any other rules of procedures/instructions announced by the Mayor and/or City Staff. Any violations of the above may result in the Mayor closing the meeting, effective immediately, or clearing the room, as well as other enforcement actions. The meeting will be available through Zoom for those who wish to join or require accommodations with the instructions below:

The meeting can also be accessed by the public in the following methods: Through Zoom (<https://zoom.us/join>) per the instruction stated below, and on Facebook.

Join Zoom Webinar <https://us02web.zoom.us/j/87023777420>

or call 1 (669) 900-6833

Webinar ID: 870 2377 7420

PUBLIC COMMENTS WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. DURING THE MEETING: TO PROVIDE VERBAL PUBLIC COMMENTS ON AN AGENDA ITEM DURING THIS MEETING CALL THE PHONE NUMBER LISTED ABOVE OR LOG INTO ZOOM AND ENTER THE MEETING ID NUMBER AS LISTED ABOVE.

*When the Mayor announces public comment is open for the item which you wish to speak, press *9 on your telephone keypad or if joining by Zoom, use the raise your hand icon. When called to speak, please limit your comments to three (3) minutes, or such other time as the Mayor may decide, consistent with the time limit for all other speakers for the particular agenda item. Comments from other platforms will not be considered during the meeting. If you would like to participate during the meeting you MUST use Zoom.*

If you are unable to join the meeting, written comments may be mailed to the Deputy City Clerk at City Hall (P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to deputycityclerk@san-juan-bautista.ca.us not later than 5:00 p.m. on January 24, 2022, and will be read into the record during public comment on the item.

In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the Deputy City Clerk a minimum of 48 hours prior to the meeting at (831) 623-4661.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code §54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to all items on this agenda are available in the agenda packet on the City website www.san-juan-bautista.ca.us subject to Staff's ability to post the documents before the meeting, or by emailing deputycityclerk@san-juan-bautista.ca.us or calling the Deputy Clerk (831) 623-4661 during normal business hours.

- 1. Call to Order**
 - Pledge of Allegiance**
 - Roll Call**
- 2. Ceremonial Items**
 - A. Swearing in of Elizabeth Soto as Deputy City Clerk and Administrative Services Manager**
- 3. Public Comment**

This portion of the meeting is reserved for persons desiring to address the Council on matters not on this agenda. The law does not permit Council action or extended discussion of any item not on the agenda except under special circumstances. If Council action is requested, the Council may place the matter on a future agenda.
- 4. Consent Items**

All matters listed under the Consent Agenda may be enacted by one motion authorizing actions indicated for those items so designated. There will be no separate discussion of these items unless requested by a member of the City Council, a staff member, or a citizen.

 - A. Adopt a Resolution of the City Council of the City of San Juan Bautista Proclaiming and Reaffirming the Existence of Local Emergencies in the City**
 - B. Approve the Affidavit of Posting Agenda**
 - C. Approve the Affidavit of Posting Public Hearing Notice**
 - D. Adopt a Resolution of the City Council of the City of San Juan Bautista Approving the City of San Juan Bautista Debt Management Policy**
 - E. Waive Reading of Ordinances and Resolutions on the Agenda Beyond Title**
- 5. Presentations, Proclamations, Informational Items and Reports**
 - A. Proclamation for San Benito County LULAC for their 35th Anniversary**
 - B. Proclamation for Black History Month**

C. City Council and Staff Announcements

This is an opportunity for Council and staff to share the community calendar and announce upcoming dates of interest to the general public.

- D. Reports from City Council Representatives to Regional Organizations and Committees and Report by Attendees to League of California Cities New Council Academy**
- E. Treasurer's Report and Monthly Financial Statements**
- F. City Manager's Report**
 - a. Fire Department Update**
 - b. Sherriff Department Update**

6. Public Hearings

- A. Adopt an Ordinance Amending Chapter 5, Article 1 of the City of San Juan Bautista Building Code, and adopting the California Building Standards Code 2022 Edition of the California Fire Code and Appendices Title 24, Part 9.**
(Continued to the next meeting)
- B. Adopt an Ordinance Amending Chapter 5, Article 1 of the City of San Juan Bautista Municipal Code regarding the Adoption of the 2022 California Building Codes and Related International Codes.** *(Continued to the next meeting)*

7. Action Items

- A. Fiscal Year 2021-2022 Audit Presentation by Ryan Jolley; and Adopt a Resolution of the City Council of the City of San Juan Bautista Accepting the San Juan Bautista Municipal Audit for Fiscal Year 2021-2022.**
- B. Adopt a Resolution of the City Council of the City of San Juan Bautista Authorizing the City Manager to Execute a Professional Services Agreement with Citygate to Complete a Strategic Plan, Organizational Review, Fiscal Sustainability Update, and Public Safety Services Review.**
- C. Select First Foundation Bank as the Interim Financing Lender for the Wastewater Treatment System Compliance Project and Adopt a Resolution Authorizing the City Manager to Commence Financing Negotiations and Drafting of Legal Documents for the \$14.6 Million Wastewater Revenue Bond Anticipation Notes/Line of Credit.**
- D. Adopt a Resolution of the City Council of the City of San Juan Bautista Authorizing the City Manager to Execute an Agreement with Microvi Biotech Inc. for Water Treatment Services.**
- E. Appointments to Fill Planning Commission Vacancies based on Recommendations by Ad Hoc Committee Report.**
- F. Mayor's Selection of Representatives to Committees, Regional Boards, etc.**
- G. Adopt a Resolution of the City Council of the City of San Juan Bautista Affecting the Disposition of Parklets Pending Governors Action Lifting COVID State of Emergency.**
- H. Adopt a Resolution of the City Council of the City of San Juan Bautista Acknowledging the Fire Department will Perform Inspection of Certain Occupancies Required Annually Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code and Authorize the Acceptance of Senate Bill No. 1205.**

- I. **Adopt a Resolution of the City Council of the City of San Juan Bautista Adopting the 2022 San Benito County Multi-Jurisdictional Hazard Mitigation Plan (“HMP”)**
 - J. **Introduce an Ordinance to Amend Sections 2-1-105 And 2-2-115(B) of the San Juan Bautista Municipal Code to Vest the Authority in the City Manager to Appoint the City Clerk.**
- 8. Discussion Items**
- A. **Receive an Update on Accepting Applications for Appointment of City Treasurer**
- 9. Adjournment**

RESOLUTION NO. 2022-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
MAKING FINDINGS AND DETERMINATIONS UNDER GOVERNMENT CODE
§54953 FOR CONTINUING VIRTUAL AND HYBRID MEETINGS**

WHEREAS, COVID-19 is a viral respiratory disease from which variants have emerged and which has now spread across the world as a pandemic with multiple confirmed cases in California and, as of December 14, 2022, the federal Centers for Disease Control and Prevention (CDC) rated the risk level for community transmission of COVID-19 in San Benito County as High; and

WHEREAS, under authority provided by Government Code section 8625 on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic that remains in effect; and

WHEREAS, on March 17, 2020, the City Council declared a State of Emergency in the City of San Juan Bautista due to COVID-19 that remains in effect; and

WHEREAS, on April 12, May 10, July 8, and October 19, 2021, Governor Newsom proclaimed states of emergency that remain in effect across all counties of California due to extreme and expanding drought conditions; and

WHEREAS, on April 19, 2022, the City Council declared the City of San Juan Bautista to be in a state of emergency pursuant to Water Code section 350 that remains in effect due to the severity of the drought and directed commencement of certain water conservation regulations as provided by Municipal Code Section 6-4-116; and

WHEREAS, on October 17, 2022, Governor Newsom announced the COVID-19 State of Emergency will end on February 28, 2023; and

WHEREAS, the City Council is committed to preserving and nurturing public access and participation in its public meetings; and

WHEREAS, the Legislature enacted Assembly Bill 361 (AB 361), approved by the Governor and filed with the California Secretary of State on September 16, 2021, which amended Government Code section 54953 of the Brown Act (Government Code sections 54950-54963) to allow local agencies to meet fully virtually or in a hybrid format (that is, a meeting format containing both virtual and in-person components) without fully complying with the teleconference rules set forth in Government Code section 54953(b)(3) during a proclaimed state of emergency if state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Health & Human Services Agency of the County of San Benito has issued a health advisory entitled “COVID-19 What you need to know” that recommends social distancing

as a way to slow the spread of a virus including keeping a distance of approximately three feet from the nearest person while in a workplace; and

WHEREAS, The California Department of Industrial Relations Division of Occupational Safety and Health (Cal/OSHA) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including the City, to train and instruct employees about measures, including physical distancing, that can decrease the spread of COVID-19; and

WHEREAS, the City Council authorized the City Manager to enforce the provisions of Municipal Code Section 6-4-116 as of May 1, 2022, until such time as the drought has ended; and

WHEREAS, the City Council desires that the City of San Juan Bautista, including all commissions, committees, and other Brown Act bodies shall continue to be able to hold virtual or hybrid meetings pursuant to AB 361 and Government Code section 54953(e)(1)(A).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Juan Bautista as follows:

Section 1. The City Council has reconsidered the circumstances of the local states of emergency in accordance with Government Code sections 8630(c) and 54953(e)(3)(A), the information related to these matters and the Recitals set forth above are true and correct and are incorporated as findings into this Resolution by this reference.

Section 2. The City Council finds state and local officials continue to recommend measures to promote social distancing and water conservation.

Section 3. The City Council and all other commissions, committees or other Brown Act bodies of the City shall be authorized to continue to meet virtually in accordance with Government Code section 54953(e)(1)(A) without compliance with section 54953(b)(3).

Section 4. This Resolution does not prevent or prohibit the City Council or any commission, committee or other Brown Act body of the City from holding virtual or hybrid meetings (containing both virtual and in-person components) provided such meetings comply with Government Code section 54953(e)(2)(A-G) and with all state and local health orders. Commissions, committees and other Brown Act bodies shall comply with all rules established by the City Council and/or City Manager for attendance at meetings.

Section 5. The City Council shall take action to renew this Resolution every thirty days for as long as any state of emergency continues in force and local officials continue to recommend any measures to promote social distancing, but the City Council may terminate the Resolution at any time. In the event that more than 30 days pass between regular City Council meetings, the City Council shall take action at a virtual or a hybrid meeting to renew this Resolution before deliberating, either at the beginning of the next regular meeting or at a special meeting.

Section 6. If any provision of this Resolution or the application of such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting duly held this 24th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

AFFIDAVIT OF POSTING

I, ELIZABETH SOTO, DO NOW DECLARE, UNDER THE PENALTIES OF PERJURY THAT I AM THE ACTING ADMINISTRATIVE SERVICES MANAGER FOR THE CITY OF SAN JUAN BAUTISTA, AND THAT I POSTED THREE (3) TRUE COPIES OF THE ATTACHED CITY COUNCIL MEETING AGENDA. I FURTHER DECLARE THAT I POSTED SAID AGENDA ON THE 20TH DAY OF JANUARY 2023, AND I POSTED THEM IN THE FOLLOWING LOCATIONS IN SAID CITY OF SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA.

1. ON THE BULLETIN BOARD AT CITY HALL, 311 SECOND STREET.
2. ON THE BULLETIN BOARD AT THE CITY LIBRARY, 801 SECOND STREET.
3. ON THE BULLETIN BOARD AT THE ENTRANCE TO THE UNITED STATES POST OFFICE, 301 THE ALAMEDA

SIGNED AT SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA,
ON THE 20th DAY OF JANUARY 2023.

ELIZABETH SOTO
DEPUTY CITY CLERK/ADMINISTRATIVE SERVICES MANAGER

AFFIDAVIT OF POSTING PUBLIC HEARING NOTICE

I, ELIZABETH SOTO, DO NOW DECLARE UNDER THE PENALTIES OF PERJURY, THAT I AM THE DEPUTY CITY CLERK FOR THE CITY OF SAN JUAN BAUTISTA, AND THAT I POSTED THREE (3) TRUE COPIES OF THE ATTACHED CITY COUNCIL PUBLIC HEARING NOTICE. I FURTHER DECLARE THAT I POSTED SAID NOTICE ON THE 13th DAY OF JANUARY 2023, AND I POSTED THEM IN THE FOLLOWING LOCATIONS IN SAID CITY OF SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA.

1. ON THE BULLETIN BOARD AT CITY HALL, 311 SECOND STREET.
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ON THE 20th DAY OF JANUARY 2023.

ELIZABETH SOTO, DEPUTY CITY CLERK

**PROOF OF PUBLICATION
(2015.5 C.C.P.)
STATE OF CALIFORNIA
County of San Benito**

I am a resident of the State of California and over the age of eighteen years, and not a party to or interested in the above entitled matter.

I am the principal clerk of the publisher of the Free Lance, published in the city of Hollister, County of San Benito, State of California, **Friday, and on line** for which said newspaper has been adjudicated a newspaper of general circulation by the **Superior Court of the County of San Benito, State of California, under the date of June 19, 1952, Action Number 5330**, that the notice of which the annexed is a printed copy had been published in each issue thereof and not in any supplement on the following date(s):

January 13, 20, 2023.

I, under penalty of perjury, that the foregoing is true and correct. This declaration has been executed on **January 20, 2023.**

**HOLLISTER FREE LANCE
615 San Benito Street, Suite 210
Hollister, CA 95023**



/s/ Juliana B. Pulcrano /
Legal Publications Specialist
Hollister Free Lance,
Gilroy Dispatch, Morgan Hill Times

Phone # (408) 709 3952
E-mail: jpulcrano@newsvmedia.com
Website: www.sanbenito.com

**City of San Juan
Bautista**

NOTICE OF PUBLIC HEARING

Pursuant to Government Code Section 65090, the City Council of the City of San Juan Bautista gives notice of a public hearing on **January 24, 2023** at 6:00 p.m.

The meeting will be held in person and accessible electronically via teleconference. For teleconferencing, members of the public are instructed to be on mute during the proceedings and to speak only when public comment is allowed, after requesting and receiving recognition from the Mayor.

During the public hearing, the following items will be discussed:

- Consider an Ordinance Amending Chapter 5, Article 1 of the City of San Juan Bautista Building Code, and adopting the California Building Standards Code 2022 Edition of the California Fire Code and Appendices Title 24, Part 9.

- Consider an Ordinance Amending Chapter 5, Article 1 of the City of San Juan Bautista Municipal Code regarding the Adoption of the 2022 California Building Codes and Related International Codes.

Staff reports and the full text of all items to be discussed will be available for public review at City Hall and on the City website on **January 20, 2023**. All members of the public are encouraged to attend the hybrid meeting and may address the City Council on the issues during the public hearing. Written comments may be hand delivered or mailed to City Hall (311 Second Street, P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to deputycityclerk@san-juan-bautista.ca.us not later than **5:00 p.m., January 24, 2023**.

The meeting will be hybrid, that is in person and virtual via Zoom. You can access the meeting at <https://us02web.zoom.us/j/87023777420>. An agenda will be posted on the City website and distributed not later than January 20.

If a challenge is made on the action of the proposed project, pursuant to Government Code Section 65009 court testimony may be limited to only those issues raised at the public hearing described in this notice or in written correspondence delivered to the City at or prior to the public hearing.
(Pub HF 1/13, 1/20)

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CITY OF SAN JUAN BAUTISTA**

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Posted 1/13/2023p



CITY OF SAN JUAN BAUTISTA CITY COUNCIL

AGENDA TITLE: DISCUSSION/ACTION REGARDING APPROVING A
DEBT MANAGEMENT POLICY

MEETING DATE: January 24, 2023

SUBMITTED BY: Don Reynolds, City Manager
Cameron Weist, Bond Counsel

RECOMMENDED ACTION:

Adopt a Resolution Approving the City of San Juan Bautista Debt Management Policy.

BACKGROUND / DISCUSSION:

Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a “Report of Proposed Debt Issuance” and to certify on such Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies. The City is currently working with USDA and others on the interim financing for the Hollister Force Main Development Project, which will be subject to the Government Code section 8855 requirements. The City’s local debt policies must include (A) through (E), below.

- A) The purposes for which the debt proceeds may be used.
- B) The types of debt that may be issued.
- C) The relationship of the debt to, and integration with, the issuer’s capital improvement program or budget, as applicable.
- D) Policy goals related to the City’s planning goals and objectives.
- E) The internal control procedures that the City has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

In addition to the requirement set forth by Government Code section 8855(i), it is prudent financial management for the City to adopt a debt management policy that sets parameters for issuing debt, managing the City’s debt portfolio and provides guidance to decision makers. Adoption of the attached Debt Management Policy will help ensure that City debt is issued and managed prudently to maintain a sound fiscal position and that any future credit rating is protected.

The attached Debt Management Policy has been written to include all elements required by CDIAC as well as best management practices expected by the pertinent credit markets and municipal bond industry. In “Section 3 Objectives” it requires that debt service payments be fully integrated into the City’s annual Budget, and be transparent. “Section 4: Delegation of Authority” establishes the “Financing Team” to include bond counsel Cameron Weist from Weist Law Firm, registered bond counsel for the United States Department of Agriculture (“USDA”), that helped draft this policy, municipal finance advisor Dmitry Semenov of Ridgeline Municipal Advisory Services and Wendy Cummings CPA who helped edit the policy. Adopting this policy is a requirement to receive loan financing from the USDA and the State Revolving Loan Fund. The USDA has obligated a \$10 million low interest loan for the City’s sewer project. This policy will assist the City in pursuing and maintaining quality credit ratings in addition to providing guidance to decision makers.

FISCAL IMPACT:

There are no negative financial impacts expected to emanate from adoption of the subject Resolution.

ALTERNATIVES:

1. Adopt Resolution as presented, thereby approving the Debt Management Policy attached as Exhibit A to the Resolution.
2. Do not approve but provide alternative direction to staff.

ATTACHMENTS:

- A. Resolution Approving the City Debt Management Policy
- B. Proposed Debt Management Policy

RESOLUTION NO. 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SAN JUAN BAUTISTA APPROVING THE CITY OF
SAN JUAN BAUTISTA DEBT MANAGEMENT POLICY**

WHEREAS, the City Council (the “Council”) of City of San Juan Bautista (the “City”) recognizes that cost-effective access to the capital markets depends on prudent management of the City’s debt program; and

WHEREAS, SB 1029 (amending Government Code section 8855) has been signed into law and imposes a new requirement on California local government agencies who will issue municipal debt; and

WHEREAS, Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a report of the proposed issuance (the “Report of Proposed Debt Issuance”), and must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies (the “CDIAC Requirements”); and

WHEREAS, the City, and possibly other agencies controlled by the City, expect to be an issuer of new debt in 2023 and thereafter within the meaning of SB 1029 and the CDIAC Requirements; and

WHEREAS, the Council wishes to set parameters for issuing debt, managing the debt portfolio and providing guidance to decision makers; and

WHEREAS, the Council hereby finds and determines that adoption of the attached Debt Management Policy (the “Debt Management Policy”) will help ensure that debt is issued and managed prudently in order to maintain sound fiscal policy, and is intended to also satisfy the requirements of SB 1029 and the CDIAC Requirements; and

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of San Juan Bautista, as follows:

Section 1. Recitals. The Council hereby specifically finds and declares that each of the recitals set forth above are true and correct and are hereby incorporated in conjunction with the respective staff report.

Section 2. Approval of the Debt Management Policy. The Council hereby finds and declares that the proposed Debt Management Policy attached as Exhibit “A” hereto, is hereby approved as the official City of San Juan Bautista Debt Management Policy to be effective January 24, 2023.

Section 3. Authorization to Manage Debt Issuance Functions. The City Manager and Finance Director are hereby authorized to manage debt issuance functions for the City in accordance with the Debt Management Policy.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting duly held this 24th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTESTED:

Elizabeth Soto, Deputy City Clerk

DEBT MANAGEMENT POLICY



CITY OF SAN JUAN BAUTISTA, CALIFORNIA

JANUARY 24, 2023

Section 1: Policy

This Debt Management Policy sets forth debt management objectives for the City of San Juan Bautista (the “City”), and any other entity for which the City Council of the City (the “Council”) acts as legislative body, and the term “City” shall refer to each of such entities, and the term “Council” shall refer to the governing boards of each such entity.

This Debt Management Policy establishes general parameters for issuing and administering debt. Recognizing that cost-effective access to the capital markets depends on prudent management of debt incurred by the City (or any of its controlled entities), the Council has adopted this Debt Management Policy by resolution.

This Debt Management Policy is intended to comply with California Government Code Section 8855(i).

Section 2: Scope

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City may issue debt for the purposes stated in this Debt Management Policy. The City intends to implement policy decisions commensurate with goals and objectives set forth for its annual operations, capital budgets and its capital improvement plan (the “Capital Improvement Program”).

The guidelines established by this policy will govern the issuance and management of all debt funded for long-term capital financing needs and not for general operating functions. When used in this policy, “debt” refers to all forms of indebtedness, including bonds, notes, loans, certificates of participation, installment sale agreements and lease obligations.

The City recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Debt Management Policy. In cases that require exceptions to this Debt Management Policy, approval from the Council will be necessary for implementation.

Section 3: Objectives

The purpose of this Debt Management Policy is to assist the City in pursuit of the following equally important objectives, while providing full and complete financial disclosure and ensuring compliance with applicable state and federal laws:

- Minimize debt service and issuance costs
- Maintain access to cost effective borrowing
- Preserve financial flexibility while assuring public transparency
- Achieve the highest practical credit rating
- Ensure full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with debt covenants
- Ensure compliance with applicable state and federal laws

Budget Integration – The decision to incur new indebtedness should be integrated with the policy decisions embedded in the Council-adopted budget (the “Budget”). Annual debt service payments shall be included in the Budget.

The City will integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes. The City will seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general or enterprise funds.

Biennial Review – Recognizing that cost-effective access to the capital market depends on prudent management of the City's debt program, a biennial review of this Debt Management Policy should be performed. Any substantive changes to this Debt Management Policy shall be brought to the Council for consideration and approval.

Section 4: Delegation of Authority

This Debt Management Policy grants the acting City Manager and acting Finance Director the authority to select the Financing Team, coordinate the administration and issuance of debt, communicate with the rating agencies, and fulfill all of the pre-issuance and post-issuance requirements imposed by or related to state law, federal tax law and federal securities law.

Financing Team Definitions and Roles – The financing team is the working group of City staff and outside consultants necessary to complete a debt issuance proposal for presentation to City Council, including, but not limited to, bond counsel, disclosure counsel, underwriter, placement agent, municipal advisor, trustee, pricing consultant and/or arbitrage analyst.

Typically, the City Manager and Finance Director form the City staff portion of the Financing Team. As needed, other staff members or designees (such as a standing committee of the City) may be appointed to the Financing Team.

Consultant Selection – The City will consider the professional qualifications and experience of consultants as it relates to the specific bond issue or other financing under consideration. In certain instances, the City will conduct a request for proposal/qualification process to select such consultants. The City Manager and Finance Director may, however, decide to select such consultants without having to undertake a request for proposal/qualification process, on an as-needed basis.

Section 5: Policies

A. Purposes for which Debt may be Issued

1. **Long-Term Debt**. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.
 - a. Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the City and its taxpayers and/or ratepayers, as applicable.

- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- b. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
- c. The City may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The City estimates that sufficient revenues will be available to service the debt through its maturity.
 - The City determines that the issuance of the debt will comply with the applicable state and federal law.

2. **Short-Term Debt**. Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment. Additionally, short-term debt financing may be utilized as interim funding for capital projects that will later be funded through long-term debt and/or grant funding.

B. Methods of Financing

The City Manager and Finance Director will investigate all possible financing alternatives including, but not limited to, bonds, notes, loans, certificates of participation, installment sale agreements, lease obligations, state bond pools, and grants, which may be structured and consummated under any of the below described methods of financing.

1. **Cash Funding**. The City funds a significant portion of capital improvements from reserves accumulated from one-time revenues, which have been set aside for investment in the City's infrastructure.
2. **Bank Loans / Lines of Credit**. The City will evaluate bank loans and lines of credit as a possible method of financing.
3. **Other Loans**. The City will evaluate other financing programs, including but not limited to federal and state "loans" from the United States Department of Agriculture, State Revolving Fund, Water Infrastructure Finance and Innovation Act, etc.
4. **Bond Financing**. The City may issue any bonds which are allowed under federal and state law including but not limited to general obligation bonds, certificates of participation, revenue bonds, land-secured (assessment and special tax) bonds, refunding bonds and other obligations (see below for detail).

- ***General Obligation Bonds.*** General Obligation Bonds (GO Bonds) may only be issued with two-thirds approval of the City’s registered voters. The California State Constitution (Article XVI, Section 18) limits the use of the proceeds from GO Bonds to “the acquisition or improvement of real property.”
- ***Lease Revenue Bonds, Certificates of Participation (COPs) and Lease-Purchase Transactions.*** Lease financings may take a variety of forms, including certificates of participation, lease revenue bonds and direct leases (typically for equipment). When the City finances acquisition or construction of capital improvements or equipment with a lease financing, the City agrees to lease either the financed asset or a different asset and, most commonly, the City’s lease payments are securitized in the form of certificates of participation or lease revenue bonds. This type of financing requires approval of Council.
- ***Revenue Bonds.*** Revenue Bonds are generally issued by the City for enterprise funds that are financially self-sustaining without the use of taxes and therefore rely on the revenues collected by the enterprise fund to repay the debt. This type of financing requires approval of Council.
- ***Assessment Bonds.*** The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) and other state laws, subject to Article XIIIID of the California Constitution, allow the City to issue bonds to finance improvements that provide “specific benefit” to the assessed real property. Installments are collected on the secured property tax roll of the County. This type of financing is secured by the lien upon and assessments paid by the real property owners and does not obligate the City’s general fund or other funds. This type of financing requires approval of Council.
- ***Special Tax Bonds.*** Under the Mello-Roos Community Facilities Act of 1982, the City may issue bonds on behalf of a Community Facilities District (CFD) to finance capital facilities, most commonly in connection with new development. These bonds must be approved by a two-thirds vote of the qualified electors in the CFD, which the Mello-Roos Act defines to mean registered voters if there are 12 or more registered voters in the CFD and, if there are fewer than 12 registered voters, the landowners in the CFD. Bonds issued by the City under the Mello-Roos Act are secured by a special tax on the real property within the CFD. Council will approve any special tax bonds prior to placement on a ballot for voter consideration. The financed facilities do not need to be physically located within the CFD. As this type of financing is secured by the special tax lien upon the real property it does not obligate the City’s general fund or other funds.
- ***Refunding Obligations.*** Pursuant to the Government Code and various other financing statutes applicable in specific situations, the Council is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the City. Absent any significant non-economic factors, a refunding is required to meet the following test: 1) the refunding must produce a minimum net debt service savings (net of reserve fund earnings

and other offsets, and taking transaction costs into account) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless either the City Manager and Finance Director determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates, and 2) the final maturity of the original bonds cannot be extended unless expressly determined otherwise by the Council. Additionally, the City Manager or Finance Director may determine that there are other, compelling "non-economic" reasons (i.e. removal of onerous covenants, terms or conditions).

- ***Other Obligations.*** There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to: bond anticipation notes, grant anticipation notes, lease revenue bonds, pension obligation bonds, etc.

Section 6: Structure and Term

Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. The standard term of long-term debt borrowing is typically 15-40 years.

Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good condition and maximizing a capital asset's useful life, the City will make every effort to set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal. Generally, no debt will be issued for a period exceeding the useful life or average useful lives of projects to be financed.

Debt Repayment Structure – In structuring a bond issue, the City will manage the amortization of the debt and, to the extent possible, match its cash flow to the anticipated debt service payments. In addition, the City will seek to structure debt with aggregate level debt service payments over the life of the debt. Structures with unlevel debt service will be considered when one or more of the following exist:

- Such structuring is beneficial to the City's aggregate overall debt payment schedule.
- Such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

Bond Maturity Options – For each issuance, the City will select serial bonds or term bonds, or both.

Interest Rate Structure – The City currently issues securities on a fixed interest rate basis only. Fixed rate securities ensure budget certainty through the life of the issue and avoid the volatility of variable rates. The use of variable rate securities may be issued if authorized by the Council on a case-by-case basis.

Credit Enhancement – Credit enhancement may be used to improve or establish a credit rating on a City debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The City Manager and Finance Director will recommend the use of a credit enhancement if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the City's overall financial objectives.

Debt Service Reserve Fund – Debt service reserve funds are typically held by a Trustee to make principal and interest payments to bondholders in the event the pledged revenues are insufficient to do so. The City will fund debt service

reserve funds when it is in the City's overall best financial interest. The City may decide not to utilize a reserve fund if the City Manager and Finance Director, in consultation with bond counsel and municipal advisor, determines there would be no adverse impact to the City's relevant existing legal provisions, credit rating and/or interest rates.

Per Internal Revenue Service rules, the maximum size of the reserve fund on tax-exempt bond issuance is the lesser of

- 10% of the initial principal amount of the debt;
- 125% of average annual debt service; or
- 100% of maximum annual debt service.

In lieu of holding a cash funded reserve, the City may substitute a surety bond or other credit instrument in its place. The decision to cash fund a reserve fund rather than to use a credit facility is dependent upon the cost of the credit instrument and the investment opportunities.

Call Options / Redemption Provisions – A call option or optional redemption provision gives the City the right to prepay or retire debt prior to its stated maturity date. This option may permit the City to achieve interest savings in the future through the refunding or prepayment of the bonds. The City may be required to pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond is called, the holder may be entitled to a premium payment (call premium). Because the cost of call options can vary depending on market conditions, an evaluation of factors will be conducted in connection with each issuance. The City Manager and Finance Director shall evaluate and recommend the use of a call option on a case-by-case basis.

Section 7: Method of Issuance and Sale; Disclosure

Debt issues are sold to a single underwriter or to an underwriting syndicate, either through a competitive sale or a negotiated sale. A negotiated sale may involve the sale of securities to investors through an underwriter or the private placement of the securities with a financial institution or other sophisticated investor. The selected method of sale will be that which is most beneficial to the City in terms of lowest net interest rate, most favorable terms in financial structure, market conditions and requirement of City staff time involvement. The City Manager and Finance Director will review conditions in conjunction with information and advice presented by the City's Financing Team.

Competitive Sales of Bonds – In a competitive sale, the terms of the debt will be defined by the City and the City's Finance Team, and the price of the debt will be established through a bidding process amongst impartial underwriters and/or underwriting syndicates. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest true interest cost taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds – A method for sale for bonds, notes, or other financing vehicles in which the City selects in advance, based upon proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first-time sale by an issuer (a new credit), a complex security structure, such as variable rate transaction, an unusually large issue, or in a highly volatile or congested market where flexibility as to bond sale timing is important.

Private Placement – A private placement is a variation of a negotiated sale in which the City, usually with the help of a placement agent, will attempt to place the entire new issue directly with a single investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor,

or because the issue is small or of a shorter duration and a direct offering provides economies of scale, lower interest costs and reduced continuing disclosure.

Derivative Products – Because of their complexity, unless otherwise amended, Derivative Products such as interest rate swaps, interest floaters, and other hybrid securities are prohibited by this Debt Management Policy.

Initial Disclosure Requirements – The City acknowledges its disclosure responsibilities. Under the guidance of disclosure counsel, the City will distribute or cause an underwriter to distribute its Preliminary Official Statement and final Official Statement (neither is typically required in a private placement, although in some cases a “private placement memorandum” may be required by the investor).

The Financing Team shall be responsible for soliciting “material” information (as defined in Securities and Exchange Rule 10b-5) from City departments and identifying contributors who may have information necessary to prepare portions of the Official Statement or who should review portions of the Official Statement. In doing so, the Financing Team shall confirm that the Official Statement accurately states all “material” information relating to the decision to buy or sell the subject bonds and that all information in the Official Statement has been critically reviewed by an appropriate person.

In connection with an initial offering of securities, the City and other members of the Financing Team will:

- Identify material information that should be disclosed in the Official Statement;
- Identify other persons that may have material information (contributors);
- Review and approve the Official Statement;
- Ensure the City’s compliance, and that of its related entities, with federal and state security laws, including notification to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed debt issue no later than 30 days prior to the sale of any debt issue, and submission of a final report of the issuance to the CDIAC by any method approved by the CDIAC.

The Financing Team shall critically evaluate the Official Statement for accuracy and compliance with federal and state securities laws. The approval of an Official Statement shall be placed on the Council agenda, and shall not be considered as a Consent Calendar item. The staff report will summarize the Council’s responsibilities with respect to the Official Statement and provide the Council the opportunity to review a substantially final Official Statement. The Council shall undertake such review as deemed necessary by the Council to fulfill the Council’s securities law responsibilities.¹

For any privately placed debt with no Official Statement, the final staff report describing the issue and such other documents will be provided to the Council for approval.

¹ The Securities and Exchange Commission (the SEC), the agency with regulatory authority over the City’s compliance with the federal securities laws, has issued guidance as to the duties of the Council with respect to its approval of any preliminary official statement (the “POS”). In its “Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors” (Release No. 36761 / January 24, 1996) (the “Release”), the SEC stated that, if a member of the Board of Supervisors has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such fact or facts are adequately disclosed in the POS. In the Release, the SEC stated that the steps that a member of the Board of Supervisors would take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

Section 8: Creditworthiness Objectives

Ratings are a reflection of the general fiscal soundness of the City and the capabilities of its management. Typically, the higher the credit ratings are, the lower the interest cost is on the City's debt issues. To enhance creditworthiness, the City is committed to prudent financial management, systematic capital planning, and long-term financial planning; however, the City also recognizes that external economic, natural, or other events may, from time to time, affect the creditworthiness of its debt.

The most familiar nationally recognized bond rating agencies are Standard and Poor's, Moody's Investors Service, Fitch Ratings and KBRA. When issuing a credit rating, rating agencies consider various factors, including, but not limited to:

- City's fiscal status;
- City's general management capabilities;
- Economic conditions that may impact the stability and reliability of debt repayment sources;
- City's reserve levels;
- City's debt history and current debt structure;
- Project(s) being financed; and
- Covenants and conditions in the governing legal documents.

Bond Ratings – The Financing Team will assess whether a credit rating should be obtained for an issuance. The City typically seeks a rating from at least one nationally recognized rating agency on new and refunded issues being sold in the public market. The City Manager and Finance Director, working with the Financing Team, shall be responsible for determining which of the major rating agencies the City shall request to provide a rating. When applying for a rating on an issue, the City and Financing Team shall prepare a presentation for the rating agency when the City determines that a presentation is in the best interests of the City.

Rating Agency Communications – The City Manager and Finance Director are responsible for maintaining relationships with the rating agencies that assign ratings to the City's various debt obligations. This effort shall include providing the rating agencies with the City's financial statements, if applicable, as well as any additional information requested.

Section 9: Post Issuance Administration

Notification to the CDIAC – The City shall work with bond counsel to submit a report of final sale to the CDIAC by any method approved by the CDIAC. The report shall include the information required by CDIAC.

Investment of Proceeds – The Finance Director (or the City Manager or designee in the absence of a City Manager) shall invest bond proceeds and reserve funds in accordance with each issue's indenture or trust agreement, utilizing competitive bidding when appropriate. All investments will be made in compliance with the City's investment policy objectives of safety, liquidity and then yield. The investment of bond proceeds and reserve funds shall comply with federal tax law requirements specified in the indenture or trust agreement and the tax certificate.

Whenever reasonably possible, unexpended bond proceeds and reserve fund monies shall be held by the bank trustee. The trustee will be responsible for recording all investments and transactions relating to the proceeds and providing monthly statements regarding the investments and transactions.

Use of Bond Proceeds – The City Manager and Finance Director are responsible for ensuring that debt proceeds are spent for the intended purposes identified in the related legal documents and that the proceeds are spent in the time frames identified in the tax certificate prepared by bond counsel. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of either the City Manager or the Finance Director. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Director (or the City Manager or designee in the absence of a City Manager) shall retain records of all expenditures of proceeds through the final payment date for the debt.

Continuing Disclosure – When required by Securities Exchange Commission Rule 15c2–12(b)(5) (the “Rule”) the Finance Director or designee will ensure the City’s annual financial statements and associated reports are posted on the City’s web site, and will also comply with the Rule by filing its annual financial statements, other financial and operating data and notices of enumerated events for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB). The City shall submit an annual report to the CDIAC in compliance with the requirements of Government Code Section 8855 and related regulations.

Arbitrage Rebate Compliance and Reporting – The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Finance Director shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate complete calculations, and if necessary timely rebate payments.

Compliance with Other Bond Covenants – In addition to financial disclosure and arbitrage, the City Manager and Finance Director are also responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments;
- Taxes/fees are levied and collected where applicable;
- Timely transfer of debt service payments to the trustee;
- Compliance with insurance requirements;
- Compliance with rate covenants;
- Post-issuance procedures established in the tax certificate for any tax-exempt debt.

Retention – A copy of all relevant documents and records will be maintained by the City for the term of any bonds issued (including refunding bonds, if any), plus 10 years. Relevant documents and records will include sufficient documentation to support the requirements relating to the tax-exempt status.

Investor Relations – While the City shall post its annual financial report as well as other financial reports on the City’s website, this information is intended for the citizens of the City. Information that the City intends to reach the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the EMMA system.

Additional requirements for financial statements – It is the City’s policy to hire an auditing firm that has the technical skills and resources to properly perform an annual audit of the City’s financial statements. More specifically,

the firm shall be a recognized expert in the accounting rules applicable to the City and shall have the resources necessary to review the City's financial statements on a timely basis.

Section 10: Training

To the extent that the City has outstanding debt subject to the Rule, the City Manager shall (i) ensure that the members of the City staff involved in the continuing disclosure process and the Council are properly trained to understand and perform their responsibilities, and (ii) arrange for disclosure training sessions conducted by the City's disclosure counsel. Such training sessions shall include education on the applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the City's staff and members of the Council.

WAIVER OF READING OF ORDINANCES

State law requires that an ordinance be read in its entirety prior to adoption unless the City Council waives reading beyond the title. Reading an entire ordinance at the meeting is extremely time-consuming; reading of the title alone usually gives the audience sufficient understanding of what the Council is considering.

To ensure that this waiver is consistently approved by the Council, Council should make the waiver at each meeting, thus, you should do it at this point on the Consent Agenda. The Council then does not have to worry about making this motion when each ordinance comes up on the agenda.

GC36934

**City of San Juan Bautista
California**



**~ League of United Latin American Citizens Council (LULAC) 2890 ~
35th Anniversary**

WHEREAS, the San Benito County **LULAC** Council 2890 was established in 1987 to represent a voice for the Latino Community; and

WHEREAS, the San Benito County **LULAC** Council 2890 has a track record of demonstrating integrity and has gained the trust and resources of the community; and

WHEREAS, the San Benito County **LULAC** Council 2890 has proven to be a crucial organization to our community and a vital resource to many other non-profit organizations; and

WHEREAS, throughout the years, **SBC LULAC 2890** can claim 364 Collegiate Members and 1,297 Youth Members have participated and personally know the importance of **LULAC** being part of their education, their lives and their careers; and

WHEREAS, the San Benito County **LULAC** Council 2890 has successfully for the last 35 years assured Latino students an education by granting over \$183,000 in scholarship grants to local students; and

WHEREAS, the San Benito County **LULAC** Council 2890 also has fought on behalf of and supported the Farmworker community who selflessly work to putting food on our table; and

NOW, THEREFORE, I, Mayor Leslie Jordan, on behalf of the City of San Juan Bautista City Council, do hereby commend and congratulate San Benito County **LULAC** Council 2890 on their **35th Anniversary** and wish them continued success.

Dated this 24th day of January 2023.

Leslie Jordan, San Juan Bautista Mayor

*City of San Juan Bautista
California*



~ Black History Month 2023 ~

WHEREAS, the City of San Juan Bautista recognizes and values diversity, equity, and inclusion within our community; and

WHEREAS, the migration of African Americans to all parts of the United States and throughout the world have led to countless indelible contributions in the fields of science, medicine, law, social justice, athletics, the arts, government, and more; and

WHEREAS, the presence of African Americans in our community continues to enhance the quality of life in the City of San Juan Bautista; and

WHEREAS, the City of San Juan Bautista understands that African Americans have endured egregious discrimination and bigotry throughout the course of our Nation's history, conflicting with the core values of the City of San Juan Bautista; and

*WHEREAS, **Black History Month** calls on our collective need to recognize and combat racism, and to continue to build a community that embraces all ages, races, religions, and genders; and*

*WHEREAS, **Black History Month** is American History; and*

*WHEREAS, **Black History Month** is a time where all citizens are encouraged to reflect on past successes and challenges of Black communities, and to look to the future to ensure freedom, equity, and inclusiveness;*

***NOW, THEREFORE, BE IT RESOLVED,** that the City Council for the City of San Juan Bautista, do hereby proclaim **February 2023** as **Black History Month** in the City of San Juan Bautista.*

Dated this 24th day of January 2023.

Leslie Jordan, San Juan Bautista Mayor

City of San Juan Bautista
Revenues ~ Budget Vs. Actual
For the Six Month Period Ended December 31, 2021

Item #4E
City Council Meeting
January 24, 2023

REVENUES	FY21	FY22	Annual		YTD	
Fund	Actuals	Actuals	Budget	Difference	50%	Notes
General Fund	897,511	1,089,710	2,137,076	(1,047,366)	51%	A
Special Revenue Funds:						
Capital Projects Fund	1,216,231	178,927	905,111	(726,184)	20%	C
Community Development	75,008	39,512	404,514	(365,002)	10%	B
COPS	80,456	68,190	100,000	(31,810)	68%	
Parking & Restroom Fd	8,411	7,709	25,000	(17,291)	31%	A
Gas Tax Fund	47,876	155,917	375,784	(219,867)	41%	
Valle Vista LLD	10,856	12,964	25,928	(12,964)	50%	
Rancho Vista CFD	28,822	29,358	58,716	(29,358)	50%	
Copperleaf CFD	10,636	10,973	21,945	(10,973)	50%	
Development Impact Fee Funds:						
Park Development	20,536	-	-	-		
Public/Civic Facility	1,767	-	-	-		
Library	2,377	-	-	-		
Storm Drain	38,288	-	-	-		
Parking In-Lieu	-	-	-	-		
Park In-Lieu	10,426	-	-	-		
Public Safety	1,839	-	-	-		
Traffic	45,821	-	-	-		
Internal Service Funds:						
Blg Rehab. & Replace	19,000	19,000	38,000	(19,000)	50%	
Vehicle Replacement	30,000	30,000	60,000	(30,000)	50%	
Enterprise Funds:						
Water						
Operations	596,046	581,252	1,239,670	(658,418)	47%	
Capital	207,493	-	576,400	(576,400)	0%	C
Sewer						
Operations	555,413	622,388	1,142,430	(520,042)	54%	
Capital	12,488	-	733,275	(733,275)	0%	C
TOTAL Funds	3,019,790	1,756,190	7,843,849	6,087,660	22%	

A ~ Current year revenue was higher due to a \$251k grant from Federal government for COVID relief, offset by higher document transfer taxes in the prior year.

B ~ These funds are developer derived and are recognized when received.

C ~ The timing of the projects and the related revenue does not always align with the year-to-date percentages.

City of San Juan Bautista
Expenditures ~ Budget Vs. Actual

Item #4E
City Council Meeting
January 24, 2023

For the Six Month Period Ended December 31, 2021

EXPENDITURES	FY21	FY22	Annual		YTD	
<u>Fund</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>	<u>50%</u>	<u>Note</u>
General Fund	841,844	810,189	2,050,876	(1,240,687)	40%	
Special Revenue Funds:						
Capital Projects Fund	1,216,231	178,927	2,477,368	(2,298,441)	7%	A
Community Development	285,738	242,984	650,768	(407,784)	37%	
COPS	50,000	50,000	100,000	(50,000)	50%	
Parking & Restroom Fd	707	17,410	117,899	(100,489)	15%	A
Gas Tax Fund	6,857	8,372	100,784	(92,412)	8%	
Valle Vista LLD	9,484	35,084	25,928	9,156	135%	B
Rancho Vista CFD	18,795	21,860	58,716	(36,856)	37%	
Copperleaf CFD	3,805	7,141	21,945	(14,804)	33%	
Development Impact Fee Funds						
Public/Civic Facility	1,350	1,350	169,540	(168,190)	1%	A
Library	2,220	9,020	29,440	(20,420)	31%	A
Storm Drain	89,783	1,716	10,932	(9,216)	16%	A
Park In-Lieu	150	2,831	17,884	(15,053)	16%	A
Public Safety	426	426	180,852	(180,426)	0%	A
Traffic	128,530	216	5,432	(5,216)	4%	A
Internal Service Funds:						
Blg Rehab. & Replace	-	-	25,000	(25,000)	0%	A
Vehicle Replacement	3,410	-	-	-		
Enterprise Funds:						
Water:						
Operations	345,451	396,262	725,548	329,286	55%	
Capital	91,934	85,285	547,705	462,420	16%	A
Sewer						
Operations	401,678	412,842	805,565	392,723	51%	
Capital	154,078	348,440	717,205	368,765	49%	
TOTAL Funds	2,860,141	1,820,166	8,839,387	7,019,221	21%	

Footnotes:

A ~ Capital fund transfers/costs are budgeted to be inc`

sporadically during the year, they do not always align with the to date percentages, or prior year amounts. Additionally, some projects have been moved to the next fiscal year.

B ~ Cost are greater than budget due to one time maintenance, paid through assessment reserves.

City of San Juan Bautista

Revenue - Summary

02/07/2022

Account Type - All	Account Category - A	Billing Type - All	From - 12/12/2021		Res.	Comm.
Account Category	Account Type	Billing Type		Water	67,936.49	13,402.52
Main	AGRICULTURAL	Other	3.06	Sewer	71,299.21	18,518.99
Main	AGRICULTURAL	Water	717.55	Meter Maint	1,317.33	
Main	CHURCH	Sewer	1722.05			
Main	CHURCH	Water	1236.9			
Main	CHURCH	Other	7.65			
Main	COMMERCIAL	Sewer	15048.61			
Main	COMMERCIAL	Water	10544.26			
Main	COMMERCIAL	Other	97.92			
Main	GOVERNMENT	Water	825.82			
Main	GOVERNMENT	Other	10.71			
Main	GOVERNMENT	Sewer	1632.45			
Main	OTHER	Sewer	797.19			
Main	OTHER	Water	997.78			
Main	OTHER	Other	15.3			
Main	RESIDENTIAL	Water	66938.71			
Main	RESIDENTIAL	Other	1181.16			
Main	RESIDENTIAL	Sewer	70502.02			
Main	SCHOOL	Sewer	115.88			
Main	SCHOOL	Water	77.99			
Main	SCHOOL	Other	1.53			
	Total		172474.54			

**City of San Juan Bautista
Warrant Listing
As of December 31, 2021**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
101.000 - Union Bank			
101.001 - Operating Acct. 1948			
12/08/2021	215194	All Clear Water Services	-4,100.00
12/08/2021	215195	AVAYA	0.00
12/08/2021	215196	Brigantino Irrigation, Inc.	-77.79
12/08/2021	215197	Carlos Figueroa.	-93.49
12/08/2021	215198	Charter Communications	-548.19
12/08/2021	215199	Clark Pest Control	-97.00
12/08/2021	215200	Core & Main	-196.12
12/08/2021	215201	Department of Transportation	-23.16
12/08/2021	215202	Ernesto Soto.	-75.26
12/08/2021	215203	Hollister Auto Parts, Inc.	-21.59
12/08/2021	215204	Home Depot Credit Services	-103.03
12/08/2021	215205	Jessica Nunley	-163.82
12/08/2021	215206	KBA Docusys	-230.39
12/08/2021	215207	Level 1 Private Security.	-5,197.50
12/08/2021	215208	Local Government Commision	-788.50
12/08/2021	215209	Luz Veronica Zapata.	-74.69
12/08/2021	215210	Mandell Municipal Counseling	-4,292.00
12/08/2021	215211	Mc Kinnon Lumber Co., Inc.	-20.70
12/08/2021	215212	Monterey Bay Analytical Services	-3,895.40
12/08/2021	215213	P G & E	-807.33
12/08/2021	215214	Quadient Leasing USA, Inc.	-473.47
12/08/2021	215215	Rx-Tek	-734.00
12/08/2021	215216	Sentry Alarm System	-339.22
12/08/2021	215217	Smith & Enright Landscaping	-3,640.00
12/08/2021	215218	State Compensation Insurance Fund	-2,250.58
12/08/2021	215219	Toro Petroleum Corp.	0.00
12/08/2021	215220	True Value Hardware	0.00
12/08/2021	215221	US Bank	0.00
12/08/2021	215222	Vanessa Tellez.	0.00
12/08/2021	215223	Wendy L. Cumming, CPA	0.00
12/08/2021	215224	AVAYA	-250.66
12/08/2021	215225	Toro Petroleum Corp.	-180.51
12/08/2021	215226	True Value Hardware	-45.64
12/08/2021	215227	US Bank	-993.37
12/08/2021	215228	Vanessa Tellez.	-74.30
12/08/2021	215229	Wendy L. Cumming, CPA	-5,546.25
12/10/2021	215230	Felix Quezada	-165.00
12/10/2021	215231	Level 1 Private Security.	-608.00
12/10/2021	215232	Randazzo Enterprises INC.	-165.00
12/10/2021	215233	Vicki Saxton	-95.00
12/15/2021	215234	Karl D. Bjarke	-1,356.03
12/15/2021	215235	Angel Solache.	-700.00
12/15/2021	215236	att.com	-70.75

**City of San Juan Bautista
Warrant Listing
As of December 31, 2021**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
12/15/2021	215237	Bartle Wells Associates	-7,875.00
12/15/2021	215238	Ca Association Code Enforcement Officers	-95.00
12/15/2021	215239	Core & Main	-389.88
12/15/2021	215240	CSG Consultants, Inc.	-21,960.00
12/15/2021	215241	Cypress Water Services	-6,505.40
12/15/2021	215242	Design Line & Granger	-406.41
12/15/2021	215243	Devin Brooks	-56.91
12/15/2021	215244	Harris & Associates	-8,788.75
12/15/2021	215245	Mandell Municipal Counseling	-1,769.00
12/15/2021	215246	Monterey Bay Analytical Services	-1,544.50
12/15/2021	215247	P G & E	-4,522.37
12/15/2021	215248	Printing Systems Inc	-77.52
12/15/2021	215249	Ready Refresh	-392.46
12/15/2021	215250	San Benito County Chamber of Commerce	-265.00
12/15/2021	215251	San Benito County Clerks Office	-2,456.75
12/15/2021	215252	Sentry Alarm System	-150.00
12/15/2021	215253	Sprint	-456.88
12/15/2021	215254	SWRCB	-3,326.00
12/15/2021	215255	U.S. Postmaster	-1,000.00
12/17/2021	215256	at&t	-90.33
12/17/2021	215257	J.V. Orta's Rent A Fence	-225.00
12/17/2021	215258	Level 1 Private Security.	-4,725.00
12/17/2021	215259	P G & E	-6,847.39
12/17/2021	215260	Pinnacle Healthcare Medical Group	-150.00
12/17/2021	215261	Sentry Alarm System	-612.00
12/21/2021	215262	AFLAC	-290.69
12/21/2021	215263	Ferguson Enterprises LLC	-15.77
12/21/2021	215264	First Alarm	-440.37
12/21/2021	215265	Monterey Bay Economic Partnership	-3,000.00
12/21/2021	215266	US Bank Equipment Finance	-249.61
12/21/2021	215267	Valero Wex Bank	-940.09
12/21/2021	215268	Wellington Law Offices	-2,500.00
12/21/2021	215269	United Rotary Brush Corporation	-546.21
12/21/2021	215270	Wright Bros. Industrial Supply	-253.40
Total 101.001 · Operating Acct. 1948			-121,417.43
Total 101.000 · Union Bank			-121,417.43
TOTAL			-121,417.43

City Manager's Monthly Report

Staffing and Organizational Assessment

Fully staffed – first time since January 2022

Deputy City Clerk- on board

City Clerk appointment moving forward

If approved tonight, will initiate a staffing and organizational capacity assessment (administrative services consideration)

Finance “Department”

Implemented a new chart of accounts

Implementing a new finance software designed for local government

Integrating it with Cleargov

City Manager's Monthly Report

Budget Calendar

Audit 30-days- on today's agenda

Mid Year Budget Review February 21

Expenditure Plan for several one-time projects

Strategic Planning Feb/March

Community Workshop

Adoption March 21

Department Budgets considered in April

Draft Budget presented in May

Budget workshops May and June

Budget adopted June 20, 2023

City Manager's Monthly Report

Emergency Preparedness/Response

12.31 FEMA Claim deadline for COVID was met 12.28; \$110,000

12.27 flooding through New Years

Small mobile home park flooded (6 families)

The Alameda

Closed First Street due to RV Flooding

WWTP inundated with storm water but held tight

01.12 Proclaimed State of Emergency, ratified January 14

01.15 Submitted Initial Damage Estimate at \$81,000

01.16 Cal OES meeting on Individual Damage claims and reports

City Manager's Monthly Report

Water and Wastewater

Water

Reviewed District Agreement for Pipeline, and Buy-in (water)

Wastewater

Two good conversations with Hollister; agreed to terms

Feedback from Water Board on Industrial User Inspections

State F&G Permit submitted 12.22- pending approval

(once approved- buy conservation credits)

USDA Obligates to City \$14 million; \$4 grant + \$10 loan

Working to satisfy USDA Pre-bid Requirements

City Manager's Monthly Report

UGB-SOI

Continue to meet with property owners

Noise Ordinance

Adding the "dbl" metric is requires research and re-drafting

Check in on Future Agenda Items

Neighborhood Electric Vehicles

Vacancy Tax

Nuisance Property Ordinance

Other considerations?

City Manager's Monthly Report

Projections-

01.31.23 Joint PC/CC Meeting

Active Transportation Plan

Adjourn to City Council Mtg- Line of Credit Bank Agmts

2.07.23 Planning Commission

Orientation, Select Officers

Christopher Ranch Preliminary Introduction

2.21.23

Building Codes

Water District Pipeline Agreement

Strategic Planning Update



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

AGENDA TITLE: Ordinance No. 2023-XX, Amending Chapter 5-1 of the City of San Juan Bautista Municipal Code and Adopting the California Building Standards Code 2022 Edition of the California Fire Code and Appendices Title 24, Part 9

MEETING DATE: January 24, 2023

DEPARTMENT HEAD: Fire Chief Bob Martin Del Campo

RECOMMENDED ACTION: Staff recommends that the City Council Read by Title Only, Waive Full Reading, and introduce these changes to the Ordinance of the City Council of the City of San Juan Bautista Amending Chapter xx of the San Juan Bautista Building Code and adopting by reference – 2022 Edition California Fire Code and appendices Title 24, Part 9.

BACKGROUND INFORMATION: Fire Protection agencies are generally required to adopt the State Building Standards, and agencies are allowed to make amendments to those state standards when justified by local topographical, climatic and geographical conditions.

The international code Council promulgates the International Fire Code, a nationally recognized compilation of rules and regulations. The International Code Council has conducted open code hearings that permit participation by National, State, and local code officials; as well as industry representatives, consultants, and other private parties with an interest in the International Fire Code. The international Fire Code has been printed and published as a Code in book form with the meaning of Section 50022.1 of the Government Code of the State of California.

Under this adopting ordinance, specific amendments to building standards are more restrictive than those contained within the 2022 Edition of the International Fire Code with amendments as adopted by the California Building Standards Commission and published as the 2022 Edition of the California Fire Code.

Under the provisions of Section 18941.5 of the Health and Safety Code, local amendments are based on climatic, topographical and geological conditions.

It is clearly understood that the adoption of such amendments may not prevent the incidence of fire, the implementation of these various amendments to the Fire Code is intended to reduce the potential loss of life and property and damage to the environment caused thereby.

DISCUSSION:

The San Juan Bautista City Council and the Hollister Fire Department ORDAINS AS FOLLOWS:

Part 1: Adoption of Code with Exclusions

Part 2: Local Amendments

Part 3: International Fire Code Adopted by Reference

Part 4: Severability

Part 5: Effective Date and Publication

Part 1. Adoption of Code with Exclusions

The Hollister Fire Department adopts the 2022 California Fire Code, Title 24, Part 9, in its entirety, including Appendices, incorporation those sections of the International Fire Code, 2022 Edition not adopted by the State.

Part 2. Local Amendments

The following sections are hereby amended or added (2022 City of San Juan Bautista Fire Code Amendments – Exhibit A)

Part 3. International Fire Code Adopted by Reference

The 2022 International Fire Code, including its appendices published by the International Code Council, is hereby adopted by reference.

Part 4. Severability

If any section, subsection, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decisions of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City of San Juan Bautista hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases or portions be declared invalid or unconstitutional.

Part 5. Effective Date and Publication

This ordinance shall become effective and be in full force and effect thirty (30) days after the date of its passage and after ratification by the City of San Juan Bautista and submission of a copy of the ordinance to the California Department of Housing and Community Development, provided this ordinance is published in full or in summary within fifteen (15) days after its adoption in the Freelance, a newspaper of general circulation.

This ordinance was introduced and the title there of read at the regular meeting of the City of San Juan Bautista on January 24, 2023.

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. 2022 City of San Juan Bautista Fire Code Amendments – Exhibit A

ORDINANCE NO 2023-____

AN ORDINANCE OF THE CITY OF SAN JUAN BAUTISTA AMENDING SECTIONS 5-1-100 AND 5-1-105 OF CHAPTER 5-1, ARTICLE 1, OF THE SAN JUAN BAUTISTA MUNICIPAL CODE TO ADOPT 2022 EDITION OF CALIFORNIA FIRE CODE BY REFERENCE, AND APPENDICES TITLE 24, PART 9, WITH CERTAIN EXCEPTIONS, MODIFICATIONS AND ADDITIONS REQUIRED BY LOCAL CLIMATIC, GEOLOGICAL OR TOPOGRAPHICAL CONDITIONS; AND APPROVING FINDINGS TO SUPPORT LOCAL MODIFICATIONS.

-o0o-

WHEREAS, pursuant to Section 18941.5 of the California Health and Safety Code, the City may adopt the provisions of the California Fire Code with certain exceptions, modifications and additions to provisions of the Code which are reasonably necessary to protect the health, welfare and safety of the citizens of San Juan Bautista because of local climatic, geological and topographical conditions; and

WHEREAS, the City Council has considered whether certain modifications to the California Fire Code standards set forth herein are necessary in the City of San Juan Bautista due to local climatic, geological or topographical conditions; and

WHEREAS, the factual findings made are valid and relate to the amendments made to the California Fire Code in this adoption; and

WHEREAS, the City Council directed that a public hearing be held and duly noticed and published in accordance with California Government Code §50022.3, and said hearing was held on February 21, 2023, concerning the purpose of this Ordinance to adopt the 2022 California Fire Code with modifications to address unique local conditions; and

WHEREAS, this Ordinance was found to be categorically exempt from environmental review, per the provisions of Section 15061(b) (3) of the Guidelines to the California Environmental Quality Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA DOES HEREBY ORDAIN AS FOLLOWS:

1. Section 5-1-100 of Chapter 5-1-“Amended by reference” Amended: Section 5-1-100 of Chapter 5-1 entitled “Adoption by reference” is hereby amended to read as follows:

“5-1-100 Adoption by reference.

The California Fire Code, 2022 Edition including Appendices Title 24, Part 9, published by the California Building Standards Commission, and as modified by the amendments, additions set forth hereinafter, is adopted by reference, in accordance with the following findings, as the Fire Code of the City of San Juan Bautista.

(A) Climate. The city, on average, experiences an approximate annual rainfall of eighteen inches. The heaviest months for rainfall can be expected between January and April. During winter months, the city may experience periods of heavy rain, which can cause local flooding. Due to the proximity of the Pacific Ocean, winter storms are often accompanied by high winds, which have uprooted trees and damaged power lines. The city has also experienced periods of heavy fog, which has delayed the responding fire apparatus and prevented early discovery of structure fires. Light to gusty winds occur during dry periods which, when coupled with highly flammable vegetation, can cause uncontrollable fires. With increased development spreading into brush covered coastal hill areas, wind driven fires could have severe consequences, as have been demonstrated on several occasions throughout the state.

(B) Geologic. The city is susceptible to seismic hazards resulting from movement along any one of several known faults. The most serious direct earthquake hazard threat is from the damage or collapse of buildings and other structures due to ground movement. In addition to damage caused by earthquakes, there is the possibility of earthquake-induced fires starting because of damage to gas lines, power lines or heat-producing appliances and the unavailability to water for fire control due to broken water mains. In the event of a major earthquake many areas of the city may not be accessible to emergency equipment and, if bridges or roads are damaged, the city may be isolated from outside assistance.

(C) Topographical. The city is divided by California State Highway 156. The freeway creates barriers which obstruct traffic patterns and delay response time for fire equipment. The water supply within the city is directly affected by the topographical layout. In the event of a major catastrophe..

(D) Conclusion. Local climatic, geologic and topographical conditions impact fire suppression efforts and the frequency, spread, intensity and size of fire involving structures in this community. Further, they impact potential damage to all structures from earthquake and subsequent fire. Therefore, it is found to be necessary that the California Fire Code be amended by this chapter to mitigate the effects of these conditions.

2. Section 5-1-105 of Chapter 5-1 “Amendments – General” Amended. Section 5-1-105 of Chapter 5.1 entitled “Amendments – General” is hereby amended to read as follows:

“5-1-105 Amendments – General.

Set forth below are the amendments, additions and deletions to the California Fire Code, 2022 Edition. Article and Section numbers used herein are those of the California Fire Code.

101.1 Title. These regulations shall be known as the Fire Code for the City of San Juan Bautista, hereinafter referred to as “Fire Code.”

101.2.1 Appendices. Provisions in all appendices to the 2022 California Fire Code are hereby adopted in their entirety and shall apply.

102.1 Construction and design provisions. The construction and design provisions of this Code shall apply to:

1. Structures, facilities and conditions arising after the adoption of this Code.
2. Existing structures, facilities and conditions not legally in existence at the time of adoption of this Code.
3. Existing structures, facilities and conditions when identified in specific Sections of this Code.
4. Existing structures, facilities and conditions, which, in the opinion of the Fire Code Official, constitute a distinct hazard to life and property.
5. Existing Structures Alterations and repairs.
 - a. All new work performed in alterations and/or repairs to existing structures shall comply with the current provisions of this Chapter.
 - b. When alterations and/or repairs result in the removal, alteration, modification, replacement and/or repair of fifty percent (50%) or more of the external walls of a building, or result in the removal, modification, replacement and/or repair of fifty percent (50%) or more of the existing internal structural and/or non-structural framework, independently or in combination thereof, within a five year period, the entire building shall be made to conform to the current provisions of this Chapter.
 - c. Calculations of linear wall measurements shall be shown on all plans submitted for building permits, on the cover page in the project description of said plans.
 - d. The determination under this section of the requirement for upgrading any existing structure to full conformance with current provisions of this Chapter shall be at the sole discretion of the Fire Code Official.

103.0 Responsibility for enforcement.

103.0.1 Within established fire protection districts and community services districts, responsibility for enforcement of this Code shall be under the direction of the Fire Chief within each district.

103.0.2 In areas of San Juan Bautista responsibility for enforcement of this Code shall be under the direction of the Fire Chief..

104.1.1 Police powers. The fire code official and his deputies shall have the powers of police officers in performing their duties under this Code. When requested to do so by the fire code official, the chief of police of the jurisdiction is authorized to assign such available police officers as necessary to assist the fire code official in enforcing the provisions of this Code.

105.5.0 Agricultural Explosive Devices. An operational permit is required for storage or use of any agricultural explosive device including “bird bombs”.

112.2 Owner/occupant responsibility. Correction and abatement of violations of this Code shall be the responsibility of the owner. If an occupant creates, or allows to be created, hazardous conditions in violation of this Code, the occupant shall be held responsible for the correction and abatement of such hazardous conditions.

112.4 Violation penalties. Persons who shall violate any provision of this Code or shall fail to comply with any of the requirements thereof or shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this Code, shall be guilty of an infraction, punishable by a fine in conformance with the County Fire Department.

113.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be guilty of an infraction as specified in Section 112.4 of this Code.

202 Definitions

ALL WEATHER SURFACE. A hard paved road surface constructed to the minimum standards adopted by the jurisdiction.

BRIDGE. A structure to carry a roadway over a depression or obstacle.

IDLE PALLET. A pallet or similar product storage and/or lifting device not currently in use and empty of product.

503.2.6.1 Private bridge engineering. Every private bridge hereafter constructed shall meet the following engineering requirements:

1. The weight shall be designed for a minimum of HS-20 loading as prescribed by the AASHTO.
2. The unobstructed vertical clearance shall be not less than fifteen (15) feet clear.
3. The width shall be a minimum of twenty (20) feet clear. The Fire Code Official may require additional width when the traffic flow may be restricted or reduce the width to a minimum of twelve (12) feet for Occupancy Group U or R-3 occupancies.
4. The maximum grade change of the approach to and from any private bridge shall not exceed eight percent for a minimum distance of ten (10) feet.

503.2.6.2 Private bridge certification. Every private bridge hereafter constructed shall be engineered by a licensed professional engineer knowledgeable and experienced in the engineering and design of bridges. Certification that the bridge complies with the design standards required by this Code and the identified standards, and that the bridge was constructed to those standards, shall be provided by the licensed engineer, in writing, to the Fire Code Official. Every private bridge, including existing and those constructed under this Code, shall be certified as to its maximum load limits every ten (10) years or whenever deemed necessary by the fire code official. Such recertification shall be by a licensed professional engineer knowledgeable and experienced in the engineering and design of bridges. All fees charged for the purpose of certification or recertification of private bridges shall be at the owner's expense.

503.2.7 Grade. The grade of fire apparatus access roads shall be no greater than fifteen (15) percent unless specifically approved by the Fire Code Official.

503.2.7.1 Paving. All fire apparatus access roads over eight (8) percent shall be paved with a minimum 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base. All fire apparatus access roads over fifteen (15) percent where approved shall be paved with perpendicularly grooved concrete.

503.7 Fire apparatus access road names. All fire apparatus access road names shall be issued or approved by the appropriate governmental agency.

506.1 Required. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the fire code official is authorized to require a key box or other approved emergency access device to be installed in an approved location. The key box or other approved emergency access device shall be of an approved type and shall contain keys or other information to gain necessary access as required by the fire code official. Where a key box is used, it shall be listed in accordance with UL 1037. This jurisdiction utilizes the KNOX Box Security Systems.

507.5.2 Inspection, testing and maintenance. Fire hydrant systems shall be subject to periodic tests as required by the Fire Code Official. Fire hydrant systems shall be maintained in an operative condition at all times and shall be repaired where defective. Additions, repairs, alterations and servicing shall comply with approved standards. When required by the Fire Code Official, hydrants shall be painted in accordance with the most current edition of NFPA 291.

605.3.1 Spark arresters.

605.3.1.1 An approved spark arrester shall be installed on all chimneys, incinerators, smokestacks or similar devices using solid fuel for conveying smoke or hot gases to the outer air.

605.3.1.2 Spark arresters shall have openings in accordance with Section 2113.9.2(3) of the California Building Code and Section 1003.9.2 of the California Residential Code with minimum openings of 3/8" and maximum openings of 1/2".

901.1.1 Responsibility. The owner of the protected premises shall be responsible for all fire protection systems within the protected premises, whether existing or installed under this code.

901.2.2 Additional documentation. Additional documentation as required by the Fire Code Official shall be provided to the Fire Code Official in an acceptable format.

901.4 Installation. Fire protection systems shall be maintained in accordance with the original installation standards for that system. All systems shall be extended, altered, or augmented as necessary to maintain and continue protection whenever the building is altered, remodeled or added to. Alterations to fire protection systems shall be done in accordance with applicable standards.

901.4.8 Nonoperational equipment. Any fire protection equipment that is no longer in service shall be removed.

901.6.4 Qualifications of Inspection, Testing and Maintenance Personnel. All personnel performing any inspection, testing or maintenance of any fire protection system shall be qualified. Where such inspection, testing and maintenance is performed by an outside service company, the company shall be appropriately licensed by the California Contractors State License Board in accordance with the California Business & Professions Code or by the California State Fire Marshal.

901.6.5 Additional records. All documentation generated during any scheduled inspection or test of any fire protection system, whether required or voluntarily installed, shall be forwarded to the Fire Code Official within fifteen (15) calendar days after the date of the inspection or test.

901.11 Fire Protection Features for Plant Processing and Extraction Facilities

901.11.1 Scope. This section applies to occupancies regulated by Chapter 39 of this Code.

901.11.2 Definitions.

901.11.2.1 Plant processing. Plant processing shall include all plant post-harvest operations, excluding retail sales of plant and related products.

901.11.2.2 Indoor cultivation. Indoor cultivation shall be defined as all nursery or cultivation conducted in other than Group U occupancies (greenhouses).

901.11.3 Fire Protection Systems. All buildings or portions thereof housing plant post-harvest or indoor cultivation operations shall be protected as defined in this section.

901.11.3.1 Fire Sprinklers. Fire sprinklers shall be installed in accordance with 901.11.3.1.1, 901.11.3.1.2, or 901.11.3.1.3

901.11.3.1.1 Fire sprinklers shall be installed in all buildings or portions thereof; such fire sprinkler systems shall be designed to Ordinary Group II design standards in the latest adopted edition of NFPA 13 and Section 903 of this code.

901.11.3.1.2 If the occupancy is classified as a Group H Occupancy the fire sprinkler system may be required to be designed and installed as an Extra Hazard fire sprinkler system

901.11.3.1.3 Where permitted by the fire code official and not otherwise required by this code or the CBC, fire sprinklers may be eliminated in approved buildings less than 500 square feet.

901.11.3.2 Fire Alarm Systems. Fire alarm systems shall be installed in all buildings or portions thereof; such fire alarm systems shall include both fire sprinkler system monitoring and complete occupant notification as specified in the latest adopted edition of NFPA 72 and Section 907 of this code.

901.11.3.3 Special Hazard Systems. Where specified by appropriate UL listings for extraction booths utilizing volatile solvents, dry chemical fire protection systems shall be installed according to the latest adopted edition of NFPA 17. If there is no UL listing for the extraction booth, a dry chemical fire protection system shall be installed.

901.11.3.4 Portable Fire Extinguishers. Portable fire extinguishers shall be installed in accordance with NFPA 10 and Section 906 of this code.

903.2 Where required. Approved automatic sprinkler systems shall be provided in all new buildings and structures constructed, moved into or relocated within the jurisdiction.

Exceptions:

- (1) Structures not classified as Group R occupancies and not more than five hundred (500) square feet in total floor area.
- (2) Detached agricultural buildings, as defined by this code and the CBC, located at least one hundred feet (100) from any other structure or the property line, whichever is closer.
- (3) Accessory structures not classified as R occupancies associated with existing non-sprinklered R-3 occupancies (one- or two-family dwellings) and less than one thousand five hundred (1500) square feet in total fire area.
- (4) Where an insufficient water supply exists to provide for an automatic fire sprinkler system and where the Fire Code Official permits alternate protection.

The following Sections are amended by changing requirements to five hundred (500) square feet for fire sprinkler installation, as follows (the complete text of the section is not provided):

- 903.2.1.1 Group A-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.1.2 Group A-2. Change five thousand (5,000) square feet to five hundred (500) square feet.
- 903.2.1.3 Group A-3. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.1.4 Group A-4. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.1.5 Group A-5. Change one thousand (1,000) square feet to five hundred (500) square feet.
- 903.2.3 Group E. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.4 Group F-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.4.1 Group F-1. Change two thousand five hundred (2,500) square feet for woodworking operations to five hundred (500) square feet.
- 903.2.7-1 Group M. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.7-3 Group M. Change twenty-four thousand (24,000) square feet to five hundred (500) square feet.
- 903.2.9 Group S-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.
- 903.2.9.1 Repair Garages. Change ten thousand (10,000) square feet (2 story buildings) and twelve thousand (12,000) square feet (1 story buildings) to five hundred (500) square feet.
- 903.2.9.2 Bulk storage of tires. Change twenty thousand (20,000) cubic feet to five hundred (500) square feet.

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all buildings with a Group R fire area, including, but not limited to, one- and two-family dwellings, townhomes, and manufactured homes and mobile homes located outside of licensed mobile home parks hereafter constructed, moved into or relocated within the jurisdiction, including all additions to buildings already equipped with automatic fire sprinkler systems.

(Exceptions remain per 2022 California Fire Code)

903.3.1.1.1 -7 Passenger elevator shafts or associated passenger elevator mechanical rooms, where elevator shafts are constructed with a 2-hour fire resistive method.

Section 903.3.1.1.2 of the California Fire Code is deleted.

903.3.1.2 NFPA 13R sprinkler systems. Automatic sprinkler systems in Group R occupancies up to and including four stories in height shall be permitted to be installed throughout in accordance with NFPA 13R as amended in Chapter 47 of this Code.

903.3.1.2.1 Balconies and decks. Sprinkler protection shall be provided for exterior balconies, decks and ground floor patios of dwelling units where the building is of Type V construction, provided there is a roof or deck above. Sidewall sprinklers that are used to protect such areas shall be permitted to be located such that their deflectors are within 1 inch to 6 inches below the structural members and a maximum distance of fourteen (14) inches below the deck of the exterior balconies and decks that are constructed of open wood joist construction.

903.3.1.2.3 Attics. Where NFPA 13R sprinkler systems are installed, all attic areas shall be provided with sprinkler protection in accordance with NFPA 13.

903.3.1.2.4 Sprinkler control valves. Where NFPA 13R sprinkler systems are installed, sprinkler system control valves shall be installed in accordance with NFPA 13.

903.3.1.2.5 Bathrooms. Automatic sprinklers shall be installed in all bathrooms, regardless of square footage, where an electrical receptacle is installed.

903.3.1.2.6 Accessible storage areas. Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.2.7 Under-stair spaces. Automatic sprinklers shall be installed in all under-stair spaces including all under-stair closets.

903.3.1.3 NFPA 13D sprinkler systems. Automatic fire sprinkler systems installed in one and two-family dwellings, Group R-3 and R-4 congregate living facilities and townhouses shall be permitted to be installed throughout in accordance with NFPA 13D. The requirements of this section supersede the requirements of the California Residential Code.

903.3.1.3.1 All fire sprinkler systems installed in one- and two-family dwellings shall be tested for leakage by undergoing a hydrostatic test made at 200 psi for two-hour duration.

903.3.1.3.2 Each water system supplying both domestic and fire protection systems shall have a single indicating-type control valve, arranged to shut off both the domestic and sprinkler systems. A separate shut-off valve for the domestic system only shall be permitted to be installed. The location of the control valve shall be approved by the Fire Code Official.

903.3.1.3.3 Automatic sprinklers shall be installed in all bathrooms, regardless of square footage, where an electrical receptacle is installed.

903.3.1.3.4 Automatic sprinklers shall be installed in all attached garages and other accessory structures.

903.3.1.3.5 Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.3.5.1 Automatic sprinklers shall be installed in all under-stair spaces including all closets.

903.3.1.3.6 Local water flow alarms shall be provided on all sprinkler systems. Local water flow alarms shall be powered from the main kitchen refrigerator circuit. The local water flow alarm shall be clearly audible from within the master bedroom at an audibility level of not less than 75

dBa. Where no kitchen exists in the building, the water flow alarm shall be powered from the bathroom lighting circuit. As required by the fire code official, interior audible notification appliances or additional water flow alarms are required to be installed at locations specified by the fire code official.

903.3.1.3.7 Automatic fire sprinklers shall be installed to protect all furnaces and heating system appliances.

903.3.1.3.8 A passive purge shall be installed in the master bathroom if served by a public water system per local water purveyor. A placard must be posted adjacent to the fire sprinkler riser.

903.4.1 Monitoring. Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved central station, remote supervising station or proprietary supervising station as defined in NFPA 72, or, when approved by the Fire Code Official, shall sound an audible signal at a constantly attended location. The fire alarm system installed to transmit such signals shall be considered a building fire alarm system.

(Exceptions remain unchanged)

903.4.2 Alarms. One exterior approved audible appliance shall be connected to every automatic sprinkler system in an approved location. Sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a building fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system. Interior alarm notification appliances shall be installed as required by Section 903.4.2.1.

903.4.2.1 Where an automatic fire sprinkler system is installed in a building with more than one tenant or with over one hundred (100) sprinkler heads, audible and visible notification appliances shall be installed throughout the building as follows:

a. Audible notification appliances shall be installed so as to be audible at fifteen (15) dBa above average sound pressure level throughout the building.

b. Visible notification appliances shall be installed in all public and common use areas, restrooms and corridors in accordance with the spacing requirements of NFPA 72.

c. Visible notification appliances can be eliminated in normally unoccupied portions of buildings where permitted by the Fire Code Official.

EXCEPTION: The requirements of this section do not apply to Group R-3 Occupancies.

903.4.3 Floor control valves. Approved indicating control valves and water flow switches shall be provided at the point of connection to the riser on each floor in all buildings over one story in height and shall be individually annunciated as approved by the Fire Code Official.

904.13.2 System interconnection. The actuation of the fire extinguishing system shall automatically shut down all fuel and electrical power located under the hood, except for the electrical power to the exhaust air supply. The fuel and electrical supply reset shall be manual.

904.13.5.2 Extinguishing system service. Automatic fire extinguishing systems shall be serviced by a CSLB licensed C-16 contractor or a CSFM licensed "A" licensee at least every six months and after any activation of the system. Inspection shall be performed by the owner at least monthly in accordance with the currently adopted edition of NFPA 17-A. The service contractor

shall review the records of monthly inspections every six months, and deficiencies shall be reported to the fire code official. A service report shall be forwarded to the fire code official by the licensed service contractor within 15 days after every service on the appropriate AES form.

907.1.6 Multiple Fire Alarm Systems. Multiple fire alarm systems within a single protected premise are not permitted, unless specifically authorized by the Fire Code Official.

907.2 Exception 1. The manual fire alarm box is not required for fire alarm control units dedicated to elevator recall control.

907.6.5 Access. Access shall be provided to each fire alarm system component for periodic inspection, maintenance and testing.

907.6.6.5 Zone transmittal. Where required by the fire code official, fire alarm signals shall be transmitted by zone to the supervising station and retransmitted by zone to the public fire service communications center.

907.6.6 Monitoring. Fire alarm systems, whether required by this Chapter or the California Building Code or voluntarily installed, shall be monitored by an approved supervising station in accordance with NFPA 72 and this Section.

907.6.6.6 Means of communication. The use of either POTS or cable telephone lines with a digital alarm communicator transmitter shall not be permitted.
EXCEPTION. Where no other communications methods are available, the use of telephone lines shall be permitted to be used on a temporary basis not to exceed one year from the date of final acceptance test or until permitted alternate means of communications are available.

907.7.2 Completion documents. The following documentation shall be provided at the time of acceptance testing for all fire alarm system installations:

1. A record of completion in accordance with NFPA 72.
2. A contractor's statement verifying that the system has been installed in accordance with the approved plans and specifications and has been 100% tested in accordance with NFPA 72.
3. A contractor's affidavit of personnel qualifications, indicating that all personnel involved with the installation of the fire alarm system meet the qualification requirements of the Fire Code Official.

1205.1.1 Signing and Marking. In addition to signing and marking requirements of the California Building Code and the California Residential Code, the following signing and marking is required:

1205.1.1.1 Main Panel Exterior Marking. A placard is required to be permanently affixed to the main service disconnect panel. The placard shall be red in color with white capital letters at least 1/2" in height and in a non-serif font, to read "SOLAR DISCONNECT INSIDE PANEL." The placard shall be constructed of weather-resistant, durable plastic with engraved letters, or other approved material.

1205.1.1.2 Circuit Disconnecting Means Marking. A permanent label is to be affixed adjacent to the circuit breaker controlling the inverter or other photovoltaic system electrical controller. The label shall have contrasting color capital letters at least 3/8" in height and in a non—serif font, to read "SOLAR DISCONNECT." The label shall be constructed of durable adhesive material or other approved material.

1205.1.1.3 Secondary Power Sources. Where photovoltaic systems are interconnected to battery systems, generator backup systems, or other secondary power systems, additional signage acceptable to the fire code official shall be required indicating the location of the secondary power source shutoff switch.

1205.1.1.4 Installer Information. Signage acceptable to the fire code official indicating the name and emergency telephone number of the installing contractor shall be required to be installed adjacent to the main disconnect.

Section 1205.2.1, Exceptions 1 and 2 of the California Fire Code are deleted in their entirety.

1205.2.1.4 Hip and Valley Layout. Hip and Valley Layouts. Modules shall be located no closer than one and one-half feet (1-1/2') to a hip or valley if modules are to be placed on both sides of a hip or valley. Where modules are located on only one side of a hip or valley that is of equal length, the modules shall be permitted to be placed directly adjacent to the hip or valley.

1206.15 Signage acceptable to the fire code official shall be required indicating the location of the stationary fuel cell power system.

3905.3. Fire Protection Systems. Fire protection systems in occupancies regulated by this chapter shall be in accordance with Section 901.11 of this Code.

D103.2 Grade. Fire apparatus access roads shall not exceed fifteen (15) percent in grade with a maximum side slope of five (5) percent.

EXCEPTION: Grades steeper than fifteen (15) percent, if approved by the Fire Code Official, shall be paved with perpendicularly grooved concrete.

APPENDIX Q: STANDARD FIRE CONDITIONS FOR SINGLE FAMILY DWELLINGS

SECTION Q101 GENERAL

Q101.1 Scope. Applications for the construction or remodel of single family dwellings, including one- and two-family dwellings, townhomes, modular and manufactured homes, and mobile homes outside of established mobile home parks, shall be subject to the fire conditions in this appendix when conditioned by the Fire Code Official.

Q101.2 Conflicting sections. Where provisions in this appendix conflict with other sections of this Code or other appendices, the provisions of this appendix shall prevail unless otherwise directed by the Fire Code Official.

SECTION Q102 ROADS

Q102.1 General. These conditions will be used primarily when conditioning a subdivision or other project that requires roads. Roads identified in this Section are vehicular access to more than two (2) parcels; more than four (4) residential units; or access to any industrial or commercial occupancy. Includes public and private streets and lanes.

Q102.2 Road access. (FIRE 001). Access roads shall be required for every building when any portion of the exterior wall of the first story is located more than one hundred fifty (150) feet from fire department access. All roads shall be constructed to provide a minimum of two (2) ten (10) feet wide traffic lanes with an unobstructed vertical clearance of not less than fifteen (15) feet. The roadway surface shall provide unobstructed access to conventional drive vehicles including sedans and fire apparatus and shall be an all-weather surface designed to support the imposed load of fire apparatus (75,000 pounds). Each road shall have an approved name.

Q102.3 Roadway engineering. (FIRE 002). The grade for all roads shall not exceed fifteen percent (15%) with a maximum side slope of five percent (5%). Where road grades are 8 percent (8%) or less, an all-weather aggregate base is required at a minimum or as required in other sections of the City of San Juan Bautista Code. Where road grades exceed eight percent (8%), a minimum structural roadway surface of 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base shall be required. The length of vertical curves in roadways, exclusive of gutters, ditches and drainage structures designed to hold or divert water, shall not be less than one hundred (100) feet. No roadway turn shall have a horizontal inside radius of less than fifty (50) feet. A roadway turn radius of fifty (50) to one hundred (100) feet is required to have an additional four (4) feet of roadway surface. A roadway turn radius of one hundred (100) to two hundred (200) feet is required to have an additional two (2) feet of roadway surface. Roadway turnarounds shall be required on dead-end roads in excess of one hundred fifty (150) feet of surface length. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the "T" shall be a minimum of sixty (60) feet in length.

Q102.4 Dead end roads.

Q102.4.1 Parcels less than one acre. (FIRE 003). For parcels less than one acre, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed eight hundred (800) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have a turnaround constructed at its terminus. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the "T" shall be a minimum of sixty (60) feet in length.

Q102.4.2 Parcels greater than one acre and not exceeding five acres (FIRE 004). For parcels greater than one acre and not exceeding five acres, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed one thousand three hundred twenty (1,320) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its

furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have a turnaround constructed at its terminus. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length

Q102.4.3 Parcels greater than five acres and not exceeding twenty (20) acres. (FIRE 005). For parcels greater than five acres and not exceeding twenty (20) acres, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed two thousand six hundred forty (2,640) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have turnarounds at its terminus and at no greater than one thousand three hundred twenty (1,320) foot intervals. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length.

Q102.4.4 Parcels greater than twenty (20) acres. (FIRE 006). For parcels greater than twenty (20) acres, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed five thousand two hundred eighty (5,280) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have turnarounds at its terminus and at no greater than one thousand three hundred twenty (1,320)-foot intervals. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length.

SECTION Q103 DRIVEWAYS, GATES, AND BRIDGES

Q103.1 Driveways. (FIRE 007). Driveway identified in this Section is defined as a vehicle access that serves up to two (2) parcels with no more than two (2) residential units and any number on non-commercial or industrial buildings on each parcel. Driveways shall not be less than twelve (12) feet wide traffic lane and minimum fourteen (14) feet wide unobstructed clearance, with an unobstructed vertical clearance of not less than fifteen (15) feet. The grade for all driveways shall not exceed fifteen percent (15%) with a maximum side slope of five percent (5%). Where driveway grades are eight percent (8%) or less, an all-weather surface such as an aggregate base shall meet minimum fire requirements. Other types of material for driveways may be required by the Code. Where the grade exceeds eight percent (8%), a minimum structural roadway surface of 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base shall be required. The driveway surface shall be capable of supporting the imposed load of fire apparatus forty thousand (40,000) pounds, and be accessible by conventional-drive vehicles, including sedans. For driveways with turns ninety (90) degrees and less, the minimum horizontal inside radius of curvature shall be twenty-five (25) feet. For driveways with turns greater than ninety (90) degrees, the minimum horizontal inside radius curvature shall be twenty-eight (28) feet. For all driveway turns, an additional surface of four (4) feet shall be added. All driveways exceeding one hundred fifty (150) feet in length, but less than eight hundred (800) feet in length, shall

provide a turnout near the midpoint of the driveway. Where the driveway exceeds eight hundred (800) feet, turnouts shall be provided at no greater than four hundred (400)-foot intervals. Turnouts shall be a minimum of twelve (12) feet wide and thirty (30) feet long with a minimum of twenty (25) foot taper at both ends. Turnarounds shall be required on driveways in excess of one hundred fifty (150) feet of surface length and shall be thirty (30) feet long with a minimum twenty-five (25) foot taper at both ends. Turnarounds shall be required on driveways in excess of one hundred fifty (150) feet of surface length and shall be located within fifty (50) feet of the primary building. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the driveway. If a hammerhead/T is used, the top of the "T" shall be a minimum of sixty (60) feet in length.

Q103.2 Gates. (FIRE 008). All gates providing access from a road to a driveway shall be located at least thirty (30) feet from the roadway and shall open to allow a vehicle to stop without obstructing traffic on the road. Gate entrances shall be at least two (2) feet wider than the width of the traffic lane but in no case be less than fourteen (14) feet wide unobstructed and unobstructed vertical clearance of fifteen (15) feet. Where a one-way road with a single traffic lane provides access to a gated entrance, a forty (40) foot turning radius shall be used. Where gates are to be locked, the installation of a key box or other acceptable means for immediate access by emergency equipment may be required.

Q103.3 Bridges. (FIRE 009). All new and reconstructed bridges shall be at least the width of the roadbed and berms, but in no case less than twelve (12) feet wide. Bridge width on all roads exceeding tertiary standards shall not be less than the width of the two lanes with berms. All bridges shall be designed for HS15-44 loading and have guardrails. Appropriate signage, including but not limited to, weight ratings or vertical clearance limitations, and one-way road or single-lane road conditions, shall be provided at both entrances to any bridge. One-lane bridges may be permitted if there is unobstructed visibility across the entire bridge, and turnouts are provided at both bridge ends. The fire authority may impose more stringent requirements for bridges.

SECTION Q104 SIGNS AND ADDRESSES

Q104.1 Road signs. (FIRE 010). All newly constructed or approved roads and streets shall be designated by names or numbers, posted on signs clearly visible and legible from the roadway. Size of letters, numbers and symbols for street and road signs shall be a minimum four-inch letter height, ½-inch stroke, and shall be a color that is reflective and clearly contrasts with the background color of the sign. All numerals shall be Arabic. Street and road signs shall be non-combustible and shall be visible and legible from both directions of vehicle travel for a distance of at least one hundred (100) feet. Height, visibility, legibility, and orientation of street and road signs shall be meet the provisions of the jurisdiction. This section does not require any entity to rename or renumber existing roads or streets, nor shall a roadway providing access only to a single commercial or industrial occupancy require naming or numbering. Signs required under this section identifying intersecting roads, streets and private lanes shall be placed at the intersection of those roads, streets and/or private lanes. Signs identifying traffic access or flow limitations (i.e., weight or vertical clearance limitations, dead-end road, one-way road or single lane conditions, etc.) shall be placed: (a) at the intersection preceding the traffic access

limitation; and (b) not more than one hundred (100) feet before such traffic access limitation. Road, street and private lane signs required by this article shall be installed prior to final acceptance of road improvements by the Fire Code Official.

Q104.2 Addresses for buildings. (FIRE 011). All buildings shall be issued an address in accordance with jurisdictional requirements. Each occupancy, including detached accessory dwelling units (ADU), except accessory buildings, shall have its own permanently posted address. When multiple occupancies exist within a single building, each individual occupancy shall be separately identified by its own address. Letters, numbers and symbols for addresses shall be a minimum of four-inch (4") height, 1/2-inch stroke, contrasting with the background color of the sign, and shall be Arabic. Commercial Occupancy shall have a minimum of 18 inch to 24 inch sized address numbers located at the top corner of the building on approval from the fire official. The sign and numbers shall be reflective and made of a noncombustible material. Address signs shall be placed at each driveway entrance and at each driveway split. Address signs shall be and visible from both directions of travel along the road. In all cases, the address shall be posted at the beginning of construction and shall be maintained thereafter. Address signs along one-way roads shall be visible from both directions of travel. Where multiple addresses are required at a single driveway, they shall be mounted on a single sign. Where a roadway provides access solely to a single commercial occupancy, the address sign shall be placed at the nearest road intersection providing access to that site. Permanent address numbers shall be posted prior to requesting final clearance.

SECTION Q105 WATER SUPPLY

Q105.1 Water systems. (FIRE 012). The provisions of this condition shall apply when new parcels are approved by a local jurisdiction. The emergency water system shall be available on-site prior to the completion of road construction, where a community water system is approved, or prior to the completion of building construction, where an individual system is approved. Approved water systems shall be installed and made serviceable prior to the time of construction. Water systems constructed, extended or modified to serve a new development, a change of use, or an intensification of use, shall be designed to meet, in addition to average daily demand, NFPA Standard 1142 or other adopted standards. The quantity of water required pursuant to this chapter shall be in addition to the domestic demand and shall be permanently and immediately available.

Q105.2 (RESERVED) (FIRE 013).

Q105.3 Single parcel fire protection water supply. (FIRE 014). For development of structures totaling less than three thousand (3,000) square feet on a single parcel, the minimum fire protection water supply shall be four thousand nine hundred (4,900) gallons. For development of structures totaling three thousand (3,000) square feet or more on a single parcel, the minimum fire protection water supply shall be nine thousand eight hundred (9,800) gallons. For development of structures totaling more than ten thousand (10,000) square feet on a single parcel, the reviewing authority may require additional fire protection water supply. Other water supply alternatives, including ISO Rural Class 8 mobile water systems, may be permitted by the fire authority to provide for the same practical effect. The quantity of water required by this

condition shall be in addition to the domestic demand and shall be permanently and immediately available.

Q105.4 Fire hydrants and valves. (FIRE 015). A fire hydrant or fire valve is required. The hydrant or fire valve shall be eighteen (18) inches above grade, eight feet from flammable vegetation, no closer than four feet nor further than twelve (12) feet from a roadway, and in a location where fire apparatus using it will not block the roadway. The hydrant serving any building shall be not less than fifty (50) feet and not more than one thousand (1,000) feet by road from the building it is to serve. Minimum hydrant standards shall include a brass head and valve with at least one 2 1/2-inch National Hose outlet supplied by a minimum four inch main and riser. More restrictive hydrant requirements may be applied by the Reviewing Authority. Each hydrant/valve shall be identified with a reflectorized blue marker, with minimum dimensions of three inches, located on the driveway address sign, non-combustible post or fire hydrant riser. If used, the post shall be within three feet of the hydrant/valve, with the blue marker not less than three feet or greater than five feet above the ground, visible from the driveway. On paved roads or driveways, reflectorized blue markers shall be permitted to be installed in accordance with the State Fire Marshal's Guidelines for Fire Hydrant Markings Along State Highways and Freeways, May 1988.

SECTION Q106 SETBACKS

Q106.1 Setbacks. (FIRE 016). Except as permitted by the fire code official, all parcels one acre and larger shall provide a minimum thirty (30) foot setback for new buildings and accessory buildings from all property lines and/or the center of the road. For parcels less than one-acre, alternate fuel modification standards or other requirements may be imposed by the Fire Code Official to provide the same practical effect.

SECTION Q107 VEGETATION AND DEBRIS DISPOSAL

Q107.1 Disposition of vegetation and debris fuels. (FIRE 017). Disposal, including chipping, burying, or removal to a landfill site approved by the local jurisdiction, of vegetation and debris caused by site development and construction, road and driveway construction, and fuel modification shall be completed prior to final clearance of the related permit.

SECTION Q108 GREENBELTS

Q108.1 Greenbelts. (FIRE 018). Subdivisions and other developments, which propose greenbelts as a part of the development plan, shall locate said greenbelts strategically as a separation between wild land fuels and structures. The locations shall be approved by the Fire Code Official.

SECTION Q109 DEFENSIBLE SPACE

Q109.1 Standard defensible space requirements. (FIRE 019). Defensible space requirements shall meet Section 4291 of the Public Resources Code or the Code, whichever is more restrictive. Additional or alternate fire protection approved by the Fire Code Official may be required to

provide reasonable fire safety. Environmentally sensitive areas may require alternative fire protection, to be determined by the Fire Code Official and other jurisdictional authorities.

Q109.2 (RESERVED) (FIRE 020).

SECTION Q110 FIRE PROTECTION SYSTEMS

Q110.1 Residential fire sprinkler systems (Standard). (FIRE 021). The building(s) and attached structure(s) shall be fully protected with automatic fire sprinkler system(s). Installation shall be in accordance with the applicable NFPA standard. A minimum of four sets of plans for fire sprinkler systems must be submitted by a California licensed C-16 contractor and approved prior to installation. This requirement is not intended to delay issuance of a building permit. A rough sprinkler inspection must be scheduled by the installing contractor and completed prior to requesting a framing inspection.

Q110.2 (RESERVED) (FIRE 022).

Q110.3 (RESERVED) (FIRE 023).

Q110.4 Residential fire alarm systems. (FIRE 024). The residence shall be fully protected with an approved household fire warning system as defined by NFPA 72. Plans and specifications for the household fire warning system shall be submitted by a California licensed C-10 contractor and approved prior to installation. Household fire warning systems installed in lieu of single-station smoke alarms required by the California Residential Code shall meet the requirements of the California Residential Code.

Q110.5 (RESERVED) (FIRE 025).

APPENDIX R: ROOFS

SECTION R101 GENERAL

R101.1 Scope. Applications for the construction or remodel of any buildings shall be subject to the roofing conditions of this Appendix when conditioned by the Fire Code Official.

R101.2 Conflicting Sections. Where provisions in this Appendix conflict with other sections of this Code or other appendices, the provisions of this Appendix shall prevail unless otherwise directed by the Fire Code Official.

SECTION R102 NEW BUILDINGS

R102.1 General. (FIRE 026). Roofing requirements for all new buildings shall be a minimum Class “B” roof assembly as defined by the International Building Code.

EXCEPTION: Greenhouses shall be exempt from the requirements of this Section.

R102.2 Very High Hazard Severity Zones. (FIRE 027). Roofing requirements for all new buildings in Very High Hazard Severity Zones shall be a minimum Class “A” roof assembly as defined by the International Building Code.

R102.3 Reserved SBCO EXCLUDED

SECTION R103 EXISTING BUILDINGS

R103.1 General. (FIRE 026). Roofing requirements for existing buildings when fifty percent (50%) or more of the roof area is reroofed within a one-year period after the issuance of a building permit shall be a minimum Class “B” roof assembly as defined by the California Building Code. Where there is no permit issued, this section is applicable to buildings constructed after the effective date of this code and to buildings where fifty percent (50%) or more of the roof area is reroofed within a one-year period after commencing construction.

R103.2 Very High Hazard Severity Zone. (FIRE 027). Roofing requirements for existing buildings within a very high hazard severity zone when fifty percent (50%) or more of the roof area is reroofed within a one-year period after the issuance of a building permit shall be a minimum Class “A” roof assembly as defined by the International Building Code. Where there is no permit issued, this Section is applicable to such buildings constructed after the effective date of this code and to buildings where fifty percent (50%) or more of the roof area is reroofed within a one-year period after commencing construction.

R103.3 RESERVED SBCO EXCLUDED

SECTION R104 ADDITIONS TO EXISTING BUILDINGS

R104.1 General. The requirements of this Appendix shall apply to all additions to existing buildings, except that only the new portions of the roof shall be required to meet the requirements of this Appendix.”

3. Findings Adopted: The City Council hereby adopts the factual findings set forth in Section 5-1-100 of Chapter 5-1 of the San Juan Bautista Municipal Code, relating to the amendments made to the California Fire Code

4. Savings Clause: Repeal of any provision of the San Juan Bautista Municipal Code or any other city ordinance herein will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

5. Severability: If any provision, section, paragraph, sentence or word of this Ordinance, or the application thereof to any person, property or circumstance is rendered or declared invalid by any court of competent jurisdiction, the remaining provisions, sections,

paragraphs, sentences or words of this ordinance, and their application to other persons, property or circumstances, shall not be affected thereby and shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

6. Interpretation: The provisions of this ordinance are enacted for the public health, safety and welfare and are to be liberally construed to obtain the beneficial purposes thereof. In the event of any conflict between this ordinance and any law, rule or regulation of the State of California, that requirement which established the higher standard of safety shall govern. Failure to comply with such standard of safety shall be a violation of the Municipal Code. Any provision of the Municipal Code or appendices thereto inconsistent with the provisions of this ordinance, to the extent of such inconsistency and no further, is hereby repealed or modified to the extent necessary to affect the provisions of this ordinance.

7. Filing of Findings: The City Clerk is hereby directed to file a copy of this ordinance with the California Building Standards Commission of the State of California.

8. Notice: The City Council hereby determines that the form of the Notice of the public hearing held on February 21, 2023, which was published on February 10, 2023, and February 17, 2023, is sufficient to give notice to interested persons of the purpose of the ordinance and the subject matter thereof.

9. Liability: The provisions of this ordinance shall not be construed as imposing upon the City of San Juan Bautista any liability or responsibility for damage to persons or property resulting from defective work, nor shall the City of San Juan Bautista, or any official, employee or agent thereof, be held as assuming any such liability or responsibility by reason of the review or inspection authorized by the provisions of this ordinance or of any permits or certificates issued under this ordinance.

10. Effective Date: This ordinance shall take effect on March 24, 2023.

11. Posting of Ordinance. Within fifteen (15) days after the passage of this ordinance, the City Clerk shall cause it to be posted in three (3) public places designated by resolution of the City Council and a summary of the ordinance, prepared by the City Attorney, shall be published in a local newspaper used to publish official notices for the City of San Juan Bautista prior to the effective date.

The forgoing ordinance was introduced at a special meeting of the City Council of the City of San Juan Bautista duly held on January 24, 2023, and was adopted at a regular meeting of the City Council duly held on February 21, 2023, by the following votes:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

2022
City of San Juan Bautista
Fire Code Amendments

**Presented by the Monterey County Fire Prevention Officers Association
and The San Benito County Fire Prevention Officers.**

101.1 Title. These regulations shall be known as the Fire Code for the City of San Juan Bautista, hereinafter referred to as “Fire Code.”

101.2.1 Appendices. Provisions in all appendices to the 2022 California Fire Code are hereby adopted in their entirety and shall apply.

102.1 Construction and design provisions. The construction and design provisions of this Code shall apply to:

1. Structures, facilities and conditions arising after the adoption of this Code.
2. Existing structures, facilities and conditions not legally in existence at the time of adoption of this Code.
3. Existing structures, facilities and conditions when identified in specific Sections of this Code.
4. Existing structures, facilities and conditions, which, in the opinion of the Fire Code Official, constitute a distinct hazard to life and property.
5. Existing Structures Alterations and repairs.
 - a. All new work performed in alterations and/or repairs to existing structures shall comply with the current provisions of this Chapter.
 - b. When alterations and/or repairs result in the removal, alteration, modification, replacement and/or repair of fifty percent (50%) or more of the external walls of a building, or result in the removal, modification, replacement and/or repair of fifty percent (50%) or more of the existing internal structural and/or non-structural framework, independently or in combination thereof, within a five year period, the entire building shall be made to conform to the current provisions of this Chapter.
 - c. Calculations of linear wall measurements shall be shown on all plans submitted for building permits, on the cover page in the project description of said plans.
 - d. The determination under this section of the requirement for upgrading any existing structure to full conformance with current provisions of this Chapter shall be at the sole discretion of the Fire Code Official.

103.0 Responsibility for enforcement.

103.0.1 Within established fire protection districts and community services districts, responsibility for enforcement of this Code shall be under the direction of the Fire Chief within each district.

103.0.2 In areas of Hollister outside incorporated cities or organized special districts or fire districts, responsibility for enforcement of this Code shall be under the direction of the Chief Building Official with Code Enforcement of the AHJ.

104.1.1 Police powers. The fire code official and his deputies shall have the powers of police officers in performing their duties under this Code. When requested to do so by the fire code official, the chief of police of the jurisdiction is authorized to assign such available police officers as necessary to assist the fire code official in enforcing the provisions of this Code.

105.5.0 Agricultural Explosive Devices. An operational permit is required for storage or use of any agricultural explosive device including “bird bombs”.

112.2 Owner/occupant responsibility. Correction and abatement of violations of this Code shall be the responsibility of the owner. If an occupant creates, or allows to be created, hazardous conditions in violation of this Code, the occupant shall be held responsible for the correction and abatement of such hazardous conditions.

112.4 Violation penalties. Persons who shall violate any provision of this Code or shall fail to comply with any of the requirements thereof or shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this Code, shall be guilty of an infraction, punishable by a fine in conformance with the County Fire Department.

113.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be guilty of an infraction as specified in Section 112.4 of this Code.

202 Definitions

ALL WEATHER SURFACE. A hard paved road surface constructed to the minimum standards adopted by the jurisdiction.

BRIDGE. A structure to carry a roadway over a depression or obstacle.

IDLE PALLET. A pallet or similar product storage and/or lifting device not currently in use and empty of product.

503.2.6.1 Private bridge engineering. Every private bridge hereafter constructed shall meet the following engineering requirements:

1. The weight shall be designed for a minimum of HS-20 loading as prescribed by the AASHTO.
2. The unobstructed vertical clearance shall be not less than fifteen (15) feet clear.
3. The width shall be a minimum of twenty (20) feet clear. The Fire Code Official may require additional width when the traffic flow may be restricted or reduce the width to a minimum of twelve (12) feet for Occupancy Group U or R-3 occupancies.
4. The maximum grade change of the approach to and from any private bridge shall not exceed eight percent for a minimum distance of ten (10) feet.

503.2.6.2 Private bridge certification. Every private bridge hereafter constructed shall be engineered by a licensed professional engineer knowledgeable and experienced in the engineering and design of bridges. Certification that the bridge complies with the design standards required by this Code and the identified standards, and that the bridge was constructed to those standards, shall be provided by the licensed engineer, in writing, to the Fire Code Official. Every private bridge, including existing and those constructed under this Code, shall be certified as to its maximum load limits every ten (10) years or whenever deemed necessary by the fire code official. Such recertification shall be by a licensed professional engineer knowledgeable and experienced in the engineering and design of bridges. All fees charged for the purpose of certification or recertification of private bridges shall be at the owner's expense.

503.2.7 Grade. The grade of fire apparatus access roads shall be no greater than fifteen (15) percent unless specifically approved by the Fire Code Official.

503.2.7.1 Paving. All fire apparatus access roads over eight (8) percent shall be paved with a minimum 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base. All fire apparatus access roads over fifteen (15) percent where approved shall be paved with perpendicularly grooved concrete.

503.7 Fire apparatus access road names. All fire apparatus access road names shall be issued or approved by the appropriate governmental agency.

506.1 Required. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the fire code official is authorized to require a key box or other approved emergency access device to be installed in an approved location. The key box or other approved emergency access device shall be of an approved type and shall contain keys or other information to gain necessary access as required by the fire code official. Where a key box is used, it shall be listed in accordance with UL 1037. This jurisdiction utilizes the KNOX Box Security Systems.

507.5.2 Inspection, testing and maintenance. Fire hydrant systems shall be subject to periodic tests as required by the Fire Code Official. Fire hydrant systems shall be maintained in an operative condition at all times and shall be repaired where defective. Additions, repairs, alterations and servicing shall comply with approved standards. When required by the Fire Code Official, hydrants shall be painted in accordance with the most current edition of NFPA 291.

605.3.1 Spark arresters.

605.3.1.1 An approved spark arrester shall be installed on all chimneys, incinerators, smokestacks or similar devices using solid fuel for conveying smoke or hot gases to the outer air.

605.3.1.2 Spark arresters shall have openings in accordance with Section 2113.9.2(3) of the California Building Code and Section 1003.9.2 of the California Residential Code with minimum openings of 3/8" and maximum openings of 1/2".

901.1.1 Responsibility. The owner of the protected premises shall be responsible for all fire protection systems within the protected premises, whether existing or installed under this code.

901.2.2 Additional documentation. Additional documentation as required by the Fire Code Official shall be provided to the Fire Code Official in an acceptable format.

901.4 Installation. Fire protection systems shall be maintained in accordance with the original installation standards for that system. All systems shall be extended, altered, or augmented as necessary to maintain and continue protection

whenever the building is altered, remodeled or added to. Alterations to fire protection systems shall be done in accordance with applicable standards.

901.4.8 Nonoperational equipment. Any fire protection equipment that is no longer in service shall be removed.

901.6.4 Qualifications of Inspection, Testing and Maintenance Personnel. All personnel performing any inspection, testing or maintenance of any fire protection system shall be qualified. Where such inspection, testing and maintenance is performed by an outside service company, the company shall be appropriately licensed by the California Contractors State License Board in accordance with the California Business & Professions Code or by the California State Fire Marshal.

901.6.5 Additional records. All documentation generated during any scheduled inspection or test of any fire protection system, whether required or voluntarily installed, shall be forwarded to the Fire Code Official within fifteen (15) calendar days after the date of the inspection or test.

901.11 Fire Protection Features for Plant Processing and Extraction Facilities

901.11.1 Scope. This section applies to occupancies regulated by Chapter 39 of this Code.

901.11.2 Definitions.

901.11.2.1 Plant processing. Plant processing shall include all plant post-harvest operations, excluding retail sales of plant and related products.

901.11.2.2 Indoor cultivation. Indoor cultivation shall be defined as all nursery or cultivation conducted in other than Group U occupancies (greenhouses).

901.11.3 Fire Protection Systems. All buildings or portions thereof housing plant post-harvest or indoor cultivation operations shall be protected as defined in this section.

901.11.3.1 Fire Sprinklers. Fire sprinklers shall be installed in accordance with 901.11.3.1.1, 901.11.3.1.2, or 901.11.3.1.3

901.11.3.1.1 Fire sprinklers shall be installed in all buildings or portions thereof; such fire sprinkler systems shall be designed to Ordinary Group II design standards in the latest adopted edition of NFPA 13 and Section 903 of this code.

901.11.3.1.2 If the occupancy is classified as a Group H Occupancy the fire sprinkler system may be required to be designed and installed as an Extra Hazard fire sprinkler system

901.11.3.1.3 Where permitted by the fire code official and not otherwise required by this code or the CBC, fire sprinklers may be eliminated in approved buildings less than 500 square feet.

901.11.3.2 Fire Alarm Systems. Fire alarm systems shall be installed in all buildings or portions thereof; such fire alarm systems shall include both fire sprinkler system monitoring and complete occupant notification as specified in the latest adopted edition of NFPA 72 and Section 907 of this code.

901.11.3.3 Special Hazard Systems. Where specified by appropriate UL listings for extraction booths utilizing volatile solvents, dry chemical fire protection systems shall be installed according to the latest adopted edition of NFPA 17. If there is no UL listing for the extraction booth, a dry chemical fire protection system shall be installed.

901.11.3.4 Portable Fire Extinguishers. Portable fire extinguishers shall be installed in accordance with NFPA 10 and Section 906 of this code.

903.2 Where required. Approved automatic sprinkler systems shall be provided in all new buildings and structures constructed, moved into or relocated within the jurisdiction.

Exceptions:

- (1) Structures not classified as Group R occupancies and not more than five hundred (500) square feet in total floor area.
- (2) Detached agricultural buildings, as defined by this code and the CBC, located at least one hundred feet (100) from any other structure or the property line, whichever is closer.
- (3) Accessory structures not classified as R occupancies associated with existing non-sprinklered R-3 occupancies (one- or two-family dwellings) and less than one thousand five hundred (1500) square feet in total fire area.
- (4) Where an insufficient water supply exists to provide for an automatic fire sprinkler system and where the Fire Code Official permits alternate protection.

The following Sections are amended by changing requirements to five hundred (500) square feet for fire sprinkler installation, as follows (the complete text of the section is not provided):

903.2.1.1 Group A-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.1.2 Group A-2. Change five thousand (5,000) square feet to five hundred (500) square feet.

903.2.1.3 Group A-3. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.1.4 Group A-4. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.1.5 Group A-5. Change one thousand (1,000) square feet to five hundred (500) square feet.

903.2.3 Group E. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.4 Group F-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.4.1 Group F-1. Change two thousand five hundred (2,500) square feet for woodworking operations to five hundred (500) square feet.

903.2.7-1 Group M. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.7-3 Group M. Change twenty-four thousand (24,000) square feet to five hundred (500) square feet.

903.2.9 Group S-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.9.1 Repair Garages. Change ten thousand (10,000) square feet (2 story buildings) and twelve thousand (12,000) square feet (1 story buildings) to five hundred (500) square feet.

903.2.9.2 Bulk storage of tires. Change twenty thousand (20,000) cubic feet to five hundred (500) square feet.

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all buildings with a Group R fire area, including, but not limited to, one- and two-family dwellings, townhomes, and manufactured homes and mobile homes located outside of licensed mobile home parks hereafter constructed, moved into or relocated within the jurisdiction, including all additions to buildings already equipped with automatic fire sprinkler systems.
(Exceptions remain per 2022 California Fire Code)

903.3.1.1.1 -7 Passenger elevator shafts or associated passenger elevator mechanical rooms, where elevator shafts are constructed with a 2-hour fire resistive method.

Section 903.3.1.1.2 of the California Fire Code is deleted.

903.3.1.2 NFPA 13R sprinkler systems. Automatic sprinkler systems in Group R occupancies up to and including four stories in height shall be permitted to be installed throughout in accordance with NFPA 13R as amended in Chapter 47 of this Code.

903.3.1.2.1 Balconies and decks. Sprinkler protection shall be provided for exterior balconies, decks and ground floor patios of dwelling units where the building is of Type V construction, provided there is a roof or deck above. Sidewall sprinklers that are used to protect such areas shall be permitted to be located such that their deflectors are within 1 inch to 6 inches below the structural members and a maximum distance of fourteen (14) inches below the deck of the exterior balconies and decks that are constructed of open wood joist construction.

903.3.1.2.3 Attics. Where NFPA 13R sprinkler systems are installed, all attic areas shall be provided with sprinkler protection in accordance with NFPA 13.

903.3.1.2.4 Sprinkler control valves. Where NFPA 13R sprinkler systems are installed, sprinkler system control valves shall be installed in accordance with NFPA 13.

903.3.1.2.5 Bathrooms. Automatic sprinklers shall be installed in all bathrooms, regardless of square footage, where an electrical receptacle is installed.

903.3.1.2.6 Accessible storage areas. Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.2.7 Under-stair spaces. Automatic sprinklers shall be installed in all under-stair spaces including all under-stair closets.

903.3.1.3 NFPA 13D sprinkler systems. Automatic fire sprinkler systems installed in one and two-family dwellings, Group R-3 and R-4 congregate living facilities and townhouses shall be permitted to be installed throughout in accordance with NFPA 13D. The requirements of this section supersede the requirements of the California Residential Code.

903.3.1.3.1 All fire sprinkler systems installed in one- and two-family dwellings shall be tested for leakage by undergoing a hydrostatic test made at 200 psi for two-hour duration.

903.3.1.3.2 Each water system supplying both domestic and fire protection systems shall have a single indicating-type control valve, arranged to shut off both the domestic and sprinkler systems. A separate shut-off valve for the domestic system only shall be permitted to be installed. The location of the control valve shall be approved by the Fire Code Official.

903.3.1.3.3 Automatic sprinklers shall be installed in all bathrooms, regardless of square footage, where an electrical receptacle is installed.

903.3.1.3.4 Automatic sprinklers shall be installed in all attached garages and other accessory structures.

903.3.1.3.5 Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.3.5.1 Automatic sprinklers shall be installed in all under-stair spaces including all closets.

903.3.1.3.6 Local water flow alarms shall be provided on all sprinkler systems. Local water flow alarms shall be powered from the main kitchen refrigerator circuit. The local water flow alarm shall be clearly audible from within the master bedroom at an audibility level of not less than 75 dBa. Where no kitchen exists in the building, the water flow alarm shall be powered from the bathroom lighting circuit. As required by the fire code official, interior audible notification appliances or additional water flow alarms are required to be installed at locations specified by the fire code official.

903.3.1.3.7 Automatic fire sprinklers shall be installed to protect all furnaces and heating system appliances.

903.3.1.3.8 A passive purge shall be installed in the master bathroom if served by a public water system per local water purveyor. A placard must be posted adjacent to the fire sprinkler riser.

903.4.1 Monitoring. Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved central station, remote supervising station or proprietary supervising station as defined in NFPA 72, or, when approved by the Fire Code Official, shall sound an audible signal at a constantly attended location. The fire alarm system installed to transmit such signals shall be considered a building fire alarm system.
(Exceptions remain unchanged)

903.4.2 Alarms. One exterior approved audible appliance shall be connected to every automatic sprinkler system in an approved location. Sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a building fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system. Interior alarm notification appliances shall be installed as required by Section 903.4.2.1.

903.4.2.1 Where an automatic fire sprinkler system is installed in a building with more than one tenant or with over one hundred (100) sprinkler heads, audible and visible notification appliances shall be installed throughout the building as follows:

- a. Audible notification appliances shall be installed so as to be audible at fifteen (15) dBa above average sound pressure level throughout the building.
- b. Visible notification appliances shall be installed in all public and common use areas, restrooms and corridors in accordance with the spacing requirements of NFPA 72.

c. Visible notification appliances can be eliminated in normally unoccupied portions of buildings where permitted by the Fire Code Official.

EXCEPTION: The requirements of this section do not apply to Group R-3 Occupancies.

903.4.3 Floor control valves. Approved indicating control valves and water flow switches shall be provided at the point of connection to the riser on each floor in all buildings over one story in height and shall be individually annunciated as approved by the Fire Code Official.

904.13.2 System interconnection. The actuation of the fire extinguishing system shall automatically shut down all fuel and electrical power located under the hood, except for the electrical power to the exhaust air supply. The fuel and electrical supply reset shall be manual.

904.13.5.2 Extinguishing system service. Automatic fire extinguishing systems shall be serviced by a CSLB licensed C-16 contractor or a CSFM licensed "A" licensee at least every six months and after any activation of the system. Inspection shall be performed by the owner at least monthly in accordance with the currently adopted edition of NFPA 17-A. The service contractor shall review the records of monthly inspections every six months, and deficiencies shall be reported to the fire code official. A service report shall be forwarded to the fire code official by the licensed service contractor within 15 days after every service on the appropriate AES form.

907.1.6 Multiple Fire Alarm Systems. Multiple fire alarm systems within a single protected premise are not permitted, unless specifically authorized by the Fire Code Official.

907.2 Exception 1. The manual fire alarm box is not required for fire alarm control units dedicated to elevator recall control.

907.6.5 Access. Access shall be provided to each fire alarm system component for periodic inspection, maintenance and testing.

907.6.6.5 Zone transmittal. Where required by the fire code official, fire alarm signals shall be transmitted by zone to the supervising station and retransmitted by zone to the public fire service communications center.

907.6.6 Monitoring. Fire alarm systems, whether required by this Chapter or the California Building Code or voluntarily installed, shall be monitored by an approved supervising station in accordance with NFPA 72 and this Section.

907.6.6.6 Means of communication. The use of either POTS or cable telephone lines with a digital alarm communicator transmitter shall not be permitted. **EXCEPTION.** Where no other communications methods are available, the use of telephone lines shall be permitted to be used on a temporary basis not to exceed one year from the date of final acceptance test or until permitted alternate means of communications are available.

907.7.2 Completion documents. The following documentation shall be provided at the time of acceptance testing for all fire alarm system installations:

1. A record of completion in accordance with NFPA 72.
2. A contractor's statement verifying that the system has been installed in accordance with the approved plans and specifications and has been 100% tested in accordance with NFPA 72.
3. A contractor's affidavit of personnel qualifications, indicating that all personnel involved with the installation of the fire alarm system meet the qualification requirements of the Fire Code Official.

1205.1.1 Signing and Marking. In addition to signing and marking requirements of the California Building Code and the California Residential Code, the following signing and marking is required:

1205.1.1.1 Main Panel Exterior Marking. A placard is required to be permanently affixed to the main service disconnect panel. The placard shall be red in color with white capital letters at least 1/2" in height and in a non-serif font, to read "SOLAR DISCONNECT INSIDE PANEL." The placard shall be constructed of weather-resistant, durable plastic with engraved letters, or other approved material.

1205.1.1.2 Circuit Disconnecting Means Marking. A permanent label is to be affixed adjacent to the circuit breaker controlling the inverter or other photovoltaic system electrical controller. The label shall have contrasting color capital letters at least 3/8" in height and in a non—serif font, to read "SOLAR DISCONNECT." The label shall be constructed of durable adhesive material or other approved material.

1205.1.1.3 Secondary Power Sources. Where photovoltaic systems are interconnected to battery systems, generator backup systems, or other

secondary power systems, additional signage acceptable to the fire code official shall be required indicating the location of the secondary power source shutoff switch.

1205.1.1.4 Installer Information. Signage acceptable to the fire code official indicating the name and emergency telephone number of the installing contractor shall be required to be installed adjacent to the main disconnect.

Section 1205.2.1, Exceptions 1 and 2 of the California Fire Code are deleted in their entirety.

1205.2.1.4 Hip and Valley Layout. Hip and Valley Layouts. Modules shall be located no closer than one and one-half feet (1-1/2') to a hip or valley if modules are to be placed on both sides of a hip or valley. Where modules are located on only one side of a hip or valley that is of equal length, the modules shall be permitted to be placed directly adjacent to the hip or valley.

1206.15 Signage acceptable to the fire code official shall be required indicating the location of the stationary fuel cell power system.

3905.3. Fire Protection Systems. Fire protection systems in occupancies regulated by this chapter shall be in accordance with Section 901.11 of this Code.

D103.2 Grade. Fire apparatus access roads shall not exceed fifteen (15) percent in grade with a maximum side slope of five (5) percent.

EXCEPTION: Grades steeper than fifteen (15) percent, if approved by the Fire Code Official, shall be paved with perpendicularly grooved concrete.

APPENDIX Q: STANDARD FIRE CONDITIONS FOR SINGLE FAMILY DWELLINGS

SECTION Q101 GENERAL

Q101.1 Scope. Applications for the construction or remodel of single family dwellings, including one- and two-family dwellings, townhomes, modular and manufactured homes, and mobile homes outside of established mobile home parks, shall be subject to the fire conditions in this appendix when conditioned by the Fire Code Official.

Q101.2 Conflicting sections. Where provisions in this appendix conflict with other sections of this Code or other appendices, the provisions of this appendix shall prevail unless otherwise directed by the Fire Code Official.

SECTION Q102 ROADS

Q102.1 General. These conditions will be used primarily when conditioning a subdivision or other project that requires roads. Roads identified in this Section are vehicular access to more than two (2) parcels; more than four (4) residential units; or access to any industrial or commercial occupancy. Includes public and private streets and lanes.

Q102.2 Road access. (FIRE 001). Access roads shall be required for every building when any portion of the exterior wall of the first story is located more than one hundred fifty (150) feet from fire department access. All roads shall be constructed to provide a minimum of two (2) ten (10) feet wide traffic lanes with an unobstructed vertical clearance of not less than fifteen (15) feet. The roadway surface shall provide unobstructed access to conventional drive vehicles including sedans and fire apparatus and shall be an all-weather surface designed

to support the imposed load of fire apparatus (75,000 pounds). Each road shall have an approved name.

Q102.3 Roadway engineering. (FIRE 002). The grade for all roads shall not exceed fifteen percent (15%) with a maximum side slope of five percent (5%). Where road grades are 8 percent (8%) or less, an all-weather aggregate base is required at a minimum or as required in other sections of the City of San Juan Bautista Code. Where road grades exceed eight percent (8%), a minimum structural roadway surface of 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base shall be required. The length of vertical curves in roadways, exclusive of gutters, ditches and drainage structures designed to hold or divert water, shall not be less than one hundred (100) feet. No roadway turn shall have a horizontal inside radius of less than fifty (50) feet. A roadway turn radius of fifty (50) to one hundred (100) feet is required to have an additional four (4) feet of roadway surface. A roadway turn radius of one hundred (100) to two hundred (200) feet is required to have an additional two (2) feet of roadway surface. Roadway turnarounds shall be required on dead-end roads in excess of one hundred fifty (150) feet of surface length. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length.

Q102.4 Dead end roads.

Q102.4.1 Parcels less than one acre. (FIRE 003). For parcels less than one acre, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed eight hundred (800) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have a turnaround constructed at its terminus. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length.

Q102.4.2 Parcels greater than one acre and not exceeding five acres (FIRE 004). For parcels greater than one acre and not exceeding five acres, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed one thousand three hundred twenty (1,320) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the

shortest allowable length shall apply. Each dead-end road shall have a turnaround constructed at its terminus. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length

Q102.4.3 Parcels greater than five acres and not exceeding twenty (20) acres. (FIRE 005). For parcels greater than five acres and not exceeding twenty (20) acres, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed two thousand six hundred forty (2,640) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have turnarounds at its terminus and at no greater than one thousand three hundred twenty (1,320) foot intervals. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length.

Q102.4.4 Parcels greater than twenty (20) acres. (FIRE 006). For parcels greater than twenty (20) acres, the maximum length of a dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed five thousand two hundred eighty (5,280) feet. All dead-end road lengths shall be measured from the edge of the roadway surface at the intersection that begins the road to the end of the road surface at its furthest point. Where a dead-end road serves parcels of differing sizes, the shortest allowable length shall apply. Each dead-end road shall have turnarounds at its terminus and at no greater than one thousand three hundred twenty (1,320)-foot intervals. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the road. If a hammerhead/T is used, the top of the “T” shall be a minimum of sixty (60) feet in length.

SECTION Q103 DRIVEWAYS, GATES, AND BRIDGES

Q103.1 Driveways. (FIRE 007). Driveway identified in this Section is defined as a vehicle access that serves up to two (2) parcels with no more than two (2) residential units and any number on non-commercial or industrial buildings on each parcel. Driveways shall not be less than twelve (12) feet wide traffic lane and minimum fourteen (14) feet wide unobstructed clearance, with an unobstructed vertical clearance of not less than fifteen (15) feet. The grade for all driveways shall not exceed fifteen percent (15%) with a maximum side slope of five percent (5%). Where driveway grades are eight percent (8%) or less, an all-

weather surface such as an aggregate base shall meet minimum fire requirements. Other types of material for driveways may be required by the Code. Where the grade exceeds eight percent (8%), a minimum structural roadway surface of 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base shall be required. The driveway surface shall be capable of supporting the imposed load of fire apparatus forty thousand (40,000) pounds, and be accessible by conventional-drive vehicles, including sedans. For driveways with turns ninety (90) degrees and less, the minimum horizontal inside radius of curvature shall be twenty-five (25) feet. For driveways with turns greater than ninety (90) degrees, the minimum horizontal inside radius curvature shall be twenty-eight (28) feet. For all driveway turns, an additional surface of four (4) feet shall be added. All driveways exceeding one hundred fifty (150) feet in length, but less than eight hundred (800) feet in length, shall provide a turnout near the midpoint of the driveway. Where the driveway exceeds eight hundred (800) feet, turnouts shall be provided at no greater than four hundred (400)-foot intervals. Turnouts shall be a minimum of twelve (12) feet wide and thirty (30) feet long with a minimum of twenty (25) foot taper at both ends. Turnarounds shall be required on driveways in excess of one hundred fifty (150) feet of surface length and shall be thirty (30) feet long with a minimum twenty-five (25) foot taper at both ends. Turnarounds shall be required on driveways in excess of one hundred fifty (150) feet of surface length and shall be located within fifty (50) feet of the primary building. The minimum turning radius for a turnaround shall be forty (40) feet from the center line of the driveway. If a hammerhead/T is used, the top of the "T" shall be a minimum of sixty (60) feet in length.

Q103.2 Gates. (FIRE 008). All gates providing access from a road to a driveway shall be located at least thirty (30) feet from the roadway and shall open to allow a vehicle to stop without obstructing traffic on the road. Gate entrances shall be at least two (2) feet wider than the width of the traffic lane but in no case be less than fourteen (14) feet wide unobstructed and unobstructed vertical clearance of fifteen (15) feet. Where a one-way road with a single traffic lane provides access to a gated entrance, a forty (40) foot turning radius shall be used. Where gates are to be locked, the installation of a key box or other acceptable means for immediate access by emergency equipment may be required.

Q103.3 Bridges. (FIRE 009). All new and reconstructed bridges shall be at least the width of the roadbed and berms, but in no case less than twelve (12) feet wide. Bridge width on all roads exceeding tertiary standards shall not be less than the width of the two lanes with berms. All bridges shall be designed for HS15-44 loading and have guardrails. Appropriate signage, including but not limited to, weight ratings or vertical clearance limitations, and one-way road or single-lane road conditions, shall be provided at both entrances to any bridge.

One-lane bridges may be permitted if there is unobstructed visibility across the entire bridge, and turnouts are provided at both bridge ends. The fire authority may impose more stringent requirements for bridges.

SECTION Q104 SIGNS AND ADDRESSES

Q104.1 Road signs. (FIRE 010). All newly constructed or approved roads and streets shall be designated by names or numbers, posted on signs clearly visible and legible from the roadway. Size of letters, numbers and symbols for street and road signs shall be a minimum four-inch letter height, ½-inch stroke, and shall be a color that is reflective and clearly contrasts with the background color of the sign. All numerals shall be Arabic. Street and road signs shall be non-combustible and shall be visible and legible from both directions of vehicle travel for a distance of at least one hundred (100) feet. Height, visibility, legibility, and orientation of street and road signs shall be meet the provisions of the jurisdiction. This section does not require any entity to rename or renumber existing roads or streets, nor shall a roadway providing access only to a single commercial or industrial occupancy require naming or numbering. Signs required under this section identifying intersecting roads, streets and private lanes shall be placed at the intersection of those roads, streets and/or private lanes. Signs identifying traffic access or flow limitations (i.e., weight or vertical clearance limitations, dead-end road, one-way road or single lane conditions, etc.) shall be placed: (a) at the intersection preceding the traffic access limitation; and (b) not more than one hundred (100) feet before such traffic access limitation. Road, street and private lane signs required by this article shall be installed prior to final acceptance of road improvements by the Fire Code Official.

Q104.2 Addresses for buildings. (FIRE 011). All buildings shall be issued an address in accordance with jurisdictional requirements. Each occupancy, including detached accessory dwelling units (ADU), except accessory buildings, shall have its own permanently posted address. When multiple occupancies exist within a single building, each individual occupancy shall be separately identified by its own address. Letters, numbers and symbols for addresses shall be a minimum of four-inch (4") height, 1/2-inch stroke, contrasting with the background color of the sign, and shall be Arabic. Commercial Occupancy shall have a minimum of 18 inch to 24 inch sized address numbers located at the top corner of the building on approval from the fire official. The sign and numbers shall be reflective and made of a noncombustible material. Address signs shall be placed at each driveway entrance and at each driveway split. Address signs shall be and visible from both directions of travel along the road. In all cases, the address shall be posted at the beginning of construction and shall be maintained

thereafter. Address signs along one-way roads shall be visible from both directions of travel. Where multiple addresses are required at a single driveway, they shall be mounted on a single sign. Where a roadway provides access solely to a single commercial occupancy, the address sign shall be placed at the nearest road intersection providing access to that site. Permanent address numbers shall be posted prior to requesting final clearance.

SECTION Q105 WATER SUPPLY

Q105.1 Water systems. (FIRE 012). The provisions of this condition shall apply when new parcels are approved by a local jurisdiction. The emergency water system shall be available on-site prior to the completion of road construction, where a community water system is approved, or prior to the completion of building construction, where an individual system is approved. Approved water systems shall be installed and made serviceable prior to the time of construction. Water systems constructed, extended or modified to serve a new development, a change of use, or an intensification of use, shall be designed to meet, in addition to average daily demand, NFPA Standard 1142 or other adopted standards. The quantity of water required pursuant to this chapter shall be in addition to the domestic demand and shall be permanently and immediately available.

Q105.2 (RESERVED) (FIRE 013).

Q105.3 Single parcel fire protection water supply. (FIRE 014). For development of structures totaling less than three thousand (3,000) square feet on a single parcel, the minimum fire protection water supply shall be four thousand nine hundred (4,900) gallons. For development of structures totaling three thousand (3,000) square feet or more on a single parcel, the minimum fire protection water supply shall be nine thousand eight hundred (9,800) gallons. For development of structures totaling more than ten thousand (10,000) square feet on a single parcel, the reviewing authority may require additional fire protection water supply. Other water supply alternatives, including ISO Rural Class 8 mobile water systems, may be permitted by the fire authority to provide for the same practical effect. The quantity of water required by this condition shall be in addition to the domestic demand and shall be permanently and immediately available.

Q105.4 Fire hydrants and valves. (FIRE 015). A fire hydrant or fire valve is required. The hydrant or fire valve shall be eighteen (18) inches above grade, eight feet from flammable vegetation, no closer than four feet nor further than twelve (12) feet from a roadway, and in a location where fire apparatus using it will not block the roadway. The hydrant serving any building shall be not less

than fifty (50) feet and not more than one thousand (1,000) feet by road from the building it is to serve. Minimum hydrant standards shall include a brass head and valve with at least one 2 1/2-inch National Hose outlet supplied by a minimum four inch main and riser. More restrictive hydrant requirements may be applied by the Reviewing Authority. Each hydrant/valve shall be identified with a reflectorized blue marker, with minimum dimensions of three inches, located on the driveway address sign, non-combustible post or fire hydrant riser. If used, the post shall be within three feet of the hydrant/valve, with the blue marker not less than three feet or greater than five feet above the ground, visible from the driveway. On paved roads or driveways, reflectorized blue markers shall be permitted to be installed in accordance with the State Fire Marshal's Guidelines for Fire Hydrant Markings Along State Highways and Freeways, May 1988.

SECTION Q106 SETBACKS

Q106.1 Setbacks. (FIRE 016). Except as permitted by the fire code official, all parcels one acre and larger shall provide a minimum thirty (30) foot setback for new buildings and accessory buildings from all property lines and/or the center of the road. For parcels less than one-acre, alternate fuel modification standards or other requirements may be imposed by the Fire Code Official to provide the same practical effect.

SECTION Q107 VEGETATION AND DEBRIS DISPOSAL

Q107.1 Disposition of vegetation and debris fuels. (FIRE 017). Disposal, including chipping, burying, or removal to a landfill site approved by the local jurisdiction, of vegetation and debris caused by site development and construction, road and driveway construction, and fuel modification shall be completed prior to final clearance of the related permit.

SECTION Q108 GREENBELTS

Q108.1 Greenbelts. (FIRE 018). Subdivisions and other developments, which propose greenbelts as a part of the development plan, shall locate said greenbelts strategically as a separation between wild land fuels and structures. The locations shall be approved by the Fire Code Official.

SECTION Q109 DEFENSIBLE SPACE

Q109.1 Standard defensible space requirements. (FIRE 019). Defensible space requirements shall meet Section 4291 of the Public Resources Code or the Code, whichever is more restrictive. Additional or alternate fire protection approved by the Fire Code Official may be required to provide reasonable fire safety. Environmentally sensitive areas may require alternative fire protection, to be determined by the Fire Code Official and other jurisdictional authorities.

Q109.2 (RESERVED) (FIRE 020).

SECTION Q110 FIRE PROTECTION SYSTEMS

Q110.1 Residential fire sprinkler systems (Standard). (FIRE 021). The building(s) and attached structure(s) shall be fully protected with automatic fire sprinkler system(s). Installation shall be in accordance with the applicable NFPA standard. A minimum of four sets of plans for fire sprinkler systems must be submitted by a California licensed C-16 contractor and approved prior to installation. This requirement is not intended to delay issuance of a building permit. A rough sprinkler inspection must be scheduled by the installing contractor and completed prior to requesting a framing inspection.

Q110.2 (RESERVED) (FIRE 022).

Q110.3 (RESERVED) (FIRE 023).

Q110.4 Residential fire alarm systems. (FIRE 024). The residence shall be fully protected with an approved household fire warning system as defined by NFPA 72. Plans and specifications for the household fire warning system shall be submitted by a California licensed C-10 contractor and approved prior to installation. Household fire warning systems installed in lieu of single-station smoke alarms required by the California Residential Code shall meet the requirements of the California Residential Code.

Q110.5 (RESERVED) (FIRE 025).

APPENDIX R: ROOFS

SECTION R101 GENERAL

R101.1 Scope. Applications for the construction or remodel of any buildings shall be subject to the roofing conditions of this Appendix when conditioned by the Fire Code Official.

R101.2 Conflicting Sections. Where provisions in this Appendix conflict with other sections of this Code or other appendices, the provisions of this Appendix shall prevail unless otherwise directed by the Fire Code Official.

SECTION R102 NEW BUILDINGS

R102.1 General. (FIRE 026). Roofing requirements for all new buildings shall be a minimum Class “B” roof assembly as defined by the International Building Code.

EXCEPTION: Greenhouses shall be exempt from the requirements of this Section.

R102.2 Very High Hazard Severity Zones. (FIRE 027). Roofing requirements for all new buildings in Very High Hazard Severity Zones shall be a minimum Class “A” roof assembly as defined by the International Building Code.

R102.3 Reserved SBCO EXLUDED

SECTION R103 EXISTING BUILDINGS

R103.1 General. (FIRE 026). Roofing requirements for existing buildings when fifty percent (50%) or more of the roof area is reroofed within a one-year period after the issuance of a building permit shall be a minimum Class “B” roof assembly as defined by the California Building Code. Where there is no permit issued, this section is applicable to buildings constructed after the effective date of this code and to buildings where fifty percent (50%) or more of the roof area is reroofed within a one-year period after commencing construction.

R103.2 Very High Hazard Severity Zone. (FIRE 027). Roofing requirements for existing buildings within a very high hazard severity zone when fifty percent (50%) or more of the roof area is reroofed within a one-year period after the issuance of a building permit shall be a minimum Class “A” roof assembly as defined by the International Building Code. Where there is no permit issued, this Section is applicable to such buildings constructed after the effective date of this code and to buildings where fifty percent (50%) or more of the roof area is reroofed within a one-year period after commencing construction.

R103.3 RESERVED SBCO EXCLUDED

SECTION R104 ADDITIONS TO EXISTING BUILDINGS

R104.1 General. The requirements of this Appendix shall apply to all additions to existing buildings, except that only the new portions of the roof shall be required to meet the requirements of this Appendix.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: **ADOPT A RESOLUTION ACCEPTING THE CITY'S
FISCAL YEAR 21/22 AUDIT**

MEETING DATE: January 24, 2023

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDED ACTION(S):

It is recommended that the City Council adopt the attached Resolution accepting the City's Fiscal Year 21/22 Audit.

BACKGROUND INFORMATION:

The City is required by laws of the State of California to audit the financial statements after the end of each fiscal year. This practice provides complete transparency for the public, and is a tool to hold government officials fiscally accountable. If the Audit discloses findings of mishandling of the City's finances, or in violation of any of its finance policies, this is where to look for these facts and make changes to correct these errors and discrepancies.

It is the City Manager's duty to present this audit and describe the City's fiscal status. The City Manager is looking for any signals of alarm, and after that, looking at trends. In the past three years, the audits have all been found to be "clean." Like an individual will use a tax return, the city uses a clean audit to help leverage debt. Trends are powerful projection tools, that identify where there are deficits, where expenses exceed revenues, and those need to be identified and corrected in future budgets.

When the budget is assembled and presented to the public, nearly a quarter of expenses and revenues, have not been received or spent. The term "Year to Date" is used, and then a "Year End Projection" is determined based upon the annual trends. The audit provides annual trends, and works as a tool to disclose dangers and risks, as well as opportunities over longer periods of time. The audit then confirms the assumptions and projections made in the budget, six months after the budget is adopted. The Audit from the prior fiscal year, is where the new budget is born.

There is a phrase known as "Zero Based" budgeting. This is a practice that occurs from time to time when the incremental adjustments made year to year are working against the actual trends identified. All assumptions are discarded, and the budget practice starts at "0." In February 2020,

Citygate and Associates assigned a retired Finance Director to “audit the audit.” There were many recommendations to help improve the systems in place, but the City’s finances were proven to be accurately reported, and strong.

DISCUSSION:

The City is presenting to the City Council and the citizens of San Juan Bautista a clean Audit. There are no findings of concern.

Focusing on trends, attached are notes provided by Wendy Cummings, CPA, summarizing and highlighting areas of the audit and comparing them to prior years. In almost every case, the City’s fund balances and net worth are stronger than last year. The City is consistently investing in its infrastructure and paying down debt on time. General Fund revenues increased \$500,000 over expenditures. The Enterprise Funds (Water and Sewer) are healthier than in prior years.

FISCAL IMPACT:

The acceptance of the City’s audit allows the budget process to begin.

ATTACHMENTS:

Resolution

Summary Notes

City of San Juan Bautista
Audited Financial Statements
June 30, 2022

Page 4 Statement of Net Position

Governmental Activities ~

Assets are higher than prior year by \$810k, primarily due to the implementation of the new GASB 87 lease standard, which created a \$182k lease receivable. In addition the City ended the year with cash balances of \$4,816k, higher than prior year by \$983k. Offsetting the increase in assets was a decrease in governmental receivable of \$519k. This is primarily due to the Measure G receivable of \$637k in the prior year.

Liabilities are in line with prior year.

Unrestricted fund balances of \$4,586k are higher than prior year by \$354k.

Enterprise Activities ~

Assets are lower than prior year by \$479k, primarily due to a decrease in cash as a result of costs of capital improvement projects.

Liabilities are lower than the prior year by \$469k. The decrease is primarily due to the paydown of debt and accrued expenses.

Unrestricted fund balance of \$762k, is higher than the prior year by \$122k.

Page 5 Statement of Activities

Primary Government (includes enterprise funds) ~

Charges for services and operating grants totaled \$3,035k, combined with taxes, property, and other revenues of \$2,646k, totaling \$5,681k in revenue for the year. This is an decrease of \$213k over prior year's total of \$5,894k. This is primarily due to the Measure G funds received in the prior year.

Expenditures/expenses totaled \$5,253k for the year. These expenditures were lower than the prior year expenditures by \$122k, primarily due to capital projects costs in the prior year.

The beginning net position for the year was \$14,300k. With the change in net position totaling \$428k, bringing the net position to \$14,728k.

Page 11 Statement of Revenue, Expense – Proprietary Funds (Enterprise)

Enterprise funds brought in \$2,350k of operating revenue which is \$169k lower than the prior year. This decrease is due to a combination of lower water revenue from conservation, offset by higher wastewater revenue from a mid-year increase in rates.

Enterprise fund operating expenses were \$2,377k, which were \$74k lower than the prior year. This is primarily due to lower personnel and contract costs in the current year.

Overall, the enterprise funds brought in an increase in decrease in net position of \$75k.

Page 12 Statement of Cash Flows – Proprietary Funds (Enterprise)

Cash flow provided \$1,086k from operating activities for the year, which is better than the prior year by \$64k.

Other cash flow related items, for paydown of debt and capital purchases were a combined decrease in cash of \$1,807k. The use of cash in the prior year for similar activities was \$1,659k. The primary component of the use of cash was for the payment of capital projects.

Page 30 Budgetary Comparison Schedule – General Fund

Combined revenues were over budget by \$650k, primarily in sales taxes and intergovernmental grants. Charges for services were below budget by \$316k, this lower than budgeted number is offset by onetime grants of \$134k, bringing the actual charges of services below budget by \$182k. These budgeted line items are primarily used to pay for community development expenditures.

Combined expenditures were over budget by \$360k, primarily in general government and community development. In the general government most of the over budget amounts were attributed to higher payroll and costs related to studies.

The total of revenue under expenditures for the year were less than \$1k. When combined with leaser revenue and transfers in from other funds, the total net change in fund balance was a positive \$501k. Better than the prior year's total of a negative \$93k, by \$594k.

The general fund ended this year with a positive fund balance of \$5,114k, better than prior year by \$501k. Of this year end balance \$3,012k is uncommitted and available for use in governmental operations.

RESOLUTION 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
ACCEPTING THE SAN JUAN BAUTISTA MUNICIPAL AUDIT FOR FISCAL YEAR
2021-2022**

WHEREAS, the City of San Juan Bautista is required under the laws of the State of California to have their financial statements audited annually, and

WHEREAS, an audit of the City's financial statements was conducted by Independent Auditor Bryant L. Jolley, CPA, and

WHEREAS, the City Council held a meeting on January 24, 2023 where, in accordance with all State and Municipal Code requirements, they reviewed the audit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Juan Bautista accepts the FY 2021-2022 San Juan Bautista Municipal Audit.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting held on the 24th day of January 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

CITY OF SAN JUAN BAUTISTA

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of San Juan Bautista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Juan Bautista (the "City"), California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be 'M. J. ...', is written over a faint, illegible printed name.

January 17, 2023

CITY OF SAN JUAN BAUTISTA

STATEMENT OF NET POSITION JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 4,815,578	\$ 1,364,266	\$ 6,179,844
Restricted cash and investments	-	415,620	415,620
Accounts receivable, net	53,334	265,142	318,476
Due from other governmental agencies	519,558	-	519,558
Lease receivable	182,167	-	182,167
Internal balances	1,567,771	(1,567,771)	-
Prepaid expense and other assets	7,367	-	7,367
Capital assets (net of allowance for depreciation)	<u>4,165,745</u>	<u>13,169,107</u>	<u>17,334,852</u>
Total assets	<u>11,311,520</u>	<u>13,646,364</u>	<u>24,957,884</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	<u>-</u>	<u>1,390,900</u>	<u>1,390,900</u>
Total deferred outflows of resources	<u>-</u>	<u>1,390,900</u>	<u>1,390,900</u>
LIABILITIES			
Accounts payable and accrued expense	530,208	433,740	963,948
Accrued interest	-	92,935	92,935
Deposits	-	164,333	164,333
Long-term liabilities			
Due within one year	-	300,000	300,000
Due in more than one year	<u>-</u>	<u>9,917,835</u>	<u>9,917,835</u>
Total liabilities	<u>530,208</u>	<u>10,908,843</u>	<u>11,439,051</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred right to use - lease revenue	<u>182,167</u>	<u>-</u>	<u>182,167</u>
Total deferred inflows of resources	<u>182,167</u>	<u>-</u>	<u>182,167</u>
NET POSITION			
Net investment in capital assets	4,165,745	2,951,272	7,117,017
Restricted for capital improvements	982,392	415,620	1,398,012
Restricted for specific projects and programs	864,786	-	864,786
Unrestricted	<u>4,586,222</u>	<u>761,529</u>	<u>5,347,751</u>
Total net position	<u>\$ 10,599,145</u>	<u>\$ 4,128,421</u>	<u>\$ 14,727,566</u>

CITY OF SAN JUAN BAUTISTA

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue				Net Revenue/(Expense) and Changes in Net Position		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental activities							
General government	\$ 668,073	\$ -	\$ 251,661	\$ -	\$ (416,412)	\$ -	\$ (416,412)
Public works	564,878	10,621	30,502	-	(523,755)	-	(523,755)
Parks and recreation	100,700	1,466	3,600	-	(95,634)	-	(95,634)
Public safety	728,643	3,225	163,932	-	(561,486)	-	(561,486)
Community development	841,233	85,639	134,452	-	(621,142)	-	(621,142)
Total governmental activities	<u>2,903,527</u>	<u>100,951</u>	<u>584,147</u>	<u>-</u>	<u>(2,218,429)</u>	<u>-</u>	<u>(2,218,429)</u>
Business-type activities							
Water	1,187,063	1,119,236	-	-	-	(67,827)	(67,827)
Sewer	1,190,214	1,230,892	-	-	-	40,678	40,678
Total business-type activities	<u>2,377,277</u>	<u>2,350,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,149)</u>	<u>(27,149)</u>
Total primary government	<u>\$ 5,280,804</u>	<u>\$ 2,451,079</u>	<u>\$ 584,147</u>	<u>\$ -</u>	<u>(2,218,429)</u>	<u>(27,149)</u>	<u>(2,245,578)</u>
General Revenues							
Property taxes and assessments					752,460	-	752,460
Sales taxes					1,147,776	-	1,147,776
Lodging taxes					234,014	-	234,014
Franchise taxes					118,858	-	118,858
Business licenses					19,564	-	19,564
Motor vehicle in-lieu					220,791	-	220,791
Interest and rent					126,139	8,610	134,749
Other					45,155	-	45,155
Transfers					56,737	(56,737)	-
Total general revenue					<u>2,721,494</u>	<u>(48,127)</u>	<u>2,673,367</u>
Change in Net Position					503,065	(75,276)	427,789
Net Position							
Beginning of year					<u>10,096,080</u>	<u>4,203,697</u>	<u>14,299,777</u>
End of year					<u>\$ 10,599,145</u>	<u>\$ 4,128,421</u>	<u>\$ 14,727,566</u>

See accompanying notes.

CITY OF SAN JUAN BAUTISTA

BALANCE SHEET – GOVERNMENTAL FUNDS JUNE 30, 2022

	<u>General</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 3,541,328	\$ 1,274,250	\$ 4,815,578
Accounts receivable	53,334	-	53,334
Due from other governmental agencies	466,332	53,226	519,558
Lease receivable	182,167	-	182,167
Due from other funds	6,370	-	6,370
Advance to other funds	1,567,771	-	1,567,771
Prepaid expense and other assets	7,367	-	7,367
Total assets	<u>\$ 5,824,669</u>	<u>\$ 1,327,476</u>	<u>\$ 7,152,145</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expense	\$ 528,170	\$ 2,038	\$ 530,208
Due to other funds	-	6,370	6,370
Total liabilities	<u>528,170</u>	<u>8,408</u>	<u>536,578</u>
Deferred Inflows of Resources			
Deferred right of use - lease revenue	182,167	-	182,167
Total deferred inflows of resources	<u>182,167</u>	<u>-</u>	<u>182,167</u>
Fund Balance			
Nonspendable			
Advances to other funds	1,567,771	-	1,567,771
Prepaid	7,367	-	7,367
Restricted			
Public safety	-	246,146	246,146
Capital improvement projects	-	795,172	795,172
Circulation improvements	-	187,220	187,220
Lighting and landscape maintenance	-	90,530	90,530
Committed			
Buildings	213,950	-	213,950
Vehicles	314,160	-	314,160
Unassigned	3,011,084	-	3,011,084
Total fund balance	<u>5,114,332</u>	<u>1,319,068</u>	<u>6,433,400</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,824,669</u>	<u>\$ 1,327,476</u>	<u>\$ 7,152,145</u>

CITY OF SAN JUAN BAUTISTA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2022

Total governmental fund balances	\$ 6,433,400
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>4,165,745</u>
Net position of governmental activities	<u>\$ 10,599,145</u>

CITY OF SAN JUAN BAUTISTA

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue			
Taxes	\$ 2,199,604	\$ 155,438	\$ 2,355,042
Intergovernmental	389,713	269,345	659,058
Charges for services	22,431	-	22,431
Licenses, permits and impact fees	203,078	10,621	213,699
Fines and forfeitures	3,305	-	3,305
Interest and rent	145,642	-	145,642
Total revenue	<u>2,963,773</u>	<u>435,404</u>	<u>3,399,177</u>
Expenditures			
Current			
General government	657,658	-	657,658
Public works	330,012	139,980	469,992
Parks and recreation	78,656	-	78,656
Public safety	700,781	-	700,781
Community development	841,233	-	841,233
Capital outlay	355,670	-	355,670
Total expenditures	<u>2,964,010</u>	<u>139,980</u>	<u>3,103,990</u>
Revenue over/(under) expenditures	(237)	295,424	295,187
Other Financing Sources/(Uses)			
Lease revenue	25,591	-	25,591
Operating transfers in/(out)	475,492	(418,755)	56,737
Total other financing sources (uses)	<u>501,083</u>	<u>(418,755)</u>	<u>82,328</u>
Change in Fund Balance	500,846	(123,331)	377,515
Fund Balance			
Beginning of year	4,613,486	1,442,399	6,055,885
End of year	<u>\$ 5,114,332</u>	<u>\$ 1,319,068</u>	<u>\$ 6,433,400</u>

CITY OF SAN JUAN BAUTISTA

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Net change in fund balance - total governmental funds \$ 377,515

Amounts reported for governmental activities in the statement of activities are different because:

Depreciation expense on capital assets is reported in the Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds (155,209)

Certain revenues in Governmental Funds are deferred because they are not collected within the prescribed time period after fiscal year end. Those revenues are recognized on the accrual basis in the Statement of Net Assets (74,911)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay in the current period. 355,670

Change in net position of governmental activities \$ 503,065

CITY OF SAN JUAN BAUTISTA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Total Proprietary Funds</u>
	<u>Water</u>	<u>Sewer</u>	
ASSETS			
Current assets			
Cash and investments	\$ 1,123,068	\$ 241,198	\$ 1,364,266
Restricted cash and investments	207,810	207,810	415,620
Accounts receivable, net	125,594	139,548	265,142
Total current assets	<u>1,456,472</u>	<u>588,556</u>	<u>2,045,028</u>
Non-current assets			
Property, plant and equipment (net of allowance for depreciation)	<u>6,912,491</u>	<u>6,256,616</u>	<u>13,169,107</u>
Total noncurrent assets	<u>6,912,491</u>	<u>6,256,616</u>	<u>13,169,107</u>
Total assets	<u>8,368,963</u>	<u>6,845,172</u>	<u>15,214,135</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	<u>764,995</u>	<u>625,905</u>	<u>1,390,900</u>
Total deferred outflows of resources	<u>764,995</u>	<u>625,905</u>	<u>1,390,900</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expense	38,914	394,826	433,740
Accrued interest	51,114	41,821	92,935
Advance from other funds	862,274	705,497	1,567,771
Deposits	164,333	-	164,333
Current portion of long-term debt	165,000	135,000	300,000
Total current liabilities	<u>1,281,635</u>	<u>1,277,144</u>	<u>2,558,779</u>
Noncurrent Liabilities			
Long-term debt	<u>5,454,809</u>	<u>4,463,026</u>	<u>9,917,835</u>
Total liabilities	<u>6,736,444</u>	<u>5,740,170</u>	<u>12,476,614</u>
NET POSITION			
Net investment in capital assets	1,292,682	1,658,590	2,951,272
Restricted for capital improvements	207,810	207,810	415,620
Unrestricted	<u>897,022</u>	<u>(135,493)</u>	<u>761,529</u>
Total net position	<u>\$ 2,397,514</u>	<u>\$ 1,730,907</u>	<u>\$ 4,128,421</u>

CITY OF SAN JUAN BAUTISTA

**STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION –
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
Operating Revenue			
Charges for services	\$ 1,091,526	\$ 1,224,648	\$ 2,316,174
Other fees	27,710	6,244	33,954
Total operating revenue	<u>1,119,236</u>	<u>1,230,892</u>	<u>2,350,128</u>
Operating Expense			
Contractual services and utilities	230,938	380,491	611,429
Personnel	228,504	180,896	409,400
Supplies, materials and repairs	97,132	53,889	151,021
Depreciation expense	379,386	333,490	712,876
Total operating expense	<u>935,960</u>	<u>948,766</u>	<u>1,884,726</u>
Operating income/(loss)	<u>183,276</u>	<u>282,126</u>	<u>465,402</u>
Nonoperating Revenue/(Expense)			
Interest income	4,305	4,305	8,610
Interest expense	(251,103)	(241,448)	(492,551)
Total nonoperating revenue/(expense)	<u>(246,798)</u>	<u>(237,143)</u>	<u>(483,941)</u>
Net income/(loss) before transfers	(63,522)	44,983	(18,539)
Operating Transfers In/(Out)	<u>(31,205)</u>	<u>(25,532)</u>	<u>(56,737)</u>
Change in Net Position	<u>(94,727)</u>	<u>19,451</u>	<u>(75,276)</u>
Net Position			
Beginning of year	2,492,241	1,711,456	4,203,697
End of year	<u>\$ 2,397,514</u>	<u>\$ 1,730,907</u>	<u>\$ 4,128,421</u>

CITY OF SAN JUAN BAUTISTA

**STATEMENT OF CASH FLOW – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
Operating Activities			
Receipts from customers and users	\$ 1,127,894	\$ 1,215,420	\$ 2,343,314
Payments for contractual services and utilities	(226,138)	(380,491)	(606,629)
Payments to employees	(228,504)	(180,896)	(409,400)
Payments to suppliers	(97,132)	(144,232)	(241,364)
Net cash provided by operating activities	<u>576,120</u>	<u>509,801</u>	<u>1,085,921</u>
Non-capital Financing Activities			
Repayment of short-term note settlement	(88,000)	-	(88,000)
Payments and transfers (to)/from other funds	(31,205)	(25,532)	(56,737)
Net cash provided by (used in) noncapital financing activities	<u>(119,205)</u>	<u>(25,532)</u>	<u>(144,737)</u>
Capital and Related Financing Activities			
Purchase of property, plant and equipment	(88,298)	(794,243)	(882,541)
Payments received from other funds	(31,203)	(25,530)	(56,733)
Bond premium	35,733	29,236	64,969
Principal paid on long-term debt	(160,804)	(131,566)	(292,370)
Interest paid on long-term debt	(252,670)	(242,729)	(495,399)
Net cash provided by (used in) capital and related financing activities	<u>(497,242)</u>	<u>(1,164,832)</u>	<u>(1,662,074)</u>
Investing Activities			
Interest received	<u>4,305</u>	<u>4,305</u>	<u>8,610</u>
Net cash provided by investing activities	<u>4,305</u>	<u>4,305</u>	<u>8,610</u>
Net Decrease in Cash	(36,022)	(676,258)	(712,280)
Cash			
Beginning of year	<u>1,366,900</u>	<u>1,125,266</u>	<u>2,492,166</u>
End of year	<u>\$ 1,330,878</u>	<u>\$ 449,008</u>	<u>\$ 1,779,886</u>
Cash Flows from Operating Activities			
Operating income (loss)	\$ 183,276	\$ 282,126	\$ 465,402
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	379,386	333,490	712,876
(Increase) Decrease in Accounts Receivable, net	8,732	(15,472)	(6,740)
Increase (Decrease) in Accounts Payable, Accrued Liabilities and Deposits	<u>4,726</u>	<u>(90,343)</u>	<u>(85,617)</u>
Net Cash Provided by Operating Activities	<u>\$ 576,120</u>	<u>\$ 509,801</u>	<u>\$ 1,085,921</u>

See accompanying notes.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of San Juan Bautista (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City of San Juan Bautista, State of California (the "City"), was incorporated in 1869. The City operates under a Council-Manager form of government. The City's major operations include public safety; highways and streets; sewer and water; parks and recreation; building inspection; public improvements; planning and zoning; and general administrative services.

Basis of Presentation – Fund Accounting

Government-Wide Financial Statements – The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities and Changes in Net Position) report information of all of the nonfiduciary activities of the primary government. For the most part, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net Position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements – The Governmental Fund Financial Statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

The City reports the following major enterprise funds:

Water Fund – The Water Fund accounts for the operation and maintenance of the City’s water treatment and water transmission and distribution systems.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City’s sewer system.

Basis of Accounting

The Government-Wide and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

Financial Statement Amounts

Cash and Investments – Cash and investments represent the City's cash bank accounts including but not limited to certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month end cash balances in each fund.

Accounts Receivable – Billed but unpaid services provided to individuals or non-governmental entities are recorded as accounts receivable. An allowance for doubtful accounts is provided to account for potentially uncollectible amounts.

San Benito County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is March 1 of each year. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual. The County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State (also known as the "Teeter Plan") whereby secured property taxes were distributed to participating taxing on the basis of the tax levy, including any uncollected amounts at fiscal year-end. The County, as administrator, benefits from future collections of penalties and interest on delinquent taxes. Taxes receivable are recorded as of the date levied. The County is still using the Teeter Plan as of June 30, 2022.

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

Interfund Receivables/Payables – Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

Capital Assets – Capital outlays are recorded as expenditures of the General and Special Revenue Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold is met.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings, structures and improvements	40
Infrastructure	40
Equipment	5 - 10

Deferred Outflow/Inflows of Resources – In addition to assets, liabilities and net position, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences – It is the City's policy to permit all employees to accumulate earned but unused vacation and compensatory time benefits. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

Sick leave can be accumulated, but vesting is limited and will not be paid upon termination. For this reason, the City does not accrue any costs relating to sick leave.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Long-Term Obligations – In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, however, debt principal payments of Governmental Funds are recognized as expenditures when paid. Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Non-Current Governmental Assets/Liabilities – GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

Net Position – The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions on net position imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the City not restricted for any project or other purpose.

Fund Balance – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, long-term portion of loans receivable, nonfinancial assets held for resale and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the San Juan Bautista Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during June of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 3 – Cash and Investments

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 6,179,844
Restricted Cash and Investments	<u>415,620</u>
Total Cash and Investments	<u>\$ 6,595,464</u>

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 200
Deposits with Financial Institutions	2,591,577
Local Agency Investment Fund	3,588,068
Held by Fiscal Agent:	
Money Market Mutual Funds	<u>415,619</u>
Total Cash and Investments	<u>\$ 6,595,464</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 3 – Cash and Investments (Continued)

Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

LAIF is valued based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (Level 2 input).

The City had the following recurring fair value measurements as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2022</u>
Investments by fair value level:				
Equity Securities:				
LAIF	\$ -	\$ 3,588,068	\$ -	\$ 3,588,068
Total Equity Securities	<u>-</u>	<u>3,588,068</u>	<u>-</u>	<u>3,588,068</u>
Investments carried at amortized cost:				
Bank Deposits and Cash on Hand				2,591,777
Money Market Mutual Funds				<u>415,619</u>
Total Investments amortized at cost				<u>3,007,396</u>
Total Investments				<u>\$ 6,595,464</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 3 – Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	None	20%	10% or \$5 million
Commercial Paper	180 days	A	15%	10%
Negotiable Certificates of Deposit	2 years	None	30%	None
Medium-Term Notes	5 years	AA	20%	10%
Money Market Mutual Funds	N/A	AAA	20%	10%
Repurchase Agreements	1 year	None	None	None
Time Deposits	2 years	None	10%	None
County Pooled Investment Funds	N/A	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$40 million	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2022, the City had the following investments:

Investment Type	Amount	Maturity Date
Local Agency Investment Fund	\$ 3,588,068	N/A
Held by Fiscal Agent:		
Money Market Mutual Funds	415,619	N/A
Total	\$ 4,003,687	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk (continued)

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End Not Rated
Local Agency Investment Fund Held by Fiscal Agent:	\$ 3,588,068	N/A	\$ 3,588,068
Money Market Mutual Funds	415,619	N/A	415,619
Total	\$ 4,003,687		\$ 4,003,687

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At times, the City's bank accounts may exceed federally insured limits. The City has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of June 30, 2022, the carrying amount of the City's bank deposits was \$2,591,577, and the respective bank balances totaled \$2,682,752, of the total bank balance. Of the bank balances, only \$250,000 is insured through the Federal Depository Insurance Company. The remaining balance is to be collateralized by the bank.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 3 – Cash and Investments (Continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 4 – Lease Receivable

American Cell Tower Lease – The City entered into an agreement to lease out a cell tower from February 26, 2002 through February 25, 2032, 2036 for a beginning monthly payment of \$1,413.87 with a 3% increase annually. Payment is due monthly at .9% interest. At June 30, 2022, the lease receivable balance was \$182,167.

The annual payment receipt schedule for principal and interest on all lease receivable at June 30, 2022 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18,242	\$ 1,427	\$ 19,669
2024	18,269	1,400	19,669
2025	18,434	1,235	19,669
2026	18,600	1,068	19,668
2027	18,769	900	19,669
2028-2032	89,853	1,934	91,787
	<u>\$ 182,167</u>	<u>\$ 7,964</u>	<u>\$ 190,131</u>

The related deferred inflows of resources on the right of use on lease revenue will be amortized on a straight-line basis over the term of the agreement as follows:

2023	\$ 18,845
2024	18,845
2025	18,845
2026	18,845
2027	18,845
2028-2032	87,942
	<u>\$ 182,167</u>

During the year ended June 30, 2022, the City recognized \$25,591 in lease revenue and related interest income.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 22,610	\$ -	\$ -	\$ 22,610
Construction in progress	157,560	3,394	-	160,954
Total capital assets, not being depreciated	<u>180,170</u>	<u>3,394</u>	<u>-</u>	<u>183,564</u>
Capital assets, being depreciated				
Buildings and improvements	1,373,234	88,804	(17,596)	1,444,442
Infrastructure	3,567,242	263,472	-	3,830,714
Machinery and equipment	1,056,552	-	(224,560)	831,992
Total capital assets, being depreciated	<u>5,997,028</u>	<u>352,276</u>	<u>(242,156)</u>	<u>6,107,148</u>
Less accumulated depreciation for:				
Buildings and improvements	(848,017)	(45,428)	17,596	(875,849)
Infrastructure	(423,733)	(76,721)	-	(500,454)
Machinery and equipment	(940,164)	(33,060)	224,560	(748,664)
Total accumulated depreciation	<u>(2,211,914)</u>	<u>(155,209)</u>	<u>242,156</u>	<u>(2,124,967)</u>
Total capital assets, being depreciated, net	<u>3,785,114</u>	<u>197,067</u>	<u>-</u>	<u>3,982,181</u>
Governmental activities capital assets, net	<u>\$ 3,965,284</u>	<u>\$ 200,461</u>	<u>\$ -</u>	<u>\$ 4,165,745</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 487,275	\$ -	\$ -	\$ 487,275
Construction in progress	339,707	711,058	-	1,050,765
Total capital assets, not being depreciated	<u>826,982</u>	<u>711,058</u>	<u>-</u>	<u>1,538,040</u>
Capital assets, being depreciated				
Building	323,861	-	-	323,861
Improvements other than buildings	19,659,871	82,209	(6,363)	19,735,717
Machinery and equipment	1,102,374	89,274	(33,727)	1,157,921
Total capital assets, being depreciated	<u>21,086,106</u>	<u>171,483</u>	<u>(40,090)</u>	<u>21,217,499</u>
Less: accumulated depreciation	<u>(8,913,646)</u>	<u>(712,876)</u>	<u>40,090</u>	<u>(9,586,432)</u>
Total capital assets, being depreciated, net	<u>12,172,460</u>	<u>(541,393)</u>	<u>-</u>	<u>11,631,067</u>
Business-type activities capital assets, net	<u>\$ 12,999,442</u>	<u>\$ 169,665</u>	<u>\$ -</u>	<u>\$ 13,169,107</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 5 – Capital Assets (Continued)

Depreciation expense was charged to the following functions in the Statement of Activities:

Governmental Functions:

General Government	\$	10,417
Public Works		94,886
Parks and Recreation		22,044
Public Safety		27,862
	\$	<u>155,209</u>

Business-Type Functions:

Water	\$	379,386
Sewer		333,490
	\$	<u>712,876</u>

Note 6 – Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred in proprietary funds are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. The City's debt transactions are summarized below and discussed in detail thereafter:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Current</u> <u>Portion</u>
<u>Business-Type Activities Long Term Debt</u>					
<i>Direct Placement:</i>					
2015 Enterprise Revenue Bonds	\$ 10,345,000	\$ -	\$ 285,000	\$ 10,060,000	\$ 300,000
Plus Unamortized Premium on Bond	<u>165,205</u>	<u>-</u>	<u>7,370</u>	<u>157,835</u>	<u>7,370</u>
Total Business-Type Activities Debt	<u>\$ 10,510,205</u>	<u>\$ -</u>	<u>\$ 292,370</u>	<u>\$ 10,217,835</u>	<u>\$ 307,370</u>
<u>Compensated Absences</u>					
Government Activities	<u>\$ 39,167</u>	<u>\$ -</u>	<u>\$ (4,714)</u>	<u>\$ 34,453</u>	

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 6 – Long-Term Debt (Continued)

Long-term debt payable at June 30, 2022 was comprised of the following individual issues:

2015 Enterprise Revenue Bonds – In January 1715, the City issued Series 2015 Enterprise Revenue Bonds for the principal amount of \$11,640,000. The issuance was to refund the outstanding principal balance of the 2008 Water and Sewer COP and the Pavex Note payable described above. In addition, the proceeds of the sale of the bond were used to provide funding to improve the City’s water system as well as paying the costs of issuance. The reacquisition price exceeded the net carrying amount of the old debt by \$1,819,135. The City refunded the above debts to reduce its total debt service over 28 years by \$4,125,856 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$1,947,479. The bonds bear interest ranging from 3.0% to 5.0% and are payable semi-annually commencing April 2016 through October 2043. Debt service is secured by a pledge of net revenues of the City’s Water and Sewer Systems. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the water and sewer systems which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all water and sewer operation and maintenance costs and all bond installment payments and produce net water and sewer revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2022. Cash basis debt service paid during the fiscal year ended June 30, 2022 totaled \$662,438. Total water and sewer system net revenues calculated in accordance with the covenants were \$515,840 and net revenue available for debt service was 1.78 times debt service at June 30, 2022.

The annual requirement to amortize the principal and interest on long-term debt at June 30, 2022, were as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>
2023	\$ 300,000	\$ 365,738
2024	310,000	351,988
2025	325,000	336,113
2026	345,000	319,363
2027	365,000	301,613
2028-2032	2,005,000	1,314,770
2033-2037	2,330,000	972,774
2038-2042	2,815,000	508,031
2043-2044	1,265,000	47,719
	<u>\$ 10,060,000</u>	<u>\$ 4,518,109</u>
Unamortized premiums	<u>157,835</u>	
Net long-term debt	<u>\$ 10,217,835</u>	

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 7 – Deferred Compensation Plan

On October 1, 1999, the City established a deferred compensation plan for its employees which provides them an opportunity to save for retirement. The plan meets the requirements of Internal Revenue Code Section 457. Under the plan, employees make tax deferred contributions up to the limits established by the Internal Revenue Service. The contributions made to the plan may be withdrawn only upon retirement separation from service, death or unforeseeable emergency. Employees are 100% vested in their contributions from the first date of participation. The plan provides for varying matching contributions.

The plan is administered by the City. The participants are offered a choice of investment options and make their own investment decisions. The City has fiduciary obligation for due care in the administration of the plan, but is not responsible for the investments or performance results of the investment products offered under the plan, therefore, the City is not required to report these funds on the City's financial statements.

Note 8 – Risk Management

The City of San Juan Bautista is insured under the Public Agency Risk Sharing Authority of California (PARSAC) liability program. Protection is afforded for "bodily injury, property damage, personal injury and public officials' errors and omissions, subject to certain limitations".

Limit of protection – \$995,000 ultimate net loss as the result of any occurrence because of bodily injury, property damage, personal injury or public officials' errors and omissions or any combination thereof in excess of the retained limit.

Retained limit – \$5,000 ultimate net loss as the result of any occurrence because of bodily injury, property damage, personal injury or public officials' errors and omissions or any combination thereof.

Complete audited financial statements for PARSAC can be obtained from PARSAC's office at 1525 Response Road, Suite One, Sacramento, CA 95815.

Note 9 – Due From/Due to Other Funds and Advance To/Advance From Other Funds

Interfund receivables and payables consist of short-term loans resulting from regular transactions. These loans are expected to be repaid as soon as the borrowing fund has cash, and carry an interest rate equal to the rate earned on pooled cash. Individual fund interfund receivables and payables balances as of June 30, 2022 are as follows:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Funds:		
General Fund	\$ 6,370	\$ -
Nonmajor Governmental Funds:		
Cops Grant Fund	-	6,370
	<u>\$ 6,370</u>	<u>\$ 6,370</u>

CITY OF SAN JUAN BAUTISTA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9 – Due From/Due to Other Funds and Advance To/Advance From Other Funds (continued)

In August 2016 the City formalized an advance agreement between the City’s General Fund and the Water and Sewer Funds for the amount of \$1,895,844. The amount is payable by the Water and Sewer Funds to the General Fund over a period of 29 years at an interest rate of 1.5 percent payable in annual payments of \$81,102.

Advances from and to balances as of June 30, 2022, are as follows:

	<u>Advance To</u>	<u>Advance From</u>
Major Governmental Funds:		
General Fund	\$ 1,567,771	\$ -
Proprietary Funds:		
Water Fund	-	862,274
Sewer Fund	-	705,497
	<u>\$ 1,567,771</u>	<u>\$ 1,567,771</u>

Note 10 – Interfund Transfers

With the City Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund. Transfers within fund types have been eliminated with the government-wide financial statements. Transfers in and out for the year ended June 30, 2022 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 475,492	\$ -
Nonmajor Governmental Funds:		
COPS Grant	-	163,932
Roads & Restrooms Fund	-	111,699
Maintenance Districts Fund	-	15,440
Impact Fees Fund	-	127,684
Proprietary Funds:		
Water Fund	-	31,205
Sewer Fund	-	25,532
	<u>\$ 475,492</u>	<u>\$ 475,492</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 11 – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of \$764,995 in the Water Fund and \$625,905 in the Sewer Fund for deferred charges from debt retirement relate to the defeasance costs of the City's 2008 Water and Sewer Certificates of Participation. The balance is being amortized over a twenty-eight-year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports \$182,167 in deferred inflows related to lease receivable in the General Fund, see Note 4 for more information.

Note 12 – Stewardship, Compliance and Accountability

Excess of expenditures over appropriations – The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2022:

General Fund:	
Current	
General government	\$ (139,626)
Public safety	\$ (23,861)
Community development	\$ (190,465)
Capital outlay	\$ (52,051)

The excess expenditures were covered by excess revenues during the fiscal year.

Note 13 – Subsequent Events

The City evaluated subsequent events for recognition and disclosure through January 17, 2023, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2022, that required recognition or disclosure in such financial statements.

Note 14 – New Accounting Pronouncement

For the year ended June 30, 2022, the District implemented GASB issued Statement No. 87, Leases (GASB 87). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. There was no net effect to fund balance/net position due to the implementing GASB 87 as of June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN JUAN BAUTISTA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 1,502,448	\$ 1,502,448	\$ 2,199,604	\$ 697,156
Intergovernmental	165,000	165,000	389,713	224,713
Charges for services	338,711	338,711	22,431	(316,280)
Licenses, permits and impact fees	217,803	217,803	203,078	(14,725)
Fines and forfeitures	750	750	3,305	2,555
Interest and rent	89,173	89,173	145,642	56,469
Total revenue	<u>2,313,885</u>	<u>2,313,885</u>	<u>2,963,773</u>	<u>649,888</u>
Expenditures				
Current				
General government	518,032	518,032	657,658	(139,626)
Public works	352,232	352,232	330,012	22,220
Parks and recreation	102,073	102,073	78,656	23,417
Public safety	676,920	676,920	700,781	(23,861)
Community development	650,768	650,768	841,233	(190,465)
Capital outlay	303,619	303,619	355,670	(52,051)
Total expenditures	<u>2,603,644</u>	<u>2,603,644</u>	<u>2,964,010</u>	<u>(360,366)</u>
Revenue over (under) expenditures	(289,759)	(289,759)	(237)	289,522
Other Financing Sources				
Leaser revenue	26,601	26,601	25,591	(1,010)
Transfers in (out) - net	103,104	103,104	475,492	372,388
Net Change in Fund Balance	<u>\$ (160,054)</u>	<u>\$ (160,054)</u>	500,846	<u>\$ 661,910</u>
Fund Balance				
Beginning of year			<u>4,613,486</u>	
End of year			<u>\$ 5,114,332</u>	

SUPPLEMENTAL ONLY INFORMATION

CITY OF SAN JUAN BAUTISTA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	COPS Grant	Public Parking Fund	Gas Tax Fund	Roads & Restrooms Fund
ASSETS				
Cash and investments	\$ -	\$ 17,447	\$ 80,257	\$ 118,578
Due from other governmental agencies	45,063	-	8,163	-
Total assets	<u>\$ 45,063</u>	<u>\$ 17,447</u>	<u>\$ 88,420</u>	<u>\$ 118,578</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable and accrued expense	\$ -	\$ -	\$ 1,779	\$ -
Due to other funds	6,370	-	-	-
Total liabilities	<u>6,370</u>	<u>-</u>	<u>1,779</u>	<u>-</u>
Fund Balance				
Restricted				
Public safety	38,693	-	-	-
Capital improvement projects	-	17,447	-	118,578
Circulation improvements	-	-	86,641	-
Lighting and landscape maintenance	-	-	-	-
Total fund balance	<u>38,693</u>	<u>17,447</u>	<u>86,641</u>	<u>118,578</u>
Total liabilities and fund balance	<u>\$ 45,063</u>	<u>\$ 17,447</u>	<u>\$ 88,420</u>	<u>\$ 118,578</u>

CITY OF SAN JUAN BAUTISTA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds		Non-major Governmental Funds
	Maintenance Districts	Impact Fees	
ASSETS			
Cash and investments	\$ 90,789	\$ 967,179	\$ 1,274,250
Due from other governmental agencies	-	-	53,226
Total assets	\$ 90,789	\$ 967,179	\$ 1,327,476
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expense	\$ 259	\$ -	\$ 2,038
Due to other funds	-	-	6,370
Total liabilities	259	-	8,408
Fund Balance			
Restricted			
Public safety	-	207,453	246,146
Capital improvement projects	-	659,147	795,172
Circulation improvements	-	100,579	187,220
Lighting and landscape maintenance	90,530	-	90,530
Total fund balance	90,530	967,179	1,319,068
Total liabilities and fund balance	\$ 90,789	\$ 967,179	\$ 1,327,476

CITY OF SAN JUAN BAUTISTA

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	COPS Grant	Public Parking Fund	Gas Tax Fund	Roads & Restrooms Fund
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 46,502
Intergovernmental	163,932	-	105,413	-
Licenses, permits and impact fees	-	-	-	-
Total revenue	<u>163,932</u>	<u>-</u>	<u>105,413</u>	<u>46,502</u>
Expenditures				
Current				
Public works	-	-	17,098	-
Total expenditures	<u>-</u>	<u>-</u>	<u>17,098</u>	<u>-</u>
Revenue over (under) expenditures	163,932	-	88,315	46,502
Other financing sources/(uses)				
Operating transfers in/(out)	<u>(163,932)</u>	<u>-</u>	<u>-</u>	<u>(111,699)</u>
	<u>(163,932)</u>	<u>-</u>	<u>-</u>	<u>(111,699)</u>
Change in Fund Balance	-	-	88,315	(65,197)
Fund Balance				
Beginning of year	<u>38,693</u>	<u>17,447</u>	<u>(1,674)</u>	<u>183,775</u>
End of year	<u>\$ 38,693</u>	<u>\$ 17,447</u>	<u>\$ 86,641</u>	<u>\$ 118,578</u>

CITY OF SAN JUAN BAUTISTA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		Non-major Governmental Funds
	Maintenance Districts	Impact Fees	
Revenue			
Taxes	\$ 108,936	\$ -	\$ 155,438
Intergovernmental	-	-	269,345
Licenses, permits and impact fees	-	10,621	10,621
Total revenue	108,936	10,621	435,404
Expenditures			
Current			
Public works	122,882	-	139,980
Total expenditures	122,882	-	139,980
Revenue over (under) expenditures	(13,946)	10,621	295,424
Other financing sources/(uses)			
Operating transfers in/(out)	(15,440)	(127,684)	(418,755)
	(15,440)	(127,684)	(418,755)
Change in Fund Balance	(29,386)	(117,063)	(123,331)
Fund Balance			
Beginning of year	119,916	1,084,242	1,442,399
End of year	\$ 90,530	\$ 967,179	\$ 1,319,068

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and City Council
City of San Juan Bautista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of San Juan Bautista (the “City”), California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City’s basic financial statements, and have issued our report thereon dated January 17, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be 'Meredith J. [unclear]', written in a cursive style.

January 17, 2023

CITY OF SAN JUAN BAUTISTA

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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To the Honorable Mayor and City Council
City of San Juan Bautista, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Juan Bautista for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 20, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. The City adopted a new accounting policy to comply with the effects of GASB Statement No. 87, Leases and the application of existing policies was not changed during 2022. We noted no transactions entered into by City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on an evaluation of collectability primarily focused on past due accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 17, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of San Juan Bautista's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of San Juan Bautista's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of City of San Juan Bautista and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be "Renee J. [unclear]", written in a cursive style.

January 17, 2023



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: FACILITATE A CITYWIDE STRATEGIC PLANNING SESSION, ORGANIZATIONAL REVIEW, FINANCE AND LAW ENFORCEMENT SERVICES REVIEW

MEETING DATE: January 24, 2023

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDED ACTION(S):

It is recommended that the City Council adopt the attached Resolution authorizing the City Manager to execute a professional services agreement with Citygate Associates LLC, to facilitate a City strategic planning exercise, provide a high-level organizational review, update their fiscal projections, and assess the best practices for City law enforcement services.

BACKGROUND INFORMATION:

In January 2020, the City retained the services of Citygate, a public executive consulting firm established in 1990, to work specifically with public sector entities to assess and plan for their organizational development. The Citygate project teams consist of well respected seasoned public sector veterans, reflecting what would be department heads and City Managers in other cities. These services are valuable to San Juan Bautista, as the organization lacks many “Directors” including Police Chief, Finance Director, Community Service Director capabilities.

A retired Public Works Director and City Manager facilitated a strategic planning session for the City in February 2020. The objective was to survey the community, interview stakeholders and the City Council, and convene a community meeting to discuss the outcomes. This was the first time this had been done in San Juan Bautista for many years. This strategic plan has been revisited every spring before the budget process formally begins.

In addition to strategic planning, the City’s financial position and policies were analyzed. The study confirmed the General Fund to be whole and healthy. It confirmed that the Water Enterprise fund was healthy, but that the sewer fund was running a small deficit. Citygate was retained just as the pandemic broke out. A retired Finance Director helped the City navigate these very uncertain times, resulting in a vigorous business retention program that helped some of the City’s businesses apply for grants and loans to keep their operations open.

Citygate provided the attached May 15, 2020 “Observational and Financial Review for the City of San Juan Bautista,” with two sections: financial analysis, and organizational assessment. The Financial Analysis concluded the City’s financial position to be healthy, (Appendices 1 and 2 of the report). The table below compares the years 2017-2020 of the General Fund.

Table 1—Multiple Year Actual – General Fund (\$)

Component	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	
Revenues	1,774,821	2,369,044	2,213,109	2,407,899	
Expenditures	1,322,480	1,720,933	2,380,281	2,394,641	
Prior Period adj.					
Net Operating Income/(Loss)	452,341	648,111	(167,172)	13,258	
Beginning Total Fund Balance	3,597,047	4,049,388	4,697,499	4,530,327	
Ending Total Fund Balance	4,049,388	4,697,499	4,530,327	4,543,585	
Beginning Unassigned Fund Balance	1,694,106	2,198,843	3,051,788	2,674,751	
Ending Unassigned Fund Balance	2,198,843	3,051,788	2,674,751	2,688,009	Est
Cash Balance (unrestricted)	2,113,715	3,207,006	2,967,569	2,980,827	Est

Having reviewed the 2021/22 Fiscal Year Audit, it looks like the General Fund balance increased another \$500,000, which is stronger than it has been since 2018. Appendices 12-15 are spread sheets to be used for projecting fund balances out five years, and for the establishment of a 5-Year Capital Improvement Program. The assumptions in these tools have changed, not so much for the General Fund, but certainly for the Water and Sewer Enterprise funds.

The City is slowly but certainly coming into compliance with the EPA’s requirements and transforming both utility systems. In February 2021, the Sewer fund has paid for the design of the EPA “compliance project” at a cost of \$1 million which is completed now. New sewer rates were approved in December 2021. The City settled the sewer fines with the State in the summer of 2022. The water fund also took on a rate increase effective November 1, 2022. Below are the 2020 Citygate assessments of both water and sewer enterprise funds.

Table 2—Multiple-Year Water Funds (\$)

Component	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Revised Budget	
Revenues	956,761	2,277,458	1,382,582	1,079,000	
Expenditures	982,610	920,025	977,971	1,260,287	
Prior Period adj.					
Net Operating Income/(Loss)	(25,849)	1,357,433	404,611	(181,287)	
Beginning Total Net Position	1,119,840	1,093,991	2,451,424	2,856,035	
Ending Total Net Position	1,093,991	2,451,424	2,856,035	2,674,748	
Beginning Unrestricted Net Position	499,608	424,829	662,012	686,973	
Ending Unrestricted Net Position	424,829	662,012	686,973	505,686	Est
Cash Balance (unrestricted)	756,725	1,227,891	895,507	714,220	Est

Note the Net Position was as low as \$424,629 in 2017, and rose as high as \$687,000. As of June 30, 2022, the Unrestricted Position had increased to \$897,000 (page 10 of the Audit).

Table 3—Multiple-Year Sewer Funds (\$)

Component	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Revised Budget	
Revenues	889,441	1,145,897	1,369,262	1,610,600	
Expenditures	853,647	1,093,093	1,544,126	2,288,817	
Prior Period adj.					
Net Operating Income/(Loss)	35,794	52,804	(174,864)	(678,217)	
Beginning Total Net Position	2,135,667	2,171,461	2,224,265	2,049,401	
Ending Total Net Position	2,171,461	2,224,265	2,049,401	1,371,184	
Beginning Unrestricted Net Position	964,573	1,341,058	1,215,865	607,038	
Ending Unrestricted Net Position	1,341,058	1,215,865	607,038	(71,179)	Est
Cash Balance (unrestricted)	1,408,637	1,556,460	1,189,873	511,656	Est

The Fund Balance for Sewer has steadily declined from \$1.31 million to a projected deficit in 2020 of \$71,179. The 2021/22 Audit (Page 10 of the Audit) it has been further reduced to a deficit of \$135,493. This is because this fund is being used to design the new sewer force-main to Hollister (\$1 million) before fee increases were approved, and paying down older debt.

The fiscal analysis does recommend several improvements to the financial systems. This includes cross training of the limited staff to assure adequate coverage of accounts payable and accounts receivable, and acquiring an integrated municipal financial software system. With the hiring of the Office Assistant, cross training is and does occur. Last fall the finance team created a new chart of accounts, and signed on to a public sector finance software being implemented now, to accompany “Cleargov” that helps to make the City’s finances transparent to the public. Overall, there are 13 fiscal recommendations in this 2020 report, as provided on pages 20-23 of the attached study.

The Organizational Study resulted in 6 additional recommendations. Simply stated, due to small staff, resources need to be guided by a strategic plan, as there are insufficient human resources to address every need. The last two findings and recommendations speak on the need for rebuilding Community Development and the need for solid long-term City planning efforts. This has been done.

The City Manager’s evaluation was completed November 15, 2022. It requests strategic planning direction from the City Manager, and from the community. The Public Safety Committee has been reviewing contracts and the Sheriff has requested a new contract. It is time for a new look at public safety. With two new Councilmembers and four new Commissioners coming on-board, it is also time to revisit this analysis and organizational efforts.

DISCUSSION:

In a typical year, the City would receive its audit in December, and consider mid-year adjustments at its January meeting. This year, for various reasons the process is a month behind, which is good because it allows the new Councilmembers time to catchup. The attached Resolution includes a January 13, 2023, proposal from Citygate. It includes at its core the strategic planning effort that is critical right now. The 25-year veteran worked in Hayward serving as chair of their “Citywide Complete Communities Strategic Initiative.”

There are four “optional” modules including an Implementation Plan workshop to assure that the organizational recommendations are resourced to meet the objectives. Fiscal review update is proposed to be done by the same retired Finance Director that led the 2020 study. Also proposed is a deliverable referred to as an “Audio Module.” This is a “podcast style” component to be included on the City website that is specifically tailored to the City engagement effort, communicating in video format the key components of the Strategic Plan. This tool helps both internal external stakeholders understand and support the City’s strategies moving forward.

The fourth element is the Law Enforcement Element. This work if approved would be led by a retired Undersheriff. The objective is to smooth out any conflicts between the City and law enforcement and work towards a new contract with a detailed scope of work. The retired undersheriff will assist the City to negotiate a new contract with Sheriff, and determine the role of each. Citygate’s public safety team is also has experienced in establishing fire districts.

FISCAL IMPACT:

The cost for the three studies, the podcast deliverable and implementation strategy are not to exceed \$58,293.

Core Project Cost				
Project Element	Consulting Fees of Project Team	Administration (7.5% of Hourly Fees)	Reimbursable Expenses	Total Citygate Project Amount
Core Project Tasks*	\$32,110	\$2,408	\$385	\$34,903
* Included in the core project cost are community and employee surveys. If one or both of these surveys are not desired, the cost can be reduced by the following amount(s): community survey (\$3,107), employee survey (\$3,107).				
Optional Project Costs				
The City may select any of the following optional project elements.				
Project Element	Consulting Fees of Project Team	Administration (7.5% of Hourly Fees)	Reimbursable Expenses	Total Citygate Project Amount
<i>Optional Implementation Planning</i>	\$2,590	\$194	\$385	\$3,169
<i>Optional Fiscal Review/Update</i>	\$13,375	\$1,003	\$0	\$14,378
<i>Optional Law Enforcement Review</i>	\$4,505	\$338	\$0	\$4,843
<i>Optional Audio Module (AudMod)</i>	\$1,000	\$0	\$0	\$1,000
Total if All Options are Selected	\$53,580	\$3,944	\$770	\$58,293

These costs can be paid from cost savings experienced this fiscal year in the General Fund, and shared by savings in the two Enterprise funds.

ATTACHMENTS:

Proposed Resolution with the January 13, 2023 Citygate Proposal

May 15, 2020 “Observational and Financial Review for the City of San Juan Bautista,”

CELEBRATING
30 YEARS!



ANNIVERSARY
1990 | 2020

CITYGATE ASSOCIATES, LLC

600 Coolidge Drive, Suite 150 ■ Folsom, CA 95630 ■ PH 916-458-5100 ■ FAX 916-983-2090

May 15, 2020

Don Reynolds
City Manager
City of San Juan Bautista
311 Second Street / PO Box 1420
San Juan Bautista, CA 95045
citymanager@san-juan-bautista.ca.us

RE: OBSERVATIONAL ORGANIZATION AND FINANCIAL REVIEW FOR THE CITY OF SAN JUAN BAUTISTA

Dear Mr. Reynolds:

Thank you for the opportunity to be of service to the City of San Juan Bautista (City). Based on interviews with staff and elected official, as well as study of City data and materials, our Project Team members have developed a management letter for you in keeping with the project proposal.

Citygate recognizes this management letter comes to you at a time of significant upheaval due to the impacts of the COVID-19 pandemic. Although the financial and organizational analysis work for this study was completed prior to the onslaught of the pandemic and its impacts on local government revenues and workload, Citygate Associates, LLC (Citygate) can attest to the timeliness of this body of work for your community. The business principles and practices referred to in this letter can be of great assistance to the City. The basic financial planning principles and practices outlined and integrated into the financial planning models are foremost in guiding the community through the impacts of the pandemic.

This management letter is organized as follows:

- Section 1:** Financial Analysis
- Section 2:** Organizational Assessment

Together, these two sections contain 19 findings and 17 recommendations for your consideration and action.

In addition, Citygate has produced financial models for the City's use and has included several other appendices. These are:

- ◆ Various Financial Tables and Appendices 1–11
- ◆ Appendix 12 – A five-year financial forecast instrument for the General Fund
- ◆ Appendix 13 – A five-year financial forecast instrument for the Water Fund
- ◆ Appendix 14 – A five-year financial forecast instrument for the Sewer Fund
- ◆ Appendix 15 – A sample Capital Improvement Plan document

These models, financial tables, and other appendices have been provided with this report for use by City staff.

Section 1 of the management letter includes:

- ◆ Analysis of the revenues and expenditures, focusing on the General Fund and the Water and Sewer Funds.
- ◆ Review of the City’s Annual Audit.
- ◆ Budget sustainability recommendations.
- ◆ Guidance to establishing financial and budgetary policies and procedures.
- ◆ In-depth review of the current issue before the City to strengthen its overall financial performance, including all funds. Together, with the four current issues in **Section 2**, five current issues were examined.

Section 2 of the management letter includes:

- ◆ Assessment of four current issues before the City and suggested priorities through a series of findings and recommendations. These four current issues are:
 - Building on Strategic Planning Priorities
 - Building on Staffing Expertise and Skills
 - Designing a Path for Infrastructure Renewal and Upkeep
 - Developing an Enhanced Role for Community Planning and Development

Recommendations for workload management are included throughout both sections of the management letter narrative, as are suggested topics for further in-depth study.

The discussion, findings, and recommendations of this report are based on Citygate’s review of conditions as of early March when on-site interviews were conducted per the project scope. Changes in conditions that have occurred since then should be noted in the City staff report that prefaces this report.

SECTION 1—FINANCIAL ANALYSIS

The City has approximately 10 full-time equivalent staff. As a result of this small operational staff level, employees are required to share responsibilities to conduct City operations. As Citygate determined through interviews, finance-related staff consists of the City Accountant (contractor), the Administrative Services Manager, and the Finance Administrative Services Clerk. Citygate found the staff associated with finance-related functions to be very knowledgeable regarding the financial operations of the City. Some areas of improvement identified by Citygate include the following:

- ◆ Additional formalized operational documentation should be developed to help ensure procedural application consistency to reduce any confusion on the part of departmental staff.
- ◆ Increased formal cross-training in all finance-related areas should be explored to ensure continuity of operations. For example, the City Accountant seems to be the only personnel with total familiarity regarding the QuickBooks system, which handles all the City's financial information for reporting and monitoring. The City Accountant is very competent and does a good job for the City; however, a backup should be efficiently trained as a continuity measure.
- ◆ Although not an immediate issue, the City should explore acquiring an integrated financial system to reduce manual processes and reduce the potential for input errors regarding financial information. The system should be cloud-based to allow staff from other departments inquiry access to financial information to aid decision making regarding their respective operations.

1.1 FINANCIAL SYSTEM

Citygate reviewed financial activity for the City using the City's published budget and audit documents. The City uses QuickBooks as its financial system. Although QuickBooks has served the City's needs to date, based on interviews with staff, it is the desire of the City to transition to a new budgeting system that is oriented more toward governmental entities. The City is beta-testing the ClearGov software for this purpose.

Payroll is handled through ADP, a payroll services system. Staff responsible for inputting into the ADP system to produce checks are separate from staff responsible for inputting payroll information into the financial system. The payroll process consists of entirely manual timesheet preparation through input into the financial system.

The current method used by the City for financial transaction processing relies heavily on manual processes. Even though the City is small, manual processes tend to result in increased errors (input

errors, lost paperwork issues, internal control issues, etc.), which decrease overall staff productivity.

1.2 FINANCIAL OPERATIONS

For all funds, the City's total revised budgeted revenues for fiscal year (FY) 2020 totaled approximately \$7.6 million compared to FY 2020 budgeted expenditures of approximately \$8.5 million, resulting in an anticipated deficit of approximately \$900,000. This deficit results from the recognition timing of revenues and expenditures in some of the funds. Timing recognition means that collection of revenues and the expenditure of those revenues are reflected in different fiscal years. This is not uncommon in municipal government finance, especially regarding grant and capital funds.

For its analysis, Citygate categorized total Citywide financial operations into the following four categories:

1. General Fund
2. Water Operations and Capital Funds
3. Sewer Operations and Capital Funds
4. All Other Funds (Combined)

Citygate's focus for the purposes of this project were the General Fund, Water Operations and Capital Funds, and the Sewer Operations and Capital Funds. In previous years, the City's financial audit included community development activities in the General Fund. Consequently, to provide accurate comparisons to prior years, Citygate included community development activities within the General Fund for this analysis.

1.2.1 General Fund

The City has a very healthy General Fund. FY 2020 General Fund revised revenues and expenditures are budgeted at approximately \$2.4 million and \$2.4 million, respectively, resulting, for all intents and purposes, in a balanced budget. In FY 2017 and FY 2018, the City's General Fund experienced significant surpluses primarily related to the permits and charges for services associated with the construction of the Rancho Vista (85 lots) and Copperleaf (45 lots) housing projects. Combining these two fiscal years, the City experienced an approximately \$1.1 million operating surplus. This was partially offset by an approximately \$167,000 operating deficit in FY 2019 due mainly to increased expenditures for capital outlay. Revenues increased approximately 25 percent between FY 2017 and FY 2019, due primarily to the completion of the two previously mentioned major housing development projects.

Tax-related revenue constitutes approximately 56 percent of FY 2020 budgeted revenues. The major tax revenue sources, which make up 99 percent of tax-related revenues, are property tax, (34 percent); sales tax (41 percent); transient lodging tax (11 percent); and vehicle license fee swap tax (13 percent). Over the past three fiscal years, tax-related revenues have grown by an average of approximately seven percent. However, FY 2020 budgeted tax-related revenues are relatively flat when compared to FY 2019 actual collections, due primarily to an anticipated decrease in sales tax revenue of approximately 14 percent based on sales tax revenue trends at the time the budget was adopted.

Although it is difficult to estimate the City's economic impact from COVID-19 at this point, it is certain that it will adversely impact revenue sources such as sales tax and transient lodging tax. Fortunately, as discussed previously, the City has strong General Fund reserves that can be utilized to address short-term adverse economic impacts and provide the City with time to develop a comprehensive plan to quantify and address COVID-19 economic impacts. However, the situation must be carefully monitored and analyzed over the coming months to determine any potential long-term economic effects. Absent a well-developed plan regarding how, when, and where to use reserves, and how and when the used reserves will be replenished, the City could find itself with reserve depletion levels that could negatively impact the City's ability to address other economic downturns or needs. Utilization of the financial forecast model provided with this report will help in this regard.

Personnel-related (26 percent) and contractual service-related (52 percent) expenditures constitute approximately 78 percent of FY 2020 revised budgeted expenditures. Personnel costs spiked by approximately \$279,000, or 68 percent, between FY 2018 and FY 2019. This spike was caused by the turnover relating to the City Manager position. Contractual service-related expenditures had a spike of approximately \$592,000 between FY 2017 and FY 2018 due to the need to increase services related to two major housing projects, Rancho Vista and Copperleaf. An additional spike of approximately \$199,000 is anticipated between FY 2019 and FY 2020 due to additional expertise needed for various projects.

Detailed information regarding General Fund revenues and expenditures are reflected in **Appendices 1 and 2** of this report.

Citygate found the current budget estimates reasonable given the City's experience over the past three fiscal years and the items discussed in the FY 2020 budget document. However, as the impacts of COVID-19 are determined, budget estimates should be revised.

The following table summarizes the General Fund financial activity for FY 2017 through FY 2020.

Table 1—Multiple Year Actual – General Fund (\$)

Component	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget
Revenues	1,774,821	2,369,044	2,213,109	2,407,899
Expenditures	1,322,480	1,720,933	2,380,281	2,394,641
Prior Period adj.				
Net Operating Income/(Loss)	452,341	648,111	(167,172)	13,258
Beginning Total Fund Balance	3,597,047	4,049,388	4,697,499	4,530,327
Ending Total Fund Balance	4,049,388	4,697,499	4,530,327	4,543,585
Beginning Unassigned Fund Balance	1,694,106	2,198,843	3,051,788	2,674,751
Ending Unassigned Fund Balance	2,198,843	3,051,788	2,674,751	2,688,009 Est
Cash Balance (unrestricted)	2,113,715	3,207,006	2,967,569	2,980,827 Est

One area that Citygate would recommend be changed relating to the General Fund is utilizing a more complete designation of the fund’s unassigned fund balance. Per the FY 2019 audit, the City had approximately \$2.7 million in unassigned fund balance in the General Fund. This is a healthy balance, representing approximately 112 percent of FY 2019 General Fund expenditures. The Government Finance Officer Association (GFOA), a nationally recognized organization relating to municipal finance operations, recommends a minimum of 17 percent (two months’ operations).¹ The City has a very well-written reserve policy that establishes the unassigned fund balance at a minimum level of 20 percent. However, the City’s reserve policy also lays out a policy for unassigned fund balance in excess of a 20 percent minimum, which is also typical in other governmental jurisdictions. Per the City’s policy, the components of distribution of excess unassigned fund balance include:

- ◆ Offsetting projected future deficits
- ◆ Addressing anticipated intergovernmental fiscal impacts
- ◆ Addressing one-time funding, non-recurring needs
- ◆ Addressing capital improvement projects
- ◆ Paydown of long-term debt

¹ GFOA fund balance guidelines: <https://www.gfoa.org/fund-balance-guidelines-general-fund>.

◆ Other

Citygate was told by staff that the City intends to complete a Master Plan and various specific plans, which will further identify the City's future capital needs. Based on the interviews conducted by Citygate, this process will likely result in major capital costs that should be reflected at some amount in reservations of unassigned fund balance. The General Fund is typically the support fund for all operations of the City, even though there may not be a legal support requirement. This has been the case in the City before, as evidenced by the approximately \$1.9 million advance made from the General Fund to the Water and Sewer Funds in FY 2017.² The advance agreement calls for repayment of principle at 1.5 percent annual interest over a 29-year period. Per City staff, the purpose of this advance was to address project cost overruns for water and sewer improvements.

Additionally, a plan identifying potential impacts relating to the current COVID-19 crisis should be developed to identify where reserves may be necessary to postpone immediate reductions in service levels. Consequently, as recommended by the GFOA, fund balance reserves should be specified, where possible, to address the risks of the previously mentioned areas. Citygate recommends that some portion of the unassigned fund balance in excess of the minimum required by the City's fund balance reserve policy be designed as committed for some or all the items listed.

1.2.2 Water Funds

The FY 2020 Water Operations and Capital Improvement Projects Funds revised budgeted revenues of approximately \$1.1 million and revised budgeted expenditures of approximately \$1.3 million result in an anticipated operating deficit of approximately \$200,000. This deficit is caused by the timing difference between fees that were collected in prior years anticipated to be spent in FY 2020.

Approximately 98 percent of Water Operations Fund revenues consist of revenues related to utility rates, which are comprised of connection fees (10 percent), commercial utility fees (13 percent), residential utility fees (76 percent), and water meter maintenance fees (1 percent). Over the last three fiscal years, the City has experienced spikes in operating and capital revenues due to two large housing projects. The City has not had and currently does not have independent structured fiscal analysis of projects, which has resulted in underestimated operating revenues in the Water Funds. Based on the prior three fiscal years, operations revenues estimates have been understated by approximately \$195,000 per year when compared to actual collections. For the most part, this is due to one-time connection fee revenues related to development projects that were not included in original budget estimates. It is a budgeting best practice to strive to minimize budget-to-actual variances to those things that are unforeseen to ensure that the initial budget plan is as accurate as

² City of San Juan Bautista FY 2019 audited financial report, page 27.

possible. Significant fiscal impacts that were unforeseen at the time the budget was produced and adopted should be addressed in formal budget amendments as soon as possible to ensure budget accuracy.

The FY 2020 budget estimate for operating revenue of \$979,000 is approximately 16 percent above prior actual collections due to development.

FY 2020 budgeted expenditures in the Water Operations Fund total approximately \$940,900. This represents an approximate 44 percent increase over prior year actuals. The increase is caused by a combination of factors: the anticipated increase in personnel costs of approximately 20 percent due to allocation of City Manager changes, the FY 2020 budget estimate for debt service that includes payment of principal that is capitalized in the prior year audit per generally accepted accounting principles, and the added payment of approximately \$190,000 for contractual services needed related to projects where fees were collected in prior years. Expenditures for personnel (21 percent), debt service (51 percent), and contractual (9 percent) comprise 81 percent of overall expenditures.

If revised budget estimates are realized, FY 2020 will end with an operating deficit of approximately \$181,000.

Water-related capital activity is reflected in the Water Capital Improvements Projects Fund. Over the previous three fiscal years, the City has collected approximately \$2 million in revenues and expended approximately \$1.5 million related to its capital program. For FY 2020, the City anticipates receiving \$100,000 in revenue and expending approximately \$350,000. The shortfall of approximately \$250,000 will be addressed by funds received in prior years.

The City does not budget for depreciation during the budget process; however, the Government Accounting Standards Board (GASB) Statement 34 requires that depreciation expense be calculated and recorded as a use of resources in the audited financial statements. This requirement does not impact cash, but it does reduce the fund's net position. Per generally accepted accounting principles, fund balance is called "net position" or "net assets" in proprietary funds such as Water Funds and Sewer Funds. Depreciation expense for FY 2019 was calculated at approximately \$327,000.

The City should have a structured and comprehensive multiple-year capital projects improvement plan to identify accurate capital improvement needs in the future and to determine potential funding mechanisms to meet the need.

The net position in the Water Operations and Capital Funds total approximately \$2.9 million per the FY 2019 audited financial statements. However, only approximately \$1.8 million is supported by cash. Additionally, roughly \$863,000 of the approximately \$1.8 million cash balances is restricted because it is required to meet the debt service reserve requirements of the City's bonded debt through the Statewide Community Infrastructure Program. Per the FY 2019 audit, after

accounting for year-end payables, approximately \$687,000 is reflected as unrestricted net position. The City’s reserve policy calls for three separate reserves as follows:

- ◆ Emergency Operating Reserve – equivalent to 90 days of operations
- ◆ Emergency Capital Reserve – budgeted at \$57,000 per year until \$171,000 is attained
- ◆ Rate Stabilization Fund Reserve – equivalent to five percent of the prior year’s water operating revenues, which would equate to approximately \$67,000 for FY 2020

At a ratio of approximately 70 percent, or approximately 13 months of normal operations (excluding one-time expenditures and capital), the FY 2019 ending unrestricted net position (reserves) meets both the GFOA-recommended levels (90 days operations) and the City’s reserve policy as previously outlined. If FY 2020 budget estimates are achieved, the ending unrestricted net position (reserves) will also meet the City’s reserve policy requirements.

However, Citygate believes that this level of unrestricted net position will not be enough to address large capital needs that may be identified from completion of the Master Plan and other capital needs analyses. The City should explore rate increases and other revenue options to better position itself to address future essential water capital needs.

The following table reflects Water Operating and Capital Funds using the information retrieved for the audited financial statements.

Table 2—Multiple-Year Water Funds (\$)

Component	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Revised Budget	
Revenues	956,761	2,277,458	1,382,582	1,079,000	
Expenditures	982,610	920,025	977,971	1,260,287	
Prior Period adj.					
Net Operating Income/(Loss)	(25,849)	1,357,433	404,611	(181,287)	
Beginning Total Net Position	1,119,840	1,093,991	2,451,424	2,856,035	
Ending Total Net Position	1,093,991	2,451,424	2,856,035	2,674,748	
Beginning Unrestricted Net Position	499,608	424,829	662,012	686,973	
Ending Unrestricted Net Position	424,829	662,012	686,973	505,686	Est
Cash Balance (unrestricted)	756,725	1,227,891	895,507	714,220	Est

The large jump in revenues from FY 16/17 to FY 17/18 reflected in the previous table resulted from increased impact fees and operating revenues related to the construction of the Rancho Vista (85 lots) and Copperleaf (45 lots) housing projects. Increased impact fees represent approximately \$1 million of the revenue increase.

Details of the revenues and expenditures for the Water Funds are reflected in **Appendices 3 and 4** of this report.

1.2.3 Sewer Funds

Sewer Operations and Capital Funds revenues and expenditures for FY 2020 are budgeted at approximately \$1.6 million and \$2.3 million, respectively, resulting in an anticipated deficit of approximately \$678,000. This deficit is due primarily to the budgeted capital improvements of approximately \$638,000 and anticipated one-time funding of approximately \$130,000 for rate and Master Plan studies, which will be funded through available net position (reserves).

Approximately 98 percent of Sewer Operations Fund revenues consist of utility-related fees. These utility-related fees are comprised of commercial utility fees (18 percent) and residential utility fees (80 percent). As was the case in the Water Operations Fund, Sewer Operations also experienced a spike in revenues in FY 2018 due to the construction of the two major housing projects discussed previously.

Over the last three fiscal years, the City has underestimated revenues in the Sewer Funds collected by approximately \$244,000 per year. A partial explanation for the underestimation, as mentioned in the Water Operations Fund discussion, could be the two large housing developments currently being constructed. However, the FY 2020 estimate for operating revenue of \$1,010,600 is in line with prior year actual collections.

Sewer Operations Fund expenditures for FY 2020 are budgeted at approximately \$1.6 million, which includes a one-time transfer to the Sewer Capital Improvement Projects Fund of \$500,000. Adjusting for this amount to reflect normal operating expenditures would result in normal operating budgeted expenditures of approximately \$1.1 million (excluding depreciation expense), which is in line with the prior year. Although increases and decreases are for the most part offset, it should be pointed out the personnel costs increased approximately \$65,000, or 57 percent, between actual FY 2019 costs and estimated FY 2020 costs. This is due to allocations of the additional costs associated with the transition related to the City Manager position. Based on the current budget estimate operating results, excluding the transfer for capital reflects a deficit of approximately \$100,000.

Sewer capital activity is reflected in the Sewer Capital Improvement Projects Fund. Over the previous three fiscal years, the City has collected approximately \$726,000 in revenues and expended approximately \$531,000 related to the capital program. For FY 2020, the City anticipates

receiving \$600,000 in revenue (\$100,000 in connection fees and a one-time \$500,000 transfer from the Sewer Operations Fund) and expending approximately \$639,000. Reserve funds will be used to address any additional short fall.

Depreciation is not annually budgeted by the City, but the expense is required by the GASB to be recorded as an expense in the City's audited financial report. In FY 2019, depreciation expenses were recorded at approximately \$309,000. Given that the FY 2020 budget anticipates a large capital asset purchase, the depreciation calculation made by City staff and the auditors will be recalculated based on the revised useful life of the new assets.

Sewer capital should also be part of a comprehensive, multiple-year capital improvement plan (CIP), which is discussed later in this report.

The net position in the Sewer Operations and Capital Funds total approximately \$2.05 million per the FY 2019 audited financial statements. However, only approximately \$1.6 million is supported by cash. Additionally, roughly \$369,000 of the approximately \$1.6 million cash balances is restricted because it is required to meet the debt service reserve requirements of the City's bonded debt through the Statewide Community Infrastructure Program. Per the FY 2019 audit, approximately \$607,000 is reflected as unrestricted net position. The City's Sewer Fund reserve policy calls for three separate reserves as follows:

- ◆ Emergency Operating Reserve – equivalent to 90 days of operations
- ◆ Emergency Capital Reserve – budgeted at \$75,000 per year
- ◆ Rate Stabilization Fund Reserve – equivalent to five percent of the prior year's water operating revenues, which would equate to approximately \$60,000 for FY 2020

At a ratio of approximately 39 percent, or approximately 11 months of normal operations (excluding one-time expenditures and capital), the FY 2019 ending unrestricted new position (reserves) meets both the GFOA-recommended levels (90 days operations) and the City's reserve policy as previously outlined.³ If FY 2020 budget estimates are achieved, however, the Sewer Funds will not be in compliance with the City's reserve policy due to an anticipated year-end deficit of approximately \$678,000 that will bring the unrestricted net position to a negative of approximately \$71,000. There would be approximately \$512,000 of cash remaining due to depreciation expense not impacting cash. However, one of the purposes of reflecting depreciation is to set aside funds to replace aging capital. Also contributing to this situation are several one-time costs reflected in FY 2020, such as capital outlay for equipment of \$107,000 and estimated costs for rate and Master Plan studies of \$130,000.

³ GFOA Enterprise Fund Reserve Best Practice: <https://www.gfoa.org/working-capital-targets-enterprise-funds>.

Even with the availability of cash at the end of FY 2020, Citygate believes that the Sewer Funds will still not be enough to address ongoing annual deficits and the large capital needs that may be identified from completion of the Master Plan and other capital needs analyses. A plan of action to address this operating issue needs to be developed as soon as possible and include potential expenditure reductions and the exploration of rate increases and other revenue options to better position the Sewer Funds to address future operation and capital needs.

The following table reflects Sewer Operating and Capital Funds using the information retrieved from the audited financial statements.

Table 3—Multiple-Year Sewer Funds (\$)

Component	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Revised Budget	
Revenues	889,441	1,145,897	1,369,262	1,610,600	
Expenditures	853,647	1,093,093	1,544,126	2,288,817	
Prior Period adj.					
Net Operating Income/(Loss)	35,794	52,804	(174,864)	(678,217)	
Beginning Total Net Position	2,135,667	2,171,461	2,224,265	2,049,401	
Ending Total Net Position	2,171,461	2,224,265	2,049,401	1,371,184	
Beginning Unrestricted Net Position	964,573	1,341,058	1,215,865	607,038	
Ending Unrestricted Net Position	1,341,058	1,215,865	607,038	(71,179)	Est
Cash Balance (unrestricted)	1,408,637	1,556,460	1,189,873	511,656	Est

As was the case with Water Fund operations, Sewer Fund operations also saw a significant increase in operating revenues relating to the construction of the Rancho Vista and Copperleaf housing projects.

Details of the revenues and expenditures for the Sewer Funds are reflected in **Appendices 5 and 6** of this report.

1.2.4 Budget

As determined through interviews with staff, the City’s budget process is very simple. The budget process begins in February when applicable financial information is provided by the City Accountant to the respective departments to prepare budget requests. The information provided includes estimates for salary and benefits based on existing authorized positions and other line-item, to-date financial information for the respective departments. Departments must prepare their

requests and submit them to the City Manager. Working with the City Accountant, the City Manager identifies necessary augmentations to the budget requests and develops a recommended budget to present to the City Council in April. Per interviews with staff, departments are presented with final recommendation before it is presented to Council. However, Citygate received some interview responses that conflicted with this. To help address the confusion, a written budget calendar could be established, including timing for when the applicable members in respective departments will be notified of the final budget recommendations before being presented to the City Council.

There are no performance measures reflected in the budget document and, per interviews with staff, performance measures are not developed by departments during the budget process. Performance measurement is an essential element of budget development and monitoring, regardless of the size of the organization. The GFOA recommends that all organizations identify, track, and communicate performance measures to monitor financial and budgetary status, service delivery, program outcomes, and community conditions as a best practice.

The GFOA recommends that when identifying performance measurements governments should focus on making sure that measures meet the following conditions:⁴

- ◆ Useful – measures should provide information that is helpful to decision making, understanding, or accountability efforts.
- ◆ Relevant – measures can be clearly linked to the service delivery/program outcomes that they are intended to measure, appropriate for the outcome being measured, and are readily understandable.
- ◆ Reliable – collection methods and measure definitions need to be understood so stakeholders can rely on the information.
- ◆ Adequate – ensure enough and an appropriate variety of measures are used to measure performance and that measures do not incentivize behavior that adversely impacts the measures, such as a quantity versus quality scenario. There is often not a single measure that can provide sufficient context and understanding.
- ◆ Collectible – measures are readily available and do not involve excessive time/effort to collect.
- ◆ Consistent – measures can be regularly collected to track outcomes over time and avoid need to continuously identify new measures.

⁴ GFOA Performance Measurement Best Practice: <https://gfoa.org/performance-measures>.

- ◆ Environment – measures include variables related to externalities that impact service delivery and program performance.
- ◆ Responsibility – clearly identify responsibilities for collection, storage, and dissemination of the data.
- ◆ Systems – existing data collection capacities are leveraged appropriately, or new systems are identified to ease the burden of data collection.

Citygate is not recommending that the City establish extensive and complicated performance measures, but it is recommended that the City identified a few applicable performance measures to each department, which should be developed to reflect that the use of resources supports City goals and objectives.

It is also recommended that the multiple-year CIP be included in the budget document to help maintain a multiple-year focus on anticipated capital needs and assist in long-term planning.

1.2.5 Policies/Procedures

A GFOA best practice is the development of financial policies. The City financial policies reviewed by Citygate included the following topics:

- ◆ Reserves
- ◆ Investments
- ◆ Travel
- ◆ Purchasing
- ◆ Personnel

Citygate found these policies to be comprehensive and well written. However, there were some important financial policies that the City lacked. Some of the more important policies that the City should adopt include the following:

- ◆ Cash Handling
- ◆ Debt
- ◆ Budget

Another important financial area that could be improved is documented financial operating procedures. These procedures address how various financial operating processes are completed. Examples include:

- ◆ Accounts payable

- ◆ Payroll
- ◆ Journal voucher and other general ledger posting
- ◆ Accounts receivable
- ◆ Utility billing
- ◆ Business licensing
- ◆ Permitting

The GFOA website has many examples of best practices, including policies and procedures, that can be used by the City.⁵

A crucial step in developing effective financial policies and procedures is ensuring that they are readily available and understood by all City staff. The consequences for not adhering to policies and procedures should be clearly conveyed, and City staff should be held accountable.

The City should expand documented financial policies to include purchasing, cash handling, personnel, debt, and budget, per the sample information located on the GFOA website.

The City should also develop an accounting manual that includes the various financial processes identified in this report.

1.2.6 Internal Control/Auditing

Although interviews with City staff indicated that there are internal control measures that are followed, Citygate was not provided with any written procedures or policies regarding items such as cash handling, accounts payable processing, or bill processing. Given the City's size, it is understandable that there may not be formal written procedures for some of these processes; however, this is not best practice. Strong, documented procedures are essential to minimize intentional or unintentional loss of City assets. Agencies such as the GFOA, the California Society of Municipal Finance Officers, and International City/County Management Association have extensive examples of written policies and procedures for all sizes of governmental jurisdictions that the City can use. Once established, these documented policies and procedures must include staff training and monitoring to ensure procedures are followed. One example found by Citygate of non-compliance with written procedures relates to the City's purchasing policy.

The City's purchasing policy is set out in a purchasing ordinance. Per the ordinance, the City Manager is designated as the City's purchasing agent. Under the ordinance, public projects under \$45,000 have no bidding requirements, public projects between \$45,001 and \$175,000 only require

⁵ GFOA best practices can be found at <https://www.gfoa.org/best-practices>, and GFOA financial policy examples can be found at <https://www.gfoa.org/financialpolicies>.

informal bidding, and public projects over \$175,000 require a formal bidding process. All other purchases not considered public projects as defined in the ordinance can be authorized by the City Manager for amounts up to \$20,000. Purchases in excess of \$20,000 must be approved by City Council, as recommended by the City Manager. The purchasing ordinance also requires that all real property acquisitions or real property lease contracts, regardless of term or amount, shall be approved by the City Council. The City's purchasing ordinance is similar in structure to that of other jurisdictions reviewed by Citygate. Citygate was told during interviews that the City did not use purchase orders for procurement. However, section 2-8-07 of the purchasing ordinance states that "purchases of supplies, services, and equipment **shall** be made by purchase order." Consequently, the City is not operating in compliance with its purchasing ordinance in these instances. Utilization of a formal purchase order document is an essential practice to help strengthen internal control. Citygate recommends that a formal purchase order approval process be developed, monitored, and enforced.

Per the California Government Code section 12410.6.(b), commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm whose lead audit partner or coordinating audit partner having primary responsibility for the audit, nor shall the audit partner responsible for reviewing the audit have performed audit services for that local agency for six consecutive fiscal years. The City's current audit firm has conducted the City's audit since FY 2014 and, as of the FY 2019 audit, will have conducted the City's audit for six years. Consequently, the City will be required to change audit firms unless the current firm is large enough to assign a different partner lead or the City gets a waiver from the State Controller based on no other eligible public accounting firm being available to perform the audit.

1.2.7 Succession Planning / Cross-Training

It is always difficult to address the need for succession planning and cross-training in small jurisdictions like San Juan Bautista. However, smaller jurisdictions are impacted more severely than larger jurisdictions by the sudden loss of staff because individual staff members tend to be responsible for numerous operational tasks that are taken on out of necessity and with little training. Consequently, the loss of any single staff member has the potential of causing a major disruption in operations until a new staff member is hired and trained. Larger jurisdictions with larger staffs can usually absorb a sudden loss of a staff member. Citygate recommends that the City identify its critical operational areas, such as finance, water, sewer, etc., for continuity weaknesses and develop a succession plan, including structured cross-training to help address unanticipated operational disruption due to loss of staff.

1.2.8 Long-Range Financial Planning

An essential component of the operations of any organization is the development of a financial forecast. The budget is an example of a financial forecast; however, most budgets are for periods

of one or two years. It is also important to keep a focus on a five- to 10-year window when developing revenue and expenditure estimates so that the achieved results are not short-sighted. An example of this is using current resource windfalls without considering critical needs that will materialize in three to five years. This long-range resource collection and use should be identified to the extent possible and included in a formal plan document. This document can be used by the City to maintain a long-range operational focus to help identify potential issues early to allow sufficient time to develop effective plans to address any issues.

Based on Citygate's review, the City does not conduct organized or comprehensive long-range financial planning. Although the City produces a CIP document, Citygate was informed by City staff that it is not very comprehensive or valid. With issues facing municipal government, such as the current COVID-19 crisis, comprehensive long-range planning is essential to development of plans to minimize service reductions and maintain fiscal stability.

Financial Forecasting Model

Citygate has developed a basic financial plan model that can be used by the City. The basic purpose of the model is to assist the City in maintaining a long-term focus when developing strategies and implementing financial decisions. The model provides financial operational information relating to previous years, the current year, and projections for the next five years. The model is developed using Microsoft Excel and can be amended by the City as needed. The City will create financial assumptions based on past activity and known or anticipated activity and input them into the model. Based on the assumptions input, a summary of operational results and effects on operational reserves will be calculated automatically. A sample of the model's summary pages based on basic assumptions developed by Citygate for the General, Water, and Sewer Funds are included as **Appendices 7 through 9** of this report. The actual model consists of numerous spreadsheets reflecting assumptions and the estimated impact of those assumptions on both revenues and expenditures on a line-item detail level. The model also reflects the operational results impact on fund balance in the General Fund and net position in the Water and Sewer Funds. This model and instructions on how it is used will be provided to the City as a part of this engagement.

For the purposes of this model, Citygate utilized various general assumptions based on basic financial information gathered through staff interviews and high-level research as of early March 2020. Due to the uncertainty regarding impacts of COVID-19, the model does not reflect any potential COVID-19 impacts, positive (state and federal assistance) or negative. The City will need to update the model assumptions based on its in-depth knowledge of City operations and history and as COVID-19 impacts become clearer.

The following are the estimated operational results for FY 2021 through FY 2025 based on Citygate's high-level review for the City's General Fund, Water Operations and Capital Funds, and Sewer Operations and Capital Funds. This information was relayed to Citygate by City staff

and incorporated into the financial forecast model. Although this information provided by staff seems reasonable, Citygate did not independently validate this information.

Development Information Provided by City Staff

A total of 130 (85 plus 45) new single-family homes have been sold in the past 12 months, with only a few remaining to be built and sold. The average sale price is \$760,000.

Based upon the number of development units, equaling an increase of 18 percent in total units in the City, City staff anticipate revenues for property tax and utility revenue to grow significantly. With this said, staff think it would be fair to increase residential utility revenue in FY 2021 by 18 percent over the FY 2020 budget. Based on staff estimates, sewer residential revenue should grow by \$140,000 in FY 2021 and water residential revenue should grow by \$145,000.

Property taxes are not linear but are based on property values that are greatly higher than the historical values of the existing properties. City staff believe that, for Citygate's projections, the property tax revenues should be \$100,000 higher for the FY 2021 base year.

Although not an urgent need, given the City's size and infrequency of major projects, consideration should be given to a process to engage consultants to perform an independent fiscal analysis of projects that would have short- and long-term fiscal impacts on City operations. This will provide the City with a more realistic and unbiased estimate of a project's cost versus benefits to the City. This information should also be used to update the following financial forecast models.

General Fund Five-Year Financial Forecast

Based on high-level assumptions, the model results in a continuation of operational surpluses in the General Fund over the next five years. The surpluses range from approximately \$250,000 in FY 2021 to approximately \$341,000 in FY 2025. The ratio of unassigned fund balance to expenditures increases from 133 percent in FY 2021 to 171 percent in FY 2025, indicating a continuing strong financial position. However, as stated previously, the model results will change based on fine-tuned assumptions developed by City staff relating to future expected fiscal impacts such as those resulting from the COVID-19 crisis that are placed into the model.

Water Funds Five-Year Financial Forecast

Based on high-level assumptions, the model results in a continuation of operational surpluses in the combined Water Funds over the next five years. The surpluses begin in FY 2021 at approximately \$280,000 and increase to approximately \$294,000 in FY 2025. The ratio of net position to expenditures increases from 105 percent in FY 2021 to a high of 249 percent in FY 2025. This model assumes a capital investment of \$200,000 as a general estimate based on high-level staff interviews. Although the model indicates a fairly stable financial condition, it must be emphasized that the assumptions made in developing this model do not account for major capital improvements that will more than likely be identified with future Master Plans and other studies

the City plans to initiate that exceed the \$200,000 amount included in the current model, as well as other fine-tuning as discussed previously.

Sewer Funds Five-Year Financial Forecast

Based on high-level assumptions, the model results in a continuation of operational deficits in the combined Sewer Funds over the next five years. The deficits begin at approximately \$29,000 in FY 2021 and increase to a deficit of approximately \$71,000 in FY 2025. The ratio of net position to expenditures begins at -8 percent in FY 2021 and becomes -23 percent in FY 2025. This pattern reflects a weak financial condition relating to sewer operations that should be addressed. One of the assumptions included in this model was CIP expenditures of \$200,000 per year beginning in FY 2021. This assumption will change based upon the results of the various studies that will be initiated by the City over the next couple of years. However, the study results could recommend a CIP contribution of more than \$200,000 per year. Additionally, this model does not reflect any negative impact that may result from fine-tuning by staff.

Options that should be considered for these potential capital improvements include debt financing, grants, joint powers agreements, etc. However, any plan will need to include some amount of rate increase to ensure adequate service provision.

Use of this five-year financial forecast model with revised assumptions and other financial information available to City staff will help the City maintain a long-range focus on its financial condition and help identify issues early to provide time to develop plans to address them.

Capital Improvement Plan (CIP) Model

Citygate has also developed a CIP model that can be used by the City to identify and plan for capital needs using a long-term focus. Although the City does prepare a five-year CIP, it is more of a summary. Additionally, the process used to develop the plan could be improved with more structure to increase overall understanding. The CIP model provided by Citygate includes a recommended CIP development process that includes document forms that can be used to consolidate the various project costs, potential funding sources, and other pertinent project information, such as project history description, using a six-year window into a single document. This CIP document includes a project cost and funding summary supported by the detail for each identified and recommended project. A sample CIP document has been provided as **Appendix 15**. The CIP Model Summary and Project Detail Sheet are included as **Appendices 10** and **11**, respectively.

As is the case with the financial plan model, the CIP process and documents will assist the City in making informed decisions to maintain good financial health and stability. The current CIP document located on the City's website does not represent the City's anticipated capital project needs over the next five years, per interviews with City staff. The projects listed and the anticipated amounts are incorrect and need to be updated. Based on staff interviews, the City is facing major

capital needs in the future, especially in the areas of water, sewer, and streets. The City does not currently have a formal process for identifying long-term capital needs, such as the process provided and recommended by Citygate with this engagement. Citygate's CIP process recommendations can be customized to fit the City's size and capabilities. Citygate will provide the City with a written process, supporting forms, and instructions as a part of this engagement.

1.3 SUMMARY OF FINDINGS AND RECOMMENDATIONS

1.3.1 Findings

- Finding #1:** Due its size, City staff must perform many duties that would be performed by separate staff in larger jurisdictions.
- Finding #2:** The General Fund is fiscally healthy.
- Finding #3:** The departments do not prepare performance measures to document effective use of resources on City and department goals.
- Finding #4:** The City lacks a succession plan to ensure City operational continuity.
- Finding #5:** There is no formal capital improvement planning process.
- Finding #6:** There is no formal long-range financial planning process.
- Finding #7:** Cross-training is sporadic and inefficient.
- Finding #8:** Water and sewer operations are undercapitalized. The capital items included in the CIP online are inaccurate.
- Finding #9:** Internal controls could be improved through documentation.
- Finding #10:** Communications between departments relating to financial information and results could be improved.
- Finding #11:** Improvement can be made on documenting financial policies and procedures.
- Finding #12:** Water infrastructure is antiquated, creating customer complaints regarding water quality.

Finding #13: Utility rates have not been adjusted in several years. However, the average water and sewer bill is \$150 per month, which is high for the average income levels of the City.

Finding #14: City technology is not utilized to its full potential and in some cases is inadequate. The City lacks an integrated financial system to reduce manual processes.

Finding #15: Sewer funds are in a weak financial position.

1.3.2 Recommendations

Recommendation #1: Formal cross-training should be increased to ensure continuity of operations, especially in finance-related areas.

Recommendation #2: A Citywide fee review is needed, including development fee deposit structure to ensure City costs are being covered.

Recommendation #3: The City should adopt the five-year financial plan and capital improvement models presented by Citygate.

Recommendation #4: The City should expand documented financial policies to include purchasing, cash handling, personnel, debt, and budget, per the sample information located on the GFOA website.

Recommendation #5: The City should develop an accounting manual that includes the various financial processes identified in this report.

Recommendation #6: The City should identify a few applicable performance measures to each department during the budget process and for inclusion in the budget document, which should be developed to reflect that the use of resources supports the overall City goals and objectives. These performance measures should be reviewed semi-annually.

Recommendation #7: The budget schedule should include the ability for departments to review and understand the recommended budget prior to delivery to the City Council through the creation of a budget calendar. This will help to reduce confusion on the part of the departments regarding their respective budgets.

Recommendation #8: The multiple-year CIP should be included in the budget document to help maintain a multiple-year focus on anticipated capital needs and to assist in long-term planning.

Recommendation #9: The City should explore water/sewer rate increases and other revenue options to better position itself to address future capital needs. This exploration should include evaluation of the water/sewer infrastructure to determine condition.

Recommendation #10: Some portion of the General Fund unassigned reserve in excess of the minimum required in the City's reserve policy should be designated as committed for some or all the items listed in the policy.

Recommendation #11: Although not an immediate issue, the City should explore acquiring an integrated financial system to reduce manual processes and reduce the potential for input errors regarding financial information. The system should be cloud-based to allow staff from other departments inquiry access to financial information to help them with making decisions regarding their respective operations.

Recommendation #12: A formal purchase order approval process should be developed, monitored, and enforced to enhance internal control and comply with the existing City purchasing ordinance.

Recommendation #13: The City should consider implementation of a process to engage consultants to perform an independent fiscal analysis of projects that would have short- and long-term fiscal impacts on City operations. This will provide the City with a more realistic and unbiased estimate of each project's cost versus benefits to the City.

SECTION 2—ORGANIZATIONAL ASSESSMENT

Citygate interviewed thirteen personnel associated with City operations, including the City Manager. Of these thirteen persons, three currently serve as contracted personnel from outside agencies. Of the ten City-employed personnel, two served in part-time positions (Lead Librarian and City Clerk).

Citygate observed the following themes:

- ◆ With the advent of the current City Manager and through the assistance of staff members, the City organization is working hard to address a variety of inherited, chronic, long-standing issues facing the City. These issues include:
 - Deferred maintenance of City streets, water, and sewer infrastructure systems.
 - Fines and/or penalty assessments from state and federal agencies regarding regulatory compliance shortfalls associated with water and/or sewer operations.
 - Immediate repairs associated with the City streets, water, and sewer infrastructure systems, and dysfunctional equipment needed to make repairs.
 - Resident concerns, calls, and service requests associated with various street, water, and sewer functionality issues.
- ◆ City staff exhibited a united and high desire to be of service in San Juan Bautista by interacting with residents, responding to their concerns, and wanting to secure the City's economic well-being and quality of life in the future.
- ◆ Both City staff and elected officials expressed a desire to improve communication inside and outside of the City organization, along with a desire to help residents understand where the City stands with regards to services and service levels, and a desire to be responsive to citizen requests and needs.
- ◆ The high number of issues being juggled by a small staff can be overwhelming, especially when many of those issues can only be solved through capital improvement projects, capital equipment purchases, and/or operational changes beyond the capacity of any single staff member.

2.1 BUILDING ON STRATEGIC PLANNING PRIORITIES

At the City Council strategic planning session February 15, 2020, the Council worked through a process of arriving at initial strategic objectives. The initial objectives were to:

1. Create, promote, and nurture partnerships within our community.
 - Public
 - Private
 - Community based
 - Governmental
 - Non-profit
 - Business
 - Schools
 - Agriculture
2. Preserve, protect, promote our community assets and economic vitality while maintaining historical and cultural charm.
3. Invest, maintain, strengthen, plan, and renew our vital infrastructure:
 - Water
 - Power
 - Sewer
 - Streets
 - Sidewalks
 - Stormwater
 - Facilities
 - Open Space
4. Promote public amenities:
 - Parks
 - Trail system
 - Recreation

- Cultural Arts and Activities
5. Quality of Life
- Enforce ordinances maintaining quality of life, promoting health and safety for the community.

Finding #16: The City organization can improve focus. The community faces a wide range of issues, with a small cohort of staff and resources from which to respond. The sense that every issue/problem is “urgent” tends to erode both elected official policy maker and staff member effectiveness. It leads to chaotic start and stop attempts that do not resolve objectives and projects.

The City Council and staff have taken a significant and wise first step in prioritizing needs by going through the steps to establish the initial strategic objectives.

Recommendation #14: To continue the Council’s prioritization efforts, decisions about how best to spend the City’s human and financial resources should be made around its Strategic Objectives, both as budgets are developed and adopted, and in every-day project delivery.

Suggested practices that can help both elected officials and staff members spend the City’s human and financial resources for strategic outcomes include:

1. Use of annual work plans for each department, outlining major work areas with accompanying performance outcome measures. Example: Initiate a Public Works parts inventory methodology in the first quarter of FY 2021 and implement by fourth quarter FY 2021.
2. New ideas, new projects, and requests for information from City Council members not included within the current budget year work plans can be “parked” for consideration in the future year budget. If considered necessary for the current year, the Council can establish a procedure for requiring three votes before asking staff to move forward on items not included in the annual work plans.
3. The City Council can adopt a practice of receiving staff “best estimates” for the time impacts of new projects, research, and/or requests before staff is asked to proceed on items that are not contained within the annual work plans.

4. In establishing annual work plans and performance goals, less may be more. Avoid lining up a long list of items that cannot realistically be accomplished. Instead, use disciplined lists that reflect a reasonable use of time and staff resources within the realities of the high level of day-to-day demands the City faces to deliver services. Choosing to accomplish a series of achievable small steps will build Council, community, and staff confidence in lieu of making long lists of items, none of which receives enough care and attention to be completed.

2.2 BUILDING ON STAFFING EXPERTISE AND SKILLS

Finding #17: The City has a strong set of current personnel and leadership. Within this group is powerful expertise and experience from which the community benefits.

Recommendation #15: Maximize the use of staff resources and skill sets to determine if and when to outsource tasks, examine procurement processes for efficiency opportunities, and examine where routine staff reports can be standardized.

Draw upon the expertise of current staff members to:

1. Determine what tasks in each service area are best conducted with “in town” staff and City resources, and which tasks can most successfully be conducted through contracted services and personnel. Criteria for “in town” service responses can be:
 - Events that require immediate responses, immediate assistance, immediate repair, and/or temporary mitigation.
 - Events for which City staff are trained and equipped to respond.Criteria for contracted services can be:
 - Events, repairs, and/or improvements that can be anticipated and/or scheduled and require a specialized work force and/or equipment.
 - Work that lends itself to annual or longer contracts for services available within the region through a competitive procurement process.
2. Examine where procurement of annual and/or multi-year goods and/or services can reduce routine staff report writing and procurement processes as part of developing a written procurement policy.

3. Examine where routine staff reports can be standardized, delivered on a quarterly and/or semi-annual basis, thus lessening the month-to-month work impacts for both City staff in preparation of the reports, and focus Council attention on larger scale objectives.

2.3 DESIGNING A PATH FOR INFRASTRUCTURE RENEWAL AND UPKEEP

Finding #18: City street, water, and sewer infrastructure is in a state of deferred maintenance. These conditions cannot be blamed and/or wished away and must be addressed for the sake of the community’s future sustainability.

Recommendation #16: Design a path forward for infrastructure renewal and upkeep.

The City Manager and staff have already begun some of this work by initiating Master Plan studies and by initiating routine maintenance activities, such as regular water pipe flushing. Elements of a path forward for Water and Sewer Funds include:

1. Resolving outstanding fine and regulatory oversight issues for the Sewer and Water systems.
2. Conducting Master Plan studies to organize and illuminate the capital needs in the sewer and water systems.
3. Examining, by a third party, if there are financially and physically feasible alternative operations opportunities with larger water and/or sewer systems and/or operators within the region.
4. Conducting a fee schedule study and progressive fee increments over an extended period to fund necessary capital improvements identified in the Master Plan studies.
5. Positioning water and sewer enterprises to receive grants and other state and federal assistance when opportunities arise by having plans and specifications prepared in advance for capital improvement projects identified within the capital improvement budgets / Master Plans. This is an “off-the-shelf” strategy that can be used successfully to become “first-in-line” for new funding opportunities.
6. Investing in improved maintenance activities, such as complete camera review of pipes and their conditions. The data yield from such activities can be used to identify system points that could most benefit from repairs/upgrade, resulting in system wide improvement as these repairs are made.

Elements of a path forward for Streets include:

1. Positioning the City to effectively tap any grant or state/federal assistance for street repairs by having plans and specifications for a key project(s) “shelf-ready” to take advantage of first-in-line timing that may become available.
2. Considering raising funds for street repairs through local tax initiatives.
3. Investing in modest annual repair program(s) to the extent feasible, focused on reducing pothole eruptions.
4. Following Recommendation #15, determine how pothole, street painting, and overlay projects can be accomplished using a combination of staff and City-owned equipment and contracted work services from paving companies.

2.4 DEVELOPING AN ENHANCED ROLE FOR COMMUNITY PLANNING AND DEVELOPMENT

Finding #19: There is a need for the community planning and development function to play an enhanced role within the City organization.

The initial strategic goal of desired preservation, protection, and promotion of community assets and economic vitality while maintaining historical and cultural charm implies the City will have some measure and means for achieving consensus on how land use and development can be used to maintain historical and cultural charm. Implementation of the City’s General Plan, and consideration of development application projects through the Planning Commission and City Council entitlement process will play a major role in what the community looks and feels like in years to come.

Recommendation #17: Develop the ability to effectively work through both current and long-range planning efforts.

Working through current and long-range planning efforts will help to:

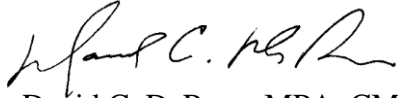
1. Position the City to make the highest and best use of potential development investments in the community to achieve General Plan, Master Plan, and capital project improvement objectives.
2. Use the tools of good current and long-range planning efforts to help improve local economic vitality.
 - Achieving these will include active and knowledgeable use of in-lieu payments and contributions, early recognition of mutually beneficial

opportunities to pursue with potential developers, well-planned use of development fees for parks and facilities, and up-to-date, ready-to-go capital projects and improvements.

3. Build the City's reputation for being a fair processor of land use and development processes, taking the steps within the process to assure equity for all applicants, stakeholders, residents, and community members.
4. Engage the community in visioning its future by how it approaches land use and development decisions today.

* * *

Sincerely,



David C. DeRoos, MPA, CMC
President

cc: Project Team

Attachments

Appendices 1–15

APPENDICES 1 THROUGH 14
(DIGITALLY PROVIDED SEPARATELY)

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General Fund Financial Plan (05-15-20)

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Water Fund Financial Plan (05-15-20)

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Sewer Fund Financial Plan (05-15-20)

Appendix 14—Sewer Funds Financial Plan

APPENDIX 15

**SAMPLE CAPITAL IMPROVEMENT PLAN
DOCUMENT**

Appendix #15

Sample Capital Improvement Plan Document

Source: City of Reno FY 17-18 budget document

Source: City of Pasadena, Ca FY 2018-19 Capital Improvement Plan document

CAPITAL IMPROVEMENT PLAN

The [insert jurisdiction here] updates its Capital Improvement Plan (CIP) each year. The responsibility for updating the plan and presenting it to the City Council rests with the CIP Committee, a Citywide group of employees representing the major departments of the City involved in the construction, improvement, operation, and financing of capital facilities. The Finance Department is the lead department and serves as chair of the Committee. The approved CIP for this year follows this report.

Process

The CIP process begins early each fiscal year when departments submit to the Committee their requests or revisions for capital projects. The requests are submitted on approved forms which include the description of the project, estimated cost, time frame, justification, and impact on operating budgets. The CIP is a 10-year plan where projects are identified in the outlying years and listed based on known conditions, estimated growth rates, the City's [insert various jurisdiction plans such as the general plan, area specific plans, etc]. The CIP Committee uses an established set of criteria to evaluate CIP requests. The criteria include legal constraints and requirements, health and safety, project life, impact on the City's operating budget, consistency with City Council and Management priorities, conformance with adopted plans, cost effectiveness, frequency of use and population impacted. Projects are ranked in order of program and funding priority which is explained further in this section.

While progress in repair and maintenance of City infrastructure is being made, the CIP Committee recommends that [insert recommendations and rationale].

Capital Improvement Program Definitions

The Capital Improvement Program is a planning and budgeting tool which provides information about the City's infrastructure needs for a ten-year time frame. Each year, the list of projects is reviewed for need, cost and priority. New projects may be added, and other projects deleted. Generally, capital improvements are defined as physical assets, constructed or purchased, that have a useful life of ten-years or longer and a cost of \$25,000 or more. The following are capital improvement categories included in the plan:

- a. New and expanded facilities for the community
- b. Large scale rehabilitation or replacement of existing facilities
- c. Equipment for any public facility or improvement when first constructed or acquired
- d. The cost of engineering or architectural studies and services relative to the improvement.

- e. The acquisition of land for a community facility such as park, road, sewer line, etc.

In addition, the City includes Capital Maintenance needs in the CIP plan. Capital Maintenance projects are generally rehabilitative maintenance on City-owned facilities that are required to maintain facilities in good operating condition. Finally, the City's budget process includes major purchases in the CIP plan. These include major equipment, vehicles, computer hardware and computer software that, over the life of the project, cost \$250,000 or more.

What are Capital Outlays?

Capital Outlays, which are budgeted within the City's operating budget, include such things as furniture, equipment, vehicles, and motorized equipment needed to support the operation of the City's programs. Generally, a capital outlay item may be defined as an item valued more than \$10,000 with a life expectancy of less than 10 years.

What are Capital Projects?

There are two types of capital expenditures. The first deals with infrastructure projects and the second with operating programs. Capital Projects, which are addressed in the CIP and budgeted within the City's Adopted Budget, generally include major fixed assets or infrastructure with long term value, such as buildings, roads, bridges, and parks; major equipment purchases (vehicles), computer hardware and computer software that, over the life of the project, cost \$250,000 or more, and capital maintenance projects. Any of these may involve some form of financing. Capital projects costs include all expenditures related to the planning, design, construction and equipment necessary to bring a project on line.

Why have a Capital Improvement Program?

The CIP provides information on the current and long-range infrastructure and equipment requirements of the City. It provides a mechanism for balancing needs and resources and for setting priorities and schedules for capital projects. It is based on needs identified through the planning process, requests and recommendations of City departments and the concerns of citizens and elected officials. The CIP includes the identification of revenue sources which will be utilized to fund capital improvements. Projects are included even if revenues are not available to fund them. These projects are prioritized and may be funded by current revenues or by debt financing, depending on the availability of funds, the nature of the project, and the policies of the Council. The CIP strives for efficient use of capital improvement funds by identifying CIP projects and prioritizing them according to their relative importance and urgency of need. Identification assures needed projects are known, while prioritization ensures that those projects which are most urgently needed are funded first.

Why a Separate Capital Improvement Program?

The Capital Improvement Program outlines long range capital improvement expenditures. Funds budgeted through the CIP for a specific project during a specific year remain with that project until the project is completed, while the operating budget

terminates at the end of the fiscal year. Each year project costs are reviewed and additional funds may be allocated to a project which, when combined with resources carried over from the prior year, result in the continuing project budget for the new year.

How are Projects Prioritized?

The City does not have enough funding to meet all of its capital needs each year. Projects are prioritized based on the effect of each project on the list and the City's ability to meet community goals. All projects are compared based on a common set of selection criteria. The cornerstone of this process is a worksheet which requires departments to explain anticipated funding sources, legal constraints/requirements, health and safety, project life, City Council and Management priorities, conformity with adopted plans and goals, impact on the City's operating budget, cost effectiveness, environmental impacts, population impacted, and frequency of use. Projects are ranked in order of program and funding priority. A numerical score is assigned to each project. The projects are then ranked according to how each contributes to maintaining current service levels.

A given project is then placed within one of several categories, suggesting a final priority position. The priority categories represent a relative degree of need for any particular project and are described below.

1. A project which is needed to comply with a court order, legislative mandate, or is critical to the health, safety, and general welfare of the public or which has a dedicated funding source that cannot be used for any other project, or which would provide for a public or operational improvement.
2. A project which is needed to comply with a court order, legislative mandate, or is critical to the health, safety, and general welfare of the public or which would provide for a public or operational improvement, but there are no available funds in the current year to fund the project. Any funds that become available will be used for these priorities.
3. A project which would provide for a public or operational improvement that City Staff anticipates funding in the third year of the Capital Improvement Plan.
4. A project which would provide for a public or operational improvement that City Staff anticipates funding in the fourth year of the Capital Improvement Plan.
5. A project which would provide for a public or operational improvement that City Staff anticipates funding in the fifth year of the Capital Improvement Plan.

6. A project which would provide for a public or operational improvement that City Staff anticipates funding in the sixth to tenth year of the Capital Improvement Plan.

The Capital Improvement Plan represents the mutual efforts of all City departments to meet the infrastructure needs of City residents, businesses and visitors. These guidelines provide a basis for the conception and preparation of the City's Capital Improvement Plan.

Revenue Sources

The Capital Improvement Plan indicates the Fund responsible for funding the specific projects. However, CIP's generally include a variety of revenues that are used both for the direct funding of projects and as a source for debt service to retire bonds. This section will describe each of the major revenue sources.

Capital Projects Funds - The City has established various Capital Projects Funds. These funds are generally used for park projects, various bond projects, street impact fee projects, special assessment district projects and projects funded by the General Fund.

General Fund - In building the budget, the goal is to set aside ***[insert percentage goal]*** of prior year General Fund operating expenditures less capital outlay and debt service to fund capital projects. In addition, some of the computer hardware, software and vehicles included in the CIP will be funded through the General Fund.

[insert fund name] - The ***[insert fund name]*** ***[insert description of revenue source(s) of the fund, how they are used and any restrictions or legal obligations]*** This ***subsection should be repeated for each potential CIP funding source***

Potential Revenue Sources

The City must also utilize additional revenue sources to help meet the needs of the Capital Improvement Plan. Examples of these additional revenue sources which could be used are identified below:

Bonds – [insert discussion of the types of bonds and the respective characteristics that could be used to fund CIP projects]

Other Resources - [insert discussion of other potential revenue sources such as public private partnerships, additional assessment/business improvement districts, fee increases or additions, etc.]

Types of Proposed Projects

The CIP is further organized by the type of improvement the project represents. This format enables the Council and staff to easily discuss projects on their relative merits. The project types are assigned as follows.

- Annual Maintenance Program – this type includes the annual funding amounts for capital maintenance and annual construction projects. Items such as Parks Maintenance funding, Facilities Maintenance funding and ADA funding are included in this category.
- One-time Infrastructure Projects – this type includes projects that are one-time construction or rehabilitation of City facilities. New pools and extraordinary fire station maintenance fall into this category.
- Wastewater/Stormwater Collection and Treatment, Drainage Projects - this type includes all projects related to the sewer treatment plants, major repairs, upgrades or reconstruction of existing drainage systems, sewer separation projects, and treatment plant expansions.
- Water Projects - this type includes all projects related to the water treatment plants, major repairs, upgrades or reconstruction of existing treatment and delivery systems, and treatment plant expansions.
- Transportation Projects – this type includes all projects related to transportation needs including streets/roads, public transportation, street lights/signage, etc.
- Parks, Recreation, and Municipal Facilities – this type is related to all parks, recreational projects (e.g., museum), and municipal facilities (e.g., city hall, police and fire stations)
- *[insert other types specific to City]*

RESOLUTION NO. 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL
SERVICES AGREEMENT WITH CITYGATE TO COMPLETE A STRATEGIC PLAN,
ORGANIZATIONAL REVIEW, AND FISCAL SUSTAINABILITY UPDATE**

WHEREAS, it is the best interest of the City of San Juan Bautista to make the most efficient use of its limited resources, that its organization is efficient and effective in carrying out these services, and the City Council’s strategic Plan aligns and supports these shared goals; and

WHEREAS, the consultant “Citygate” was founded in 1990, and provides organizational consultant and service efficiency and delivery improvements for public sector agencies having conducted over 500 studies for more than 300 different local governments; and

WHEREAS, on January 21, 2020, the City adopted Resolution 2020-03A and retained Citygate to facilitate the creation of a Strategic Plan for the City, provide an assessment of the City’s organizational needs, and a fiscal review the critical General Fund and Water and Sewer Enterprise funds; and

WHEREAS, over the past three years, the 2020 Strategic Plan has been revised and updated as the City declared two different states of Emergency, began resolving its major infrastructure issues, and rebuilt its Community Development Department; and

WHEREAS, the City’s General Fund has remained stable, and its water and wastewater enterprise funds have been bolstered by ambitious rate increases over a 5-year period; and

WHEREAS, following the November 2022 election, the city welcomed two new Councilmembers, and will soon appoint four new Historic Resources Board and Planning Commission members; and

WHEREAS, the changes in City leadership, changes to the services needed in the City and changes to the critical funding sources in the City all justify the need for developing a new strategic plan for the City, reviewing its revenues streams and organizational capacities and needs; and

WHEREAS, the Consultant submitted a proposal to the City January 13, 2023 to perform an observational organizational and financial review for the City of San Juan Bautista; and

WHEREAS, at its January 21, 2020 City Council meeting, funding was allocated and the City Council agreed to move forward with these services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Juan Bautista:

- 1) That the Staff report submitted for the January 24th 2023 Council meeting and its conclusions are hereby deemed to be true and correct, and are made a part of this resolution by reference.

- 2) That the City Council hereby authorizes the City Manager to execute an Agreement with Citygate Associates Inc. in the amount not to exceed \$58,293 to perform a strategic planning workshop, organizational and financial assessment for the City.

PASSED AND ADOPTED at a regular meeting of the San Juan Bautista City Council on the 24th day of January, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

ASSESSMENT COSTS

Citygate prefers to perform work on projects such as this on a time-and-materials, not-to-exceed cost basis. We do not believe our clients' interests are well served with a pre-conceived solution or a fixed-cost approach. Our charges are based on **actual time** spent by our consultants at their established billing rates, plus reimbursable expenses incurred in conjunction with travel, printing, clerical, and support services related to the engagement.

Our core not-to-exceed cost is presented in the following table, followed by the cost of optional elements.

Core Project Cost

Project Element	Consulting Fees of Project Team	Administration (7.5% of Hourly Fees)	Reimbursable Expenses	Total Citygate Project Amount
Core Project Tasks*	\$32,110	\$2,408	\$385	\$34,903

* Included in the core project cost are community and employee surveys. If one or both of these surveys are not desired, the cost can be reduced by the following amount(s): community survey (\$3,107), employee survey (\$3,107).

Optional Project Costs

The City may select any of the following optional project elements.

Project Element	Consulting Fees of Project Team	Administration (7.5% of Hourly Fees)	Reimbursable Expenses	Total Citygate Project Amount
Optional Implementation Planning	\$2,590	\$194	\$385	\$3,169
Optional Fiscal Review/Update	\$13,375	\$1,003	\$0	\$14,378
Optional Law Enforcement Review	\$4,505	\$338	\$0	\$4,843
Optional Audio Module (AudMod)	\$1,000	\$0	\$0	\$1,000
Total if All Options are Selected	\$53,580	\$3,944	\$770	\$58,293

This cost proposal reflects our best effort to be responsive to the City's needs for this assessment, as we understand them, within the resources available for this project. Citygate has therefore focused this proposal on maximizing use of consultant time and expertise for interviews, analysis, and recommendations. We have minimized report writing and administrative support costs to provide San Juan Bautista with a high-level report containing high quality recommendations and a high-level optional financial model product. The proposal also provides for the facilitation of the strategic planning session, interviews, surveys, optional fiscal update and law enforcement review, and presentation of the findings and recommendations that are desired. Citygate's cost bid includes one on-site trip to San Juan Bautista by Citygate. If our proposed Work Plan and/or cost is not in alignment with your needs or expectations, we are open to discussing modifications to our proposed scope of work and the associated costs.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: SELECT INTERIM FINANCING LENDER FOR
WASTEWATER SYSTEM COMPLIANCE PROJECT

MEETING DATE: January 24, 2023

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDED ACTION(S):

It is recommended that the City Council consider RFP responses received from three different lenders and approve Resolution 2023-~~XX~~ authorizing the City staff to select First Foundation Bank as the interim financing lender for the Wastewater System compliance project and commence financing negotiations and drafting of legal documents for the \$14.6 million Wastewater Revenue Bond Anticipation Notes / Line of Credit to construct the sewer force-main to Hollister.

BACKGROUND INFORMATION:

Over the last three years the City has been working with the EPA and the California State Water Resources Control Board to address the wastewater discharge quality requirement violations. On August 18, 2020, the City Council adopted Resolution 2020-42, and the City and the EPA executed an Administrative Order on Consent, (“AOC”) agreeing that the City will bring its water systems into Permit compliance by December 31, 2023.

Since then, the City has completed the following tasks related to the Wastewater System’s Compliance Project (the “Project”):

- Completed Project design;
- Adopted new sewer rates to be able to pay for the Project;
- Applied and was approved for three grants totaling approximately \$8.3 million;
- Applied and was approved for the USDA low-interest loan of approximately \$10.3 million.

The City is currently in the final stages of obtaining the necessary environmental permits for the Project.

The USDA, as a part of conditions for their low-interest loan and grant, requires the City to obtain an interim financing for the Project from a third party lender, which will later be repaid by the proceeds of the USDA loan.

DISCUSSION:

To fulfil the USDA’s interim financing requirement, the City issued a Request for Proposals for a \$14,600,000 – Series 2023 Tax-Exempt Wastewater Revenue Bond Anticipation Notes / Line of Credit (USDA Grant and Loan Anticipation Financing) (the “RFP”). The RFP was distributed to 28 different banks known to specialize in lending to local government agencies.

The responses to the RFP were due on January 18, 2023. The City received four (4) proposals from three (3) different banks: CoBank, First Foundation Bank, and Umpqua Bank. The key terms of the proposals are summarized in the table on page 4.

CoBank proposed a variable rate financing with the lower interest rate (calculated as Daily Simple SOFR + 0.85%, currently 5.16%), but was unable to offer the financing for the full requested amount. Their proposal is limited to the amount of the USDA loan of \$10.3 million. Additional financing would need to be in the form of a separate revolving line of credit and would be subject to additional bank review / approval.

First Foundation Bank proposed a variable and a fixed rate financing alternatives:

- A variable rate of 73% of WSJ Prime - 0.25% (4.25% Floor), currently 5.29%.
- A fixed interest rate of 4.93%.

First Foundation Bank’s proposals fully match the requirements of the RFP.

Umpqua Bank proposed a fixed rate financing with the lower interest rate of 4.84%, but that financing is subject to the City moving its primary banking relationship to the bank. The proposal also limited the draw-down period to 18 months and comes with a shorter rate lock than that of First Foundation Bank.

In reviewing the proposals with the City’s financial advisor, Ridgeline Municipal Strategies, the staff came to the following conclusions:

- The City would prefer to have a fixed interest rate over a variable interest rate for the following reasons:
 - It is expected that there will be at least one more interest rate increase by the Federal Reserve later this month, which is likely to cause the indices for variable rate financing to rise and make the interim financing more expensive.
 - Even if the Federal Reserve stops raising interest rates, it will take some time before they will start lowering the interest rates.
 - The fixed interest rate proposals have lower rates than the current variable interest rates.

- Therefore, the fixed rate financing is more likely to result in lower interest costs over the life of the interim loan.
- In comparing the fixed interest rate proposals from First Foundation Bank and Umpqua Bank, the City does not consider the lower interest rate offered by Umpqua Bank (lower by 0.09%) to justify the requirement of moving the banking relationship, the risk of shorter interest rate lock, and the limitation of an 18-month draw down period.

Therefore, the City staff recommends that the City Council selects First Foundation Bank as the interim financing lender and authorizes the staff to commence financing negotiations and drafting of legal documents for the \$14.6 million Wastewater Revenue Bond Anticipation Notes / Line of Credit to construct the sewer force-main to Hollister at the offered fixed interest rate.

The form financing documents and the resolution to enter into the interim financing will be brought to the City Council for approval at a later meeting.

	CoBank	First Foundation	Umpqua
	<i>Proposal 1</i>	<i>Proposal 2</i>	<i>Proposal 3</i>
Interest Rate:			
Fixed or Variable:	Variable	Variable	Fixed
Rate:	Daily Simple SOFR + 0.85%	73% of WSJ Prime - 0.25% (4.25% Floor)	4.93%
Current Rate:	5.16%	5.29%	4.93%
			banking relationship required
Rate Lock:	n/a	n/a	Thru Closing (prior to Jan 23)
			2-3 weeks
Payments:	Semi-Annual Interest	Semi-Annual Interest	Semi-Annual Interest
			City Preference
Term:	36 months	36 months	36 months
Draw Down:	36 months	36 months	36 months
			18 months
Prepayment:	no penalty	no penalty	no penalty
			no penalty
Bank Fees:			
Bank Counsel	\$5,000	\$12,500	\$12,500
Security:	Jr Lien on Revenues	Revenues + USDA Proceeds	Revenues + USDA Proceeds
			Revenues + USDA Proceeds
Notes:	City needs to join CRWA Separate loan required for grant portion	1.25x DSCR	1.25x DSCR
			1.05x Jr DSCR

FISCAL IMPACT:

None at this time. The City will incur legal and municipal advisory fees in the amount of \$47,500 and \$27,500, respectively, as well as a minor California Debt and Investment Advisory Commission fee, once the financing is approved (at a later City Council meeting) and closed.

ATTACHMENTS:

Resolutions, RFP and received bank proposals.

RESOLUTION NO. 2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SAN JUAN BAUTISTA AUTHORIZING THE CITY
MANAGER TO WORK WITH FIRST FOUNDATION BANK IN
CONNECTION WITH THE INTERIM FINANCING OF THE CITY'S
SEWER FORCE-MAIN PROJECT**

WHEREAS, on February 16, 2021 the City Council (the “Council”) of the City of San Juan Bautista (the “City”), adopted Resolution No. 2021-09 (the “Resolution of Intention”) determining that it is in the public interests of the City to consider the issuing Bond Anticipation Notes (the “BANs”) to provide interim financing for the acquisition and construction of the San Juan Bautista to Hollister Force Main Development Project (the “Project”), and appointed the necessary consultants in connection therewith; and

WHEREAS, the City is authorized under the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 7. 7 (commencing with Section 53859) of the California Government Code (the “Bond Law”), to issue its bond, loan or grant anticipation notes for the purpose of financing the Project; and

WHEREAS, the City, with the aid of its financing team, solicited proposals from qualified financial institutions to purchase the BANs; and

WHEREAS, several qualified financial institutions submitted proposals, all of which the Council has reviewed and now desires to authorize and direct the City Manager to work with First Foundation Bank (the “Bank”) pursuant to the terms set forth in the term sheet submitted by the Bank (the “Term Sheet”); and

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA AS FOLLOWS:

Section 1. Recitals and Findings. The Council hereby specifically finds and declares that each of the statements, findings and determinations of the City set forth in the recitals set forth above are true and correct.

Section 2. Preliminary Intention to Proceed. The Council hereby confirms its intention to proceed with the issuance of the BANs, subject to final authorization thereof by resolution of the City at a subsequent meeting held for such purpose.

Section 3. Approval of First Foundation Bank. The Council selects the First Foundation Bank as the financial institution to be awarded the sale of the BANs in accordance with the terms and conditions set forth in the Term Sheet presented at this meeting, which is on file in the office of the City Clerk and incorporated herein by reference, and the City Manager is hereby work with the Bank to finalize the terms set forth in the Term Sheet in substantially the form hereby approved, with such additions thereto and changes therein as may be approved by the City Manager upon consultation with The Weist Law Firm as bond counsel.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 24th day of January 23, 2023, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTESTED:

Elizabeth Soto, Deputy City Clerk



City of San Juan Bautista

The "City of History"

December 27, 2022

P.O. Box 1420
311 Second Street
San Juan Bautista,
California 95045
Main: (831) 623-4661
Fax: (831) 623-4093

RE: REQUEST FOR PROPOSALS
City of San Juan Bautista
\$14,600,000 – Series 2023 Tax-Exempt Wastewater Revenue Bond
Anticipation Notes / Line of Credit (USDA Grant and Loan
Anticipation Financing)

City Council

Mayor
Leslie Jordan

Vice Mayor
John Freeman

Councilmember
Scott Freels

Councilmember
Jackie Morris Lopez

Councilmember
EJ Sabathia

City Manager
Don Reynolds

City Clerk
Vacant

City Treasurer
Vacant

www.san-juan-bautista.ca.us

Notice Inviting Proposals

The City of San Juan Bautista is soliciting proposals in the "Request for Proposals, or RFP", from qualified lenders and/or financial institutions for a short-term construction credit facility to finance the design and construction of improvements to its Wastewater System as further defined in the RFP. Proposals are **due Wednesday January 18, 2023 by 2:00pm PDT**. Please submit proposals to Don Reynolds, City Manager, at citymanager@san-juan-bautista.ca.us, with a copy to the City's municipal advisor Dmitry Semenov (Ridgeline Municipal Strategies, LLC) at dsemenov@ridgelinemuni.com.

City of San Juan Bautista

The City of San Juan Bautista (the "City") is located in the northern part of the San Benito County, along the central California coast, approximately 45 miles south of the City of San Jose. The City was incorporated in 1869 and currently has a population of approximately 2,150 people. The City provides water and wastewater services to over 900 residential and commercial customers in an area that covers approximately 0.7 square miles.

The City's Wastewater System

The City owns and operates a wastewater collection system that consists of approximately 9.3 miles of gravity trunks, force mains, and five lift stations, which convey the flow to the City's Wastewater Treatment Plant (the "WWTP") (collectively, the "Wastewater System").

The City's Wastewater Treatment Improvement Project

The City's existing wastewater infrastructure is inadequate to treat wastewater to the required environmental standards. The California State Water Resources Control Board has been assessing fines against the City and the U.S. Environmental Protection Agency has issued an order for the City to bring its Wastewater System into compliance with the wastewater discharge requirements.

To achieve the environmental compliance, the City has determined that the best alternative is to divert the City’s wastewater to the modern regional wastewater treatment plant operated by the City of Hollister and to decommission its own WWTP. This is the most cost-effective and environmentally responsible solution.

The project generally consists of a new 10-inch force main that will connect the City’s Wastewater System with the City of Hollister wastewater treatment plant. The length of the force main is approximately 7.4 miles (the “Project”).

The total Project cost is estimated at approximately \$18.6 million. The Project will be funded through a combination of three different grants (totaling approximately \$8.3 million) and a US Department of Agriculture (the “USDA”) loan (approximately \$10.3 million).

The USDA obligated the funds for the Project on December 12, 2022.

The USDA requires the City to obtain interim financing, which will be paid off by the grants and the USDA loan after Project completion.

This RFP is for the interim financing for the Project which will be structured as draw-down tax-exempt bond anticipation notes or line of credit. The interim financing is required before the USDA will allow the City to advertise the Project for bids.

Project Schedule

The City expects to go out to bid for the project in the first quarter of 2023 and start project construction in summer of 2023. The project completion is currently anticipated in summer of 2024. It is anticipated that the USDA will be in the position to provide its grant and loan funds shortly thereafter.

Project / Interim Financing Budget

**City of San Juan Bautista
Wastewater Treatment Improvement Project Budget**

Description	USDA Budget	Included in Interim Financing
Bond / Legal Counsel / COI	\$70,000	\$70,000
Interest Expense	\$500,000	\$0
City of Hollister Connection Fees	\$2,547,200	\$0
Environmental Services	\$160,000	\$0
Engineering Services	\$1,687,000	\$892,000
Additional Services	\$239,000	\$239,000
Environmental Mitigation	\$468,000	\$468,000
Project Construction	\$11,217,000	\$11,217,000
Contingency	\$1,682,800	\$1,682,800
Additional COI Contingency	\$0	\$31,200
Total	\$18,571,000	\$14,600,000

The City expects to advertise the Project for bids in the first quarter of 2023. Once bids are received and analyzed, the Project budget will be updated to reflect the winning bid.

Project Sources and Uses

City of San Juan Bautista
Sources and Uses

Funding Sources		Project Uses	
Description	Amount	Description	Amount
EPA STAG	\$1,000,000	Project Budget	\$18,571,000
State of California Appropriation	\$3,000,000		
USDA Grant	\$4,303,000		
USDA Loan	\$10,268,000		
Total Sources	\$18,571,000	Total Uses	\$18,571,000

City’s Financial Information

The City’s general website can be accessed at www.san-juan-bautista.ca.us.

The City’s financial information can be found here:

[2023 Budget](#)

[2022 Budget](#)

[2021 Audited Financial Statements](#)

[2020 Audited Financial Statements](#)

[2019 Audited Financial Statements](#)

The 2022 Audited Financial Statements are expected to be available by the end of January 2023.

Interim Financing Request

The City is looking for the following credit facility structure:

- *Financing Amount:* \$14,600,000 maximum advance amount
- Tax-Exempt, non-BQ
- *Term:* 3 years
- *Structure:* Notes or line of credit with ability to make up to 2 draws per month
- *Interest Rate:* The preference is for a fixed interest rate, but variable rate proposals could be considered. Interest to accrue only on the drawn principal amount.
- *Payment frequency:* interest-only payments due quarterly or semi-annually, at lender’s preference, with principal amount due at maturity
- *Repayment sources:* the City’s Wastewater System will make the interest payments from Net Revenues; the principal amount will be repaid through grant and USDA loan proceeds
- No prepayment penalty

Collateral and Coverage Requirements

The credit facility will be secured by a pledge of Net Revenues of the City's Wastewater System on parity with the outstanding 2015 Wastewater Revenue Bonds and a pledge of the USDA grant and loan proceeds.

The 2015 Wastewater Revenue Bonds call for the Adjusted Annual Net Revenues to provide at least a 125% coverage for the Annual Debt Service on parity debt and at least 105% coverage for the parity plus subordinate debt.

Banking Relationship Consideration

The City is willing to consider relationship pricing opportunities. However, depository relationship / treasury management features and requirements would need to match the needs of the City AND provide a pricing incentive on the credit facility. **Proposals requiring transfer of banking relationship as a condition of credit facility closing will not be considered.**

Proposal Submission and Evaluation:

Proposals are **due Wednesday January 18, 2023 by 2:00pm PDT**. Please submit proposals to Don Reynolds, City Manager, at citymanager@san-juan-bautista.ca.us, with a copy to the City's municipal advisor Dmitry Semenov (Ridgeline Municipal Strategies, LLC) at dsemenov@ridgelinemuni.com.

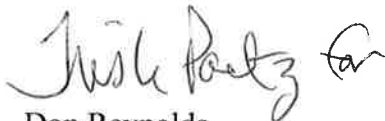
In determining the winning proposal, the City will take into consideration the information submitted and any other factors it deems appropriate. The City reserves the right to exercise its own discretion in making the award, including the option to reject all proposals.

We expect to select the winning proposal by February 1, 2023 and close on the credit facility on February 23, 2023.

Thank you for your consideration. We look forward to the opportunity to work with you on this financing.

All questions regarding this proposal should be directed to the City's municipal advisor, Dmitry Semenov, Ridgeline Municipal Strategies, at (916) 250-1590 or dsemenov@ridgelinemuni.com.

Sincerely,



Don Reynolds
City Manager
City of San Juan Bautista
Phone: (831) 623-4661, ext. 14
Email: citymanager@san-juan-bautista.ca.us

Attachments:

Projected Net Revenue and DSCR
USDA Obligation of Funds Letter
USDA Letter of Conditions
2015 Wastewater Installment Sale Agreement

**City of San Juan Bautista
Wastewater System
Net Revenue and DSCR Projections**

Description	Draft Actuals					
	Adj Audit 2021	2022 [1]	2023	2024	2025	2026
GROSS REVENUE						
Utility Fees	\$1,094,316	\$1,224,648	\$1,267,204	\$1,444,612	\$1,646,858	\$1,877,418
Rate Increase Revenue	\$0	\$0	\$177,409	\$202,246	\$230,560	\$93,871
Interest Income & Penalties	\$1,343	\$4,306	\$1,000	\$1,000	\$1,000	\$1,000
Connection Fees	\$18,731	\$6,244	\$31,219	\$31,219	\$31,219	\$31,219
Bad Debt Adjustment	-\$24,745	-\$6,566	\$0	\$0	\$0	\$0
Total Gross Revenue	\$1,089,645	\$1,228,632	\$1,476,832	\$1,679,077	\$1,909,637	\$2,003,508
O&M EXPENSES						
Contractual services and utilities	\$452,799	\$409,984	\$349,666	\$252,004	\$139,063	\$144,620
Less: Rate Study and Master Plan costs	-\$51,165	-\$59,593	\$0	\$0	\$0	\$0
Personnel	\$171,102	\$180,896	\$161,661	\$168,936	\$176,538	\$184,482
Supplies, materials & repairs	\$63,682	\$17,831	\$41,803	\$43,684	\$45,650	\$47,704
Fines - RWQCB	\$36,000	\$36,000	\$36,000	\$36,000	\$0	\$0
City of Hollister Charge	\$0	\$0	\$0	\$341,721	\$714,197	\$746,335
Total O&M Expense	\$672,419	\$585,118	\$589,130	\$842,345	\$1,075,447	\$1,123,141
NET REVENUE	\$417,227	\$643,513	\$887,702	\$836,732	\$834,190	\$880,367
PARITY DEBT SERVICE [2]						
2015 Revenue Bonds	\$298,637	\$298,097	\$299,582	\$298,435	\$298,435	\$298,435
USDA Loan Repayment	\$0	\$0	\$0	\$0	\$0	\$426,533
Total Parity Debt Service	\$298,637	\$298,097	\$299,582	\$298,435	\$298,435	\$724,968
Parity Debt Service Coverage Ratio [2]	1.40	2.16	2.96	2.80	2.80	1.21
SUBORDINATE DEBT SERVICE						
2016 General Fund Advance	\$36,496	\$36,496	\$36,496	\$36,496	\$36,496	\$36,496
Total Debt Service Coverage Ratio [2]	1.24	1.92	2.64	2.50	2.49	1.16

[1] 2022 results are preliminary actual numbers and may be adjusted per audit requirements.

[2] The calculation does not include the interim financing interest payments.



January 18, 2023

TO: Trish Paetz

Subject: CoBank Proposal for USDA Interim Financing – Wastewater Project

On behalf of CoBank, ACB (“**Lender**” or “**CoBank**”), I am pleased to present for your review the following Non-Binding Summary of Terms and Conditions.

Borrower	City of San Juan Bautista
Loan Purpose	Interim construction financing for USDA RD wastewater project
Interim Loan Amount	Up to \$10,268,000 (RD Direct Loan Amount)
Variable Interest Rate Option (Multiple Advance)*	Daily Simple SOFR 5 Day Lookback plus 0.85% (currently 5.16%)
Tax-exempt	Yes
Formal Credit Approval Date	Up to 5 business days after financing awarded
Availability & Maturity Date	Up to 36 months after Closing
Prepayment penalty	None.
Lender Legal Fee	Amount capped at \$5,000.
Loan Fees to CoBank	N/A, standard fees waived for current CRWA members.
Payment Frequency	Semi-annual interest only paid on amount advanced due April 1 and October 1, beginning April 1, 2023.
Repayment	Principal due at maturity or immediately upon receipt of USDA RD direct loan funds.
Security	Junior lien on revenues.

*Interest Rates quoted are subject to interest rate changes that may occur based upon market conditions.

This Non-Binding Summary of Terms and Conditions (this “**Summary**”) is being presented to the **Borrower** by **CoBank** for information and discussion purposes. This Summary is not a commitment or offer to provide the credit outlined above but an expression of interest on the part of CoBank in providing the credit. A commitment to provide credit will only arise upon CoBank’s issuance, and the Borrower’s acceptance, of a formal Commitment Letter. This Summary is strictly confidential and may not be released to or discussed with any third party without CoBank’s prior written consent.

Sincerely,

Conner Carrier
 Account Manager – Water Financing Division
 ccarrier@cobank.com; 404-784-3354



January 18, 2023

RE: **City of San Juan Bautista - 2023 Interim Financing**

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance (“FFPF”) would like express its interest in underwriting and obtaining credit approval for the following loan to the City of San Juan Bautista, CA (“Borrower”) based on the terms outlined below. This Term Sheet is provided by FFPF for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of FFPF to Borrower or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of FFPF shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of FFPF, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

- STRUCTURE:** Non-revolving line of credit
- PURPOSE:** Interim financing for the design and construction of the Wastewater System
- MAX. LOAN AMT:** \$15,000,000
- INTEREST RATE:** Tax-exempt NBQ: 73% of WSJP minus 0.25% [currently 5.29%] [floor of 4.25%]
- TERM:** 3-years
- DRAWS:** Up to 2-draws allowed per month
- REPAYMENT:** Semi-annual interest, principal due at maturity
- AVERAGE LIFE:** 3.0-years
- PRE-PAYMENT:** Prepayment on any payment date at par.
- COLLATERAL:** Net revenue pledge of the Wastewater System, and pledge of USDA grant and loan proceeds
- COVENANTS:** 1.25x debt service coverage
- ADDITIONAL TERMS:** Documents to be prepared by the Borrower’s Bond Counsel for review by FFPF’s counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP are \$12,500. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDIAAC fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, taxability gross-up (if applicable) and covenants and conditions that are appropriate for a loan of the scope and nature proposed above will be determined as part of FFPF’s underwriting and credit approval process.

PDF’s of all executed and other documents listed on the Closing Index shall be provided to FFPF at least 2 full business days prior to the closing date; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

A default rate of Interest + 3.00% will be required.

The interest rate offered pursuant to this term sheet shall expire after 3 business days if acceptance by the Borrower of this term sheet is not communicated to FFPF.



January 18, 2023

RE: **City of San Juan Bautista - 2023 Interim Financing**

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance (“FFPF”) would like express its interest in underwriting and obtaining credit approval for the following loan to the City of San Juan Bautista, CA (“Borrower”) based on the terms outlined below. This Term Sheet is provided by FFPF for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of FFPF to Borrower or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of FFPF shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of FFPF, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

STRUCTURE: Non-revolving line of credit

PURPOSE: Interim financing for the design and construction of the Wastewater System

MAX. LOAN AMT: \$15,000,000

INTEREST RATE: Tax-exempt NBQ: 4.93% (6.75% taxable equivalent)

TERM: 3-years

DRAWS: Up to 2-draws allowed per month

REPAYMENT: Semi-annual interest, principal due at maturity

AVERAGE LIFE: 3.0-years

PRE-PAYMENT: Prepayment allowed on any date at par.

COLLATERAL: Net revenue pledge of the Wastewater System, and pledge of USDA grant and loan proceeds

COVENANTS: 1.25x debt service coverage

ADDITIONAL TERMS: Documents to be prepared by the Borrower’s Bond Counsel for review by FFPF’s counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP are \$12,500. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDIAAC fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, taxability gross-up (if applicable) and covenants and conditions that are appropriate for a loan of the scope and nature proposed above will be determined as part of FFPF’s underwriting and credit approval process.

PDF’s of all executed and other documents listed on the Closing Index shall be provided to FFPF at least 2 full business days prior to the closing date; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

A default rate of Interest + 3.00% will be required.

The interest rate offered pursuant to this term sheet shall expire after 3 business days if acceptance by the Borrower of this term sheet is not communicated to FFPF.



**City of San Juan Bautista
USDA Interim Financing Note
Term Sheet 01.18.2023**

Umpqua Bank (“Umpqua” or the “Original Purchaser”) would like to express its interest in underwriting and obtaining credit approval for the following loan (the “Credit Facility”) for City of San Juan Bautista (the “City”) on the terms and conditions outlined below.

Preface: Umpqua’s expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Umpqua. Any commitment to lend that we might make is subject to the fulfillment of a number of conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the loan, the City, and collateral the results of which are deemed satisfactory to Umpqua in our sole discretion.

Confidentiality: Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

Par Amount:	\$14,600,000 (Approximate)
Structure/Security:	<p>USDA Bond/Grant Anticipation Notes (the “BANs”) - The Interim Financings represent revenue obligations of the City, with a pledge of net revenues of the wastewater system. The City will also pledge proceeds from the long-term USDA Bonds/Grants used to refund the BANs to secure the BANs. All wastewater system revenues and fees collected by the City are pledged to the payment of the BANs. The revenues include all earnings, revenue and moneys received by the City from or on account of the operation of the system. The BANs will be issued on parity with the City’s outstanding 2015 wastewater revenue bonds.</p> <p>Pledge of Wastewater revenue is subject to review of existing agreements by Bank counsel, Nixon Peabody, LLP.</p>
Purpose:	<p>The City’s existing wastewater infrastructure is inadequate to treat wastewater in a manor the aligns with current environmental standards. To achieve environmental compliance, the City has devised a project to divert its wastewater from its current wastewater treatment plant to the City of Hollister’s wastewater treatment plant. The proposed credit facility will provide interim financing for the project, which will be repaid through a combination of bond and grant proceeds following project completion.</p>
Term/Amortization:	<p>3-years. Draw-down structure allowing interest to accrue only on the outstanding balance of the BANs for the first 18-months. All outstanding principal and accrued interest due in full at maturity.</p>
Draw Provision:	<p>Eligible to draw funds at a maximum of twice per month for the term of the BANs.</p>

Vanessa Ryan

SVP/ Municipal Banking

Tel: 916.724-1214

Email: vanessaryan@umpquabank.com

Dean Stephens

SVP/ Municipal Banking Director

Tel: 916.774-3923

Email: deanstephens@umpquabank.com

**UMPQUA**
B · A · N · K

Indicative Interest Rate: **4.84%** Indicative Tax-exempt, Non-Bank Qualified Fixed Rate
30/360 interest calculation

Relationship Pricing: It should be noted that indicative rate of 4.84% quoted above is dependent on the City's migration of its full banking relationship from its current institution to Umpqua Bank within 90 days of the transaction's closing.

Prepayment Provision: Loan can be prepaid in full anytime without penalty.

Reporting: The City shall make its audited annual financial statements available on the City's website or sent to the Bank by no later than March 31st annually commencing on March 31, 2023, with the report for the fiscal year ending June 30th, 2022.

The City shall make each of its annual budgets, and all amendments thereto, available on the City's website or send to the Bank within 30 days after such budget is adopted or amended.

Representations and Warranties: Usual and customary for transactions of this type.

Rate Covenant: 1.25x

Additional Bonds: Minimum 1.25x on all parity debt. Minimum 1.05x coverage for parity plus subordinate debt.

Costs of Issuance: Documents to be reviewed by Umpqua Bank's counsel Rudy Salo – Nixon Peabody, LLP. provided that the City's Bond Counsel shall prepare documents and tax opinions if necessary. Legal fees and related fees for Nixon Peabody, LLP are \$12,500.

Additional Conditions

Periodic financial and collateral reporting by the City, as well as representations and warranties of the City regarding its status and ability to repay and related matters, taxability gross-up, if allowable, and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Umpqua Bank's normal underwriting and approval process. The proposed facility will be subject to a default rate equal to the proposed interest rate + 3.0, if allowable.

PDFs of all executed and other documents listed on the Closing Index shall be provided to the Bank no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire those documents shall be provided immediately after receipt of the wire.

Vanessa Ryan
SVP/ Municipal Banking
Tel: 916.724-1214
Email: vanessaryan@umpquabank.com

Dean Stephens
SVP/ Municipal Banking Director
Tel: 916.774-3923
Email: deanstephens@umpquabank.com



Sincerely,

A handwritten signature in black ink that reads "Vanessa Ryan". The signature is written in a cursive style.

Vanessa Ryan
SVP, Corporate Relationship Manager
Municipal Banking Division

Please pursue underwriting and approval of a commitment for the described Credit Facility.

Borrower

By: _____

Printed Name: _____

Title: _____



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: **AGREEMENT FOR WATER TREATMENT AT WELL 6
WITH MICROVI BIOTECH INC.**

MEETING DATE: January 24, 2023

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDED ACTION(S):

That the City Council approve the attached Resolution and authorize the City Manager to execute the Agreement to use Microvi equipment and treat the drinking water at Well 6.

BACKGROUND INFORMATION:

The City invested in its newest Well 6 in 2018-2019, that went into service in October 2019, and then had to remove it from service in March 2020 due to high nitrate levels. Since then, the drinking water system has been down one well, having only two sources where three are needed.

On March 16, 2021, the City Council adopted Resolution 2021-13 and agreed to host a demonstration (“Pilot”) project with Microvi Biotech Inc, to test their technology to see if it can safely and effectively remove nitrates from Well 6. The system works, removing almost all but a trace of nitrate, from approximately 45 gallons per minute (gpm). If the treated water is blended back into Well 6 waters, the City can again access about 100 gpm from its third well.

It is critical that the city have three wells, because the volume from Well 1 fluctuates through-out the year, and can be deficient during drought. Well 5 has the capacity to serve the whole city, but we must have more than these two sources to sustain a reliable drinking water system.

DISCUSSION:

On October 26, 2022, the City submitted its application to the Regional Water Quality Control Board (RWQCB) to blend the Well 6 water with Well 5. This process has taken 6-months to complete, but the new permit is almost ready. It is important therefore to have this Agreement for the lease and operation of the Microvi equipment in place before the RWQCB acts.

The value of the Microvi equipment is estimated to be approximately \$500,000. They have suggested a lease of \$3,000 per month. The lease includes wear and tear on the equipment. The

proposed term is one-year, with as many as 4 one-year extensions. The cost of the chemicals is estimated to be \$3,000 per month, and the City can absorb this cost into the operations budget. The City will save another \$1,500 per month by doing all weekly and monthly water sampling itself. There is a small operations cost for Microvi to operate the equipment off-site, and submit monitoring reports to the RWQCB monthly. The more the City can reduce the site visits the lower the cost will be to operate the system.

FISCAL IMPACT:

The cost to operate and lease the Microvi equipment and bring Well 6 back on line is estimated to be \$6,000 per month, \$72,000 annually.

ATTACHMENTS:

Resolution and Agreement

RESOLUTION NO. 2023- XX

A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA EXECUTING AN AGREEMENT WITH MICROVI BIOTECH, INC. FOR WATER TREATMENT SERVICES THAT REMOVES NITRATES FROM WELL WATER

WHEREAS, the City’s drinking water permit is based on its ability to provide drinking water from three wells, and on March 2, 2020, Well 6 had to be removed from the system due to a high concentration of nitrates; and

WHEREAS, for the past two years, the City has had to rely on only two-wells for its drinking water; and

WHEREAS, on March 16, 2021, the City Council approved Resolution 2021-13 and approved a “DEMONSTRATION AGREEMENT” with Microvi Biotech Inc. (“Microvi”) as a pilot project to see if their MICROVI MNE™ technology could safely remove nitrates from Well 6, and bring it back on-line; and

WHEREAS, the demonstration was a success and met the expectations of the City and Regional Water Quality Control Board, treating 45 gallons per minute removing all but a trace of nitrate from Well 6; and

WHEREAS, the City and Microvi have negotiated the attached Agreement for the use of the equipment, and continued treatment of the nitrates in Well 6; and

WHEREAS, it will become effective once the Regional Water Quality Control Board approves the “Domestic Water Supply Permit Amendment” submitted in October 2022, to use the technology with Well 6 water and bring Well 6 back on-line; and

WHEREAS, both the City and Microvi Biotech Inc. wish to execute the attached Agreement.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA NOW HEREBY FINDS:

1. That the recitals in this Resolution and accompanying staff report are true and correct and are hereby made a part of this Resolution.
2. It agrees that the technological services proposed by Microvi Biotech Inc., known as MICROVI MNE™, have proven to be beneficial to the City by removing nitrates in its well water, and will improve the quality and reliability of its current water system.
3. Authorizes the City Manager make minor changes that may be necessary to implement the intent of this Resolution and to execute the Agreement with Microvi Biotech Inc. for a term of one year, with extensions to that term as many 4 additional years.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting held on the 24th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

PROPOSAL/AGREEMENT TERMS AND CONDITIONS

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PART II: PAYMENTS, REPORTING AND TAXES	3
PART III: GENERAL	4

PART I: DEFINITIONS

As used in this Agreement:

“Abnormal Substances” are substances or materials that are not identified in the Raw Water Specifications and that: (i) create a fire or explosion hazard at Site; (ii) will cause corrosive structural damage to the Infrastructure or Skid or Biocatalyst; (iii) contain solid or viscous pollutants in amounts which will cause obstruction to the flow in the Infrastructure or Skid; (iv) will result in the presence of toxic gases, vapors or fumes near or within the Site in a quantity or concentration that may cause acute worker health and safety problems; or (v) will result in a reduction in bioactivity of or other adverse effect to the Biocatalyst.

“Acceptance Date” shall have the meaning first set forth above.

“Affiliate” means any corporation, association, partnership, venture or other entity which directly or indirectly owns or which is directly or indirectly owned or controlled by Microvi or Customer, as the case may be, to the extent of at least fifty percent (50%) of the equity interest therein and/or at least fifty percent (50%) of the stock or other shares thereof, which are entitled to vote for the election of directors and/or to establish, direct or control the management or policies thereof.

“Agreement” means the entirety of this Agreement, including the Terms, Addendum I

and the Appendix thereto (if applicable), Addendum II and the Appendices thereto, and Addendum III.

“Applicable Laws” means any applicable law, rule, code, regulation, Governmental Approval, consent decree, consent order, consent agreement, determination, judgment, order or warrant issued by any Government Body.

“Biocatalyst” is the biocatalyst Microvi places in the Skid.

“Design Flow Rate” has the meaning set forth in Section A.

“Force Majeure” means governmental actions, acts of God, wars, strikes, lockouts, and other industrial disturbances, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakages and accidents to machinery, pipelines and processing plants, laws, regulations, court orders, curtailments and other inability to obtain equipment, supplies or materials or to secure services for the foregoing reasons, temporary failures of energy supply and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension, all of which by the exercise of due diligence such party is unable to prevent.

“Governmental Approval” means any permit, license, approval, authorization, consent, waiver, exemption, variance, certification or other order, decision or authorization which is required under Applicable Laws for the operation and maintenance of the Infrastructure and/or Skid, or for the performance of any of the obligations under this Agreement.

“Government Body” means any legislative, executive, judicial, or administrative department, board, commission, court, agency or other instrumentality of the Federal, State or local government.

“Infrastructure” has the meaning set forth in Section B.

“Microvi-Supplied Chemicals” are acetic acid, phosphoric acid, ACH, sodium hydroxide, sulfuric acid, and CIP and does not include chlorine or other chlorination chemicals.

“Monthly Fee” is the amount set forth in Section D.

“Raw Water” is as defined in Section A.

“Raw Water Specifications” are set forth in Appendix A to Addendum II and include, but are not limited to, composition and pressure and flow conditions.

“Services” is as defined in Section A.

“Site” has the meaning set forth on the first page of this Agreement.

“Skid” has the meaning set forth in Section A.

“Specification Raw Water” is Raw Water that meets Raw Water Specifications and does not contain Abnormal Substances.

“Start-Up Date” is the first day that Raw Water is passed to Skid to provide Treated Water.

“Tax” and “Taxes” have the meaning set forth in Article II.4.

“Term” or “Term of Services” is the term that Microvi provides Services as set forth in Section A and includes the initial one year term and up to four extensions thereof.

PART II: PAYMENTS AND TAXES

Article II.1 – Payments

(a) The Monthly Fee shall be due on the last day of each calendar month during the Term for Services and any extension thereof starting with the month of the Start-Up Date and Microvi shall endeavor to provide an

invoice at least ten (10) days in advance of the monthly due date. Any and all reimbursements and other amounts due Microvi hereunder shall be paid within thirty (30) days of invoice.

(b) Any payment not made by the due date shall bear interest from the date due until payment is received by Microvi at twelve percent (12%) per annum.

(c) All payments by Customer to Microvi hereunder shall be made in immediately available funds by wire transfer to a bank account notified by Microvi to Customer.

Article II.2 – Taxes

(a) Microvi shall not be liable for any taxes and governmental charges of any kind whatsoever, whether in the present or future, federal, state, or municipal, including but not limited to, sales, use, excise, gross receipts, gross value, property, franchise or similar taxes, that may at any time be assessed or levied against, or with respect to, the fees due under Section B, the presence of the Skid at the Site, or any and all general or special taxes, fees, assessments, interest, penalties and/or charges made by any Governmental Body, and/or for any services or activities performed hereunder (collectively “Tax” or “Taxes”).

(i) In the event Microvi receives notice from any Governmental Body seeking payment of any Taxes, Microvi shall provide Customer with notice of any such Tax and shall cooperate with Customer to seek any applicable exemption. In the event that Customer is unable to obtain and furnish a valid and properly executed exemption certificate or direct pay permit relieving Customer and Microvi of the obligation for such Taxes, Customer shall pay such Taxes within thirty (30) days of receipt of an invoice therefore from Microvi, but in any event Customer shall pay such Taxes before they become delinquent.

(ii) If Customer fails to pay such Taxes or indicates to Microvi that it will not be paying such Taxes, then Microvi may pay such Taxes, in which case Customer shall reimburse Microvi for any Taxes, together with interest

at the maximum rate permitted by law from the date paid by Microvi until reimbursed by Customer. Wherever applicable, any such Tax shall be added as a separate charge to be paid by Customer.

PART III: GENERAL

Article III.1 – Representations

(a) Customer covenants, represents and warrants that it has full power and authority to enter into this Agreement. No consent or approval by any other person or entity is required.

(b) Microvi covenants, represents and warrants that Microvi has full power and authority to enter into this Agreement. No consent or approval by any other person, entity or agency is required.

Article III.2 – Safety and Insurance

(a) The employees, agents, and other representatives of Microvi who provide services to Customer pursuant to this Agreement shall abide by the safety and health standards of Microvi and of the United States Government and the state and jurisdiction in which the Site is located. Microvi's representatives are required to refrain from entering and to depart from any facility where such standards are not met. The reasonable refusal by Microvi's representatives to enter and/or to leave the Site for safety reasons, shall relieve Microvi of all obligations to provide Services, unless and until such standards are met.

(b) It is the responsibility of Customer to ensure that the Site meets at least the safety and health requirements of the United States Government and the state and jurisdiction in which the Site is located. Microvi and Customer expressly agree that no Hazardous Materials will be brought upon, kept, used, stored, generated or disposed of in, on or about the Site except as (i) notified to the other party in writing prior to being brought on Site and (ii) essential for the installation,

maintenance or operation of the Skid and Biocatalyst. Each party shall have a duty to immediately notify the other party if and when a party learns or has reason to believe there has been any release of Hazardous Material in, on or about the Site. As used herein, the term "Hazardous Materials" includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state or local statute, regulation, rule or ordinance now or hereafter in effect.

(c) Customer agrees to:

(i) permit Microvi representatives who enter the Site to place their individual locks (and retain the keys thereto) to secure all equipment, electrical supply, steam, gas, air, etc., which could expose them to personal risk or hazard;

(ii) provide on request appropriate protective equipment to Microvi representatives while at the Site; and

(iii) obtain and carry from the Acceptance Date through the Term of the Agreement, in full force and effect, comprehensive general liability insurance, including broad form vendors, products, and contractual liability endorsements and coverage for claims for damages because of injury to or destruction of tangible property), including loss of use of such property. The policy limits for such coverages shall not be less than \$2,000,000 per occurrence and per annual aggregate. Said insurance policies shall not be cancelable by Customer or its insurance company except upon thirty (30) days written notice to Microvi..

(d) Microvi agrees to obtain and carry from the Acceptance Date through the Term of the Agreement, in full force and effect, insurance as specified in Addendum III.

Article III.3 – Indemnification and Liabilities

(a) Customer shall and hereby does hold harmless, indemnify and defend Microvi and its Affiliates and their respective agents, employees, officers, directors, members,

successors and permitted assigns from and against all expenses incurred by Microvi or its Affiliates and all claims (administrative or judicial), damages, losses, costs and expenses (including, but not limited to, any special, consequential, and punitive damages, and attorneys', accounting, appraisal and consulting and expert witness fees) arising out of or resulting from the negligent acts or omissions or willful misconduct of Customer or any of its officers, members, managers, employees, or agents, including but not limited to (i) the breach of any provisions of this Agreement; or (ii) violation of any applicable federal, state or local law, regulation or order.

(b) Microvi shall hold harmless, indemnify and defend Customer and its Affiliates, and their respective agents, employees, managers and members, from and against all claims (administrative or judicial), damages, losses and expenses (including, but not limited to, attorneys' accounting, appraisal and consulting and expert witness fees) arising out of or resulting from the negligent acts or omissions or willful misconduct of Microvi or any of its officers, members, managers, employees, or agents, including but not limited to (i) the breach of any provisions of this Agreement; (ii) providing Services, or (iii) violation of any applicable federal, state or local law, regulations or order.

(c) Upon the occurrence of an event giving rise to indemnification under paragraphs (a) and (b) of this Article III.3., the party seeking indemnification shall notify the other party hereto and provide the other party hereto with copies of any documents reflecting the claim, damage, loss or expense. The party seeking indemnification is entitled to engage such attorneys and other persons to defend against the claim, damage, loss or expense, as it may choose, in its sole discretion. The party providing indemnification shall pay the reasonable charges and expenses of such attorneys and other persons on a current basis within twenty (20) days of submission of invoices or bills.

(e) Except as set forth in Section A, MICROVI DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO OTHER WARRANTIES OF MICROVI, EXCEPT FOR THE WARRANTED PERFORMANCE, SHALL BE IMPLIED OR OTHERWISE CREATED BY ANY LAW, STATUTE OR REGULATION. EXCEPT AS PROVIDED HEREIN, MICROVI SHALL NOT BE HELD RESPONSIBLE FOR ANY COSTS OR DAMAGES, INCLUDING INDIRECT, SPECIAL, PUNITIVE AND CONSEQUENTIAL DAMAGES, WHATSOEVER. EXCEPT ACTUAL DIRECT DAMAGES, REGARDLESS OF WHETHER ANY OF THE FOREGOING DAMAGES ARISE DIRECTLY OR INDIRECTLY THROUGH AN INDEMNIFICATION OR CONTRIBUTION OBLIGATION AND WHETHER ARISING OUT OF BREACH OF CONTRACT OR WARRANTY, TORT, PRODUCT LIABILITY, STRICT LIABILITY OR ANY OTHER LEGAL OR EQUITABLE THEORY.

(f) Microvi's total liability for matters arising under this Agreement, exclusive of damage to the Skid, for which Microvi is the insuring party, shall not exceed, in the aggregate, five hundred thousand dollars (\$500,000), which total shall include, without limitation, all indemnification and other liabilities under this Article III.3, but for purposes of clarity, this limit shall not apply to claims pertaining to accidents, disease, commercial general liability and vehicular operation.]

(g) Microvi's Services hereunder shall be conducted, within the limits prescribed by this Agreement, in a manner consistent with that level of care and skill ordinarily exercised for

similar services by others within the surrounding regional area of the Site.

(h) Each party, at its sole discretion, may contract with third parties (“Third Party Providers”) in connection with its performance under this Agreement. In such event, the contracting party shall remain responsible for the performance of such Third Party Providers.

Article III.4 – Security, Non-analysis and Publicity

(a) Customer acknowledges that the Biocatalyst contains proprietary information of Microvi. In the event that Customer comes into possession of Biocatalyst, regardless of the means by which possession is obtained, Customer shall promptly notify Microvi and arrange for its return to Microvi. Customer shall not analyze or permit others to analyze the Biocatalyst. Should Customer become aware that a third party has come into possession of Biocatalyst that Microvi provides to the Site, Customer shall promptly notify Microvi and provide reasonable assistance to Microvi in securing its recovery. Customer shall take reasonable precautions at the Site to prevent others from having access to the Skid and Biocatalyst, including, but not limited to, providing a security fence around the Skid.

(b) (i) Microvi acknowledges that this Agreement and any information submitted in compliance with this Agreement is a public record subject to disclosure under the California Public Records Act (CPRA) unless the Customer determines that a specific exemption applies. The Customer may protect information that Microvi has clearly marked confidential or proprietary and treat it with confidentiality to the extent permitted by law. However, it shall be Microvi’s responsibility to provide the specific legal grounds justifying withholding of the requested information. General references to sections of the CPRA shall not suffice; Microvi must provide a specific and detailed legal basis, including applicable case law, that clearly establishes that the requested information is exempt from disclosure.

(ii) If Microvi does not provide a specific and detailed legal basis for withholding Microvi’s confidential or proprietary information, Customer will release the information as required by the CPRA. Customer shall not have any obligation to notify the Microvi or obtain Microvi’s approval or consent before releasing Information subject to disclosure under the CPRA.

(iii) Microvi shall hold harmless the Customer, its elected officials, officers and employees for the release of such information. Furthermore, the Microvi shall defend, at its expense, and indemnify and hold harmless the Customer, its elected officials, officers, and employees from and against any action, claim or liability arising or resulting from the Customer’s refusal to release information withheld at Microvi’s request. Microvi’s obligations herein include, but are not limited to, all reasonable attorney’s fees, reasonable costs of litigation incurred by the Customer or its attorneys, including all actual costs incurred by the Customer, not merely those costs recoverable by a prevailing party, and specifically including costs of experts and consultants) as well as all damages or liability of any nature whatsoever arising out of any such suits, claims, and causes of action brought against the Customer, through and including appellate proceedings.

(c) Microvi may disclose the existence of the project, Customer name, descriptive information about the project, and performance of the Skid. Microvi shall be permitted to place signage on the Skid identifying it as Microvi-supplied equipment. Microvi shall be permitted to have visitors tour the Site during normal business hours, subject to extraordinary events at the Site where such visits would either provide risks to visitors or interfere with work being done by Customer.

(d) Customer shall obtain the prior written approval of Microvi, which shall not be unreasonably withheld, with respect to any publicity release or publication describing the Skid and its operation.

Article III.5 – Assignment

(a) (i) This Agreement is personal to Customer and shall not be assignable by Customer, except as provided herein, whether by instrument, merger or otherwise, without Microvi's prior written consent. Any assignment or attempted assignment hereof, not expressly authorized herein, shall be null and void.

(ii) This Agreement shall inure to the benefit of and be binding upon Customer and shall be assignable to an Affiliate of Customer or a subsequent owner of the Site provided that such assignee agrees in writing to accept and faithfully discharge all of the obligations to Microvi imposed upon Customer by the terms of this Agreement, provided further however, that this Agreement may not be assigned by Customer to any entity which is engaged in or which has a direct or indirect financial interest in any entity engaged in competition with Microvi for the treatment of water using microorganisms retained in matrices.

(b) (i) This Agreement is personal to Microvi and shall not be assignable by Microvi, except as provided herein, whether by instrument, merger or otherwise, without Customer's prior written consent. Any assignment or attempted assignment hereof, not expressly authorized herein, shall be null and void.

(ii) This Agreement shall inure to the benefit of and be binding upon Microvi and shall be assignable to the successors, in whole or in part, of substantially the entire business of Microvi pertaining to the less than 100 gpm Denitrovi™ drinking water treatment business.

(c) Notwithstanding the foregoing, neither party may collaterally assign this Agreement to its lenders without obtaining prior written consent of the other party.

Article III.6 – Hiring of Employees

Each party agrees that it will not attempt, directly or indirectly, to solicit any representative of the other party, who are in any way involved in or connected to the business which is the subject of this Agreement, to

become an employee or consultant or Customer of the party or any of its Affiliates.

Article III.7 – Notices

(a) All notices given by either party to the other party shall be in writing, by telex, facsimile, by computer numeric picture files, such as a PDF file, attached to an e-mail or registered airmail, and shall be deemed served and effective on the date actually received by the other party. Such notices shall be addressed to the President of the recipient at the address first set forth above.

(b) Either party hereto may, at any time by giving ten (10) days' prior written notice to the other party hereto, designate any other person or address in substitution of or addition to any of the foregoing addresses to which such notice or communication shall be given.

Article III.8 – Force Majeure

(a) In the event that further lawful performance of this Agreement or any part hereof by either party is rendered impossible by or as a consequence of Force Majeure, such party shall not be considered to be in default hereunder by reason of such failure to perform and neither party may claim penalties, interests, rebates or any other compensation or participation in damages caused by the Force Majeure except as explicitly set forth in this Agreement.

(b) The party claiming Force Majeure shall give notice of Force Majeure to the other party, within thirty (30) days after the occurrence of the Force Majeure, which notice shall include the date and nature of the Force Majeure. Such party shall exercise due diligence to remedy the cause of the Force Majeure, but shall not be required to settle any strike, lockout or other industrial disturbance. If the party claiming Force Majeure fails to give notice to the other party within the said thirty (30) day period, the claiming party will forfeit any rights it would have had by virtue of Force Majeure and will be deemed to have accepted at its sole expense, all

of the risks and consequences of such Force Majeure.

(c) Force Majeure shall not excuse any payment due hereunder.

Article III.9 – Change of Law

Deleted.

Article III.10 – Term and Termination

(a) This Agreement may be terminated earlier than the Term upon written notification to the other party pursuant to Section E or in accordance with the provisions of paragraph (b) of this Article or Articles III.12(h) and (i).

(b) If either party fails to perform or fulfill in the time and manner herein provided, any obligation or condition required to be performed or fulfilled by such party, and if such default continues for a period of sixty (60) days after written notice thereof from the non-defaulting party, then the non-defaulting party shall have the right to terminate this Agreement by written notice of termination to the defaulting party given at any time within ninety (90) days after the expiration of such sixty (60) day period. Termination of this Agreement pursuant to this Article III.10(b) shall be in addition to, and shall not be exclusive of or prejudicial to, any other rights or remedies, at law or in equity, which the non-defaulting party may have on account of the default of the other party. The waiver by either party of a single default or any series of defaults, shall not deny such party the right to terminate this Agreement for any subsequent default.

(c) Termination does not terminate the rights and obligations of the parties under Article II and this Article III.

(d) Upon expiration or early termination of the Term of Services, Customer at Customer's sole expense shall disconnect and load the Skid on a carrier provided by Microvi for removing the Skid from the Site. The disconnecting of the Skid and its loading shall be at a mutually convenient time as agreed by the parties. Customer shall provide reasonable notification

and access to Microvi during the disconnecting and loading of the Skid.

III.11 – Dispute Resolution

(a) If either Customer or Microvi believes that it is entitled to relief against the other for any event arising out of or related to performance under this Agreement, such party shall provide written notice to the other party of the basis for its claim for relief, and, if possible, such notice shall be made prior to incurring any cost or expense. Such notice may specify claims for which Customer may be responsible. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed thirty (30) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later.

(b) The parties are fully committed to working with each and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Customer and Microvi each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to performances hereunder.

(c) The parties shall promptly meet to resolve the dispute in an amical fashion. If no resolution is reached, the dispute can be referred by either of the parties to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, unless the parties mutually agree otherwise.

(d) The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.

(e) Customer and Microvi expressly agree that any arbitration pursuant to this Article III.11 may be joined or consolidated with any

arbitration involving any other person or entity necessary to resolve the claim, dispute or controversy, or substantially involved in or affected by such claim, dispute or controversy.

(f) Customer will include appropriate provisions in all contracts they execute with other parties in connection with its performance hereunder to require such joinder or consolidation.

(g) The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party.

(h) Unless provided to the contrary in this Agreement, Customer and Microvi shall continue to perform under this Agreement and Customer shall continue to satisfy its payment obligations to Microvi pending the final resolution of such dispute or disagreement.

III.12 – Miscellaneous Provisions

(a) This Agreement may be amended or modified only by a written instrument executed by Microvi and Customer.

(b) This Agreement is a total and complete integration of any and all undertaking existing between Microvi and Customer pertaining to the Services and supersedes any prior oral or written agreements, promises or representations between them. No other terms or conditions which either party may submit to the other, whether contained in any document provided by a party (including any "acknowledgement" or "confirmation"), shall in any way modify or supersede any of the terms or conditions herein, unless the same is consented to, in a writing signed by both parties.

(c) Notwithstanding anything in this Agreement to the contrary, the parties intend and shall perform their obligations and otherwise act hereunder as independent contractors. The parties expressly disclaim any intent to form a joint venture or partnership between them for

any purpose whatsoever. Nothing contained in this Agreement alone or viewed in conjunction with any other contract or documents or course of conduct shall be construed to create a partnership or joint venture between them or their successors in interest.

(d) This Agreement shall be governed by and construed in accordance with the domestic laws of the State of California, without recourse to the conflicts of laws principles of that State. EACH PARTY IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL AS TO ANY CLAIMS OR DISPUTES ARISING FROM, OR RELATING TO, THIS AGREEMENT.

(e) The invalidity, illegality or unenforceability of any provision of this Agreement in any jurisdiction shall not invalidate or render illegal or unenforceable any remaining provision hereof in such jurisdiction and shall not invalidate or render any such provision illegal or unenforceable in any other jurisdiction.

(f) Section, Part and Article headings used in this Agreement are inserted for convenience of reference only and shall not affect the construction of the respective provisions.

(g) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one Agreement. The parties agree that the delivery of this Agreement by facsimile or by computer numeric picture files, such as a PDF file, attached to an e-mail shall have the same force and effect as delivery of original signatures and that each party may use such facsimile (or computer numeric picture file) signatures as evidence of the execution and delivery of this Agreement by all parties to the same extent that original signatures could be used.

(h) Microvi may, at its sole discretion and option upon written notice to Customer, terminate this Agreement if Customer becomes the subject of any voluntary or involuntary

bankruptcy, receivership or other insolvency proceeding or Customer makes any assignment or other transfer for the benefit of Customer's creditors. Termination of this Agreement hereunder by Microvi shall not relieve Customer of its obligation to make any required payments to Microvi or prevent Microvi from making any claims it may have for damages against Customer.

(i) Customer may, at its sole discretion and option upon written notice to Microvi, terminate this Agreement if Microvi becomes the subject of any voluntary or involuntary bankruptcy, receivership or other insolvency proceeding or Microvi makes any assignment or other transfer for the benefit of Microvi's creditors. Termination of this Agreement hereunder by Customer shall not prevent Customer from making any claims it may have for damages against Microvi.

(j) This Agreement is only for the benefit of the parties to it, and no benefit to any third party is intended nor should be implied.

ADDENDUM I
TREATMENT PLANT INFRASTRUCTURE

This Addendum I of the Agreement further includes the following Appendix:

Appendix A: Customer Scope of Supply

In the event of a conflict between this Addendum I and the above-listed Appendix, this Addendum shall control.

Article 1 – Conflict within the Agreement

1.01 In the event of a conflict between the express terms and conditions of this Addendum I and the express terms contained elsewhere in this Agreement, the terms and conditions of this Addendum shall control, otherwise the terms and conditions elsewhere in the Agreement shall be deemed to control.

Article 2 – Coordination

2.01 Within five (5) days after the Acceptance Date, Customer and Microvi shall each nominate their contact individual (“Project Contact”). Each party shall have the right to change its Project Contact by notification to the Project Contact of the other party.

2.02 The Project Contacts for the parties shall endeavor to keep each other informed as to the progress and any potential problems being experienced or anticipated to be experienced.

Article 3 – Skid Supply, Installation and Infrastructure

3.01 Customer shall have the sole responsibility for obtaining any and all Governmental Approvals required for the Infrastructure, placement of the Skid and connections to the Skid.

3.02 Customer shall have the sole responsibility to design and construct the Infrastructure and connect the Skid. Connection of the Skid shall be in compliance with Microvi’s directions. The Contacts for the parties shall coordinate the delivery date or dates of the Skid components.

3.04 Microvi shall have the responsibility to unload the Skid and place it where agreed in the layout at the Site. Microvi has a right, but not obligation, to provide a representative at the Site to observe any or all of these activities. Although Microvi has no obligation to comment on Customer’s performance and the observation or non-observation of such activities shall in no way render Microvi responsible for the safety or proper assembly of the Infrastructure or connections to the Skid. If Microvi has any requests to modify the Infrastructure or the connections between the Infrastructure and Skid, Customer, at its sole expense, shall undertake to make such modifications.

3.05 In the event that Microvi becomes aware of a deficiency, including, but not limited to, deficiencies of design, construction and maintenance, of the Infrastructure or connections between the Infrastructure and Skid which adversely affects the ability of the Skid to perform

properly in the sole opinion of Microvi, Customer shall promptly remedy the deficiency, and until remedied, Microvi has no obligation to treat Raw Water.

APPENDIX A OWNER SCOPE OF SUPPLY INCLUDING INFRASTRUCTURE

The Infrastructure includes all but the Skid, and the Infrastructure shall meet with all Governmental Approvals.

Included within the Customer scope of supply are:

- Obtain all permits and governmental approvals
- Conduct, if necessary, all seismic calculations, anchorage, and design for a concrete pad or suitable foundation or structure for the installation of the Skid
- Design the Site layout (encompassing the layout for the Skid as supplied by Microvi) including all means of safely accessing the Skid for all operations and maintenance activities, electrical power supply system, and all piping systems not included within the Skid.
- Provide a concrete pad or other suitable foundation or structure for the installation of the treatment system
- Provide the materials and labor to supply and connect electrical power to the Skid and among the Skid components
- Provide all utilities, including the electrical supply to the treatment system, required for site operations
- Supply and install all on-site piping necessary to:
 - Connect influent water system to water supply to be treated
 - Connect wells to treatment system site
 - Connect Skid to sewer
 - Connect treatment system effluent to distribution and/or blending systems
 - Connect to potable water (for eyewash and safety station, maintenance and periods of Raw Water shutdown)
 - Spill retention systems
- Provide and load additives to chemical tanks
- Provide and install any booster pumps (if required)
- Provide flow to waste capabilities and disposal of water, chemical, and other waste produced during the start-up, operation, and testing of the Skid
- Provide, if required, all necessary well pump controls for staging, sequencing, and blending controls and interface with the Skid
- Provide necessary piping, valves and equipment to limit feed pressure to protect the Skid from damage
- Provide site equipment and security including, but not limited to, fencing to restrict access to the Skid
- Provide a chemicals storage shed

- Provide necessary safety equipment near the Skid including, but not limited to, shower, eyewash and alarm systems
- Provide chlorine or other chlorinating agent for treatment of Treated Water.
- Disconnect and load the Skid on a carrier selected by Microvi upon expiration or early termination of the Term of Services.

ADDENDUM II WATER TREATMENT SERVICES

This Addendum II of the Agreement further includes the following Appendices:

Appendix II.A: Raw Water Specifications Deleted due to experience with demonstration run.
Appendix II.B: Treated Water Specifications
Appendix II.C: Customer Responsibilities

In the event of a conflict between this Addendum II and the above-listed Appendix, this Addendum II shall control.

Article 1 – Conflict within the Agreement

1.01 In the event of a conflict between the express terms and conditions of this Addendum II and the express terms contained elsewhere in this Agreement, the terms and conditions of this Addendum II shall control, otherwise the terms and conditions elsewhere in the Agreement shall be deemed to control.

Article 2 – Customer Responsibilities

2.01 Customer shall provide, without charge to Microvi, during the Term the items set forth in Appendix II.C.

Article 3 – Microvi Services

3.01 Title to the Skid and Biocatalyst shall at all times remain with Microvi. Title to the Infrastructure shall at all times remain with Customer.

3.02 Commencing on the Start-Up Date and for the Term, Microvi in consideration of the Monthly Fee shall process Customer's Raw Water in the Skid using Microvi-Supplied Chemicals and return to Customer Treated Water meeting the Treated Water Specifications as set forth in Appendix II.B. At no time shall Microvi take title to the water being processed in the Skid. The Services include:

- Remote monitoring
- Preparation of a monthly report to the Division of Drinking Water

3.03 Microvi's obligation to treat Raw Water to meet the Treated Water Specifications is conditioned upon Customer providing Raw Water that has a maximum concentration of 14 mg/NO₃ (calculated as N) per liter and no material, adverse changes from the Raw Water used for the demonstration. Microvi's obligation to treat Raw Water is also conditioned upon Customer providing the support specified in Article 2.01 of this Addendum II. For purposes herein, a "material, adverse change in Raw Water" means a change in composition or properties that would reasonably be considered detrimental to equipment and/or microorganisms by one having commercial experience in biological treatment of water, including, but not limited to, the presence of Abnormal Substances.

3.04 In the event that Customer is unable to supply Specification Raw Water to the Skid for a period of greater than five (5) consecutive days, upon restart Microvi shall have no responsibility to Customer if any of the Treated Water for the three (3) days after restart fails to meet the Treated Water Specifications.

3.05 Microvi shall supply a copy of the instruction manual for the Skid and Proper Handling Guidelines for the Biocatalyst no later than Start-Up of the Skid, which manual and Proper Handling Guidelines can be amended from time-to-time by written notice to Customer.

Article 4 – Verification and Measurements

4.01 Each party at any time shall have the right to verify, at its own expense, the amount and quality of Raw Water entering, and the quality of the Treated Water exiting, the Skid and to conduct independent testing thereof. These test results shall be made promptly to Customer.

APPENDIX II.A
RAW WATER SPECIFICATIONS

deleted

APPENDIX II.B
TREATED WATER SPECIFICATIONS

TREATED WATER SPECIFICATIONS:

Reduce NO₃-N to less than 3 mg/L

Effluent turbidity to be less than .30 NTU 95% of the time

APPENDIX II.C
CUSTOMER RESPONSIBILITIES

Customer shall provide the following:

1. Provide Raw Water for treatment meeting Raw Water Specifications
2. Take all Treated Water
3. Notify Microvi of material, adverse changes from the Raw Water used in the demonstration and the need for service of the Skid.
4. Suitable land for the equipment, access by Microvi personnel and service providers to the equipment at all times
5. Provide water for chemical makeup and safety eyewash station, water required for maintaining the Skid during periods of down time
6. Receiving components, equipment and materials for the Skid
7. Provide routine on-hands operation of the Skid as directed by Microvi (the Skid shall be remotely operable; however, chemical loading, sample taking and the like that must be done at the Site shall be the responsibility of Customer).
8. Any regulatory and compliance sampling and analysis of the Treated Water other than for nitrates
9. Provide Microvi all data from any analysis of the Raw Water, Treated Water and soils
10. Take wastewater (sewer) and run-off water from the Skid
11. Site security
12. Housekeeping at and around the Skid appropriate for a drinking water facility
13. Adjusting Raw Water flows to the Skid, e.g., for addressing nitrate fluctuations and for addressing nitrate levels in combined water streams.
14. During periods of shut down of the Skid, maintaining the Skid in accordance with the instructions for Microvi and restarting the Skid in accordance with the instructions of Microvi.

ADDENDUM III
MICROVI INSURANCE

A. Throughout the Term, Microvi shall procure and maintain the following insurance coverages:

Coverage	Policy Limits
Workers' Compensation Policy	Statutory
Employer's Liability Insurance	\$1,000,000 per accident or disease
Commercial General Liability Policy	\$2,000,000 per occurrence and \$2,000,000 in the aggregate
Business Automobile Liability Policy covering all owned, hired and non-owned vehicles	\$1,000,000 per occurrence

B. An insurer admitted to conduct business in the State of California with an A.M. Best & Co. rating of at least A:VII must issue these policies. Insurance endorsements shall be furnished to Customer within seven (7) days after the Agreement Date. Notwithstanding any inconsistent statement in the policy or any subsequent endorsement attached thereto, the protection offer by the Commercial General Liability Policy shall name Customer, its officers, directors, employees, and agents as additionally insured.

C. For any claims related to this Agreement, Microvi's insurance coverage, as evidenced by an endorsement to its policy, shall be primary insurance as respects Customer, its officers, directors, employees, and agents. Any insurance or self-insurance maintained by Customer, its officers, directors, employees, and agents shall be excess of Microvi's insurance.

D. Microvi shall provide Customer at least thirty (30) days notice prior to the cancellation, non-renewal or material modification of any such policy.

E. Microvi shall insure, or self insure, the Skid.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: FILL FOUR VACANCIES ON THE PLANNING COMMISSION

MEETING DATE: Jnuary 24, 2023

SUBMITTED BY: Planning Commission Secretary Trish Paetz

RECOMMENDED ACTION(S):

Receive the information provided by the Ad Hoc committee and decide which applicants will fill the four open seats on the Planning Commissioner.

BACKGROUND INFORMATION:

At the City Council meeting on December 20, 2022 Council was asked to appoint an Ad Hoc Committee to select a Planning Commissioner, in accordance with Municipal Code Section 2-3-110. Whereupon, it was agreed that Mayor Jordan and Council Member Sabathia would serve on the Ad Hoc Committee. Staff advertised the vacancy by posting a notice with a new deadline of Friday, December 30. Since that meeting, two applications were received by City Hall staff. These applications were added to the applications received from Mishele NewKirk-Smith, Dan DeVries, and David Medeiros in September. All five applications were forwarded to the Ad Hoc Committee for their review and consideration.

AUG 16 2022

CITY OF SAN JUAN BAUTISTA APPLICATION FOR COMMISSIONS AND BOARDS

Check one: Planning Commission Historic Resources Board

1. Applicant Name: Mishele New Kirk - Smith

2. Current Residence: [Redacted] SJB

Mailing Address: [Redacted] SJB

E-mail Address: [Redacted]

3. Telephone Number: (Home) _____ (Work) _____ (Cell) [Redacted]

4. How long have you been a resident of San Juan Bautista? 2y 4m

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? N/A Term currently serving _____

_____ Term currently serving _____

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

Applicant's Name Mishele Newkirk-Smith

10. List and provide a brief description of your current or last occupation.
For the past 25 years, I have been a high school science teacher.

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

12. Describe your involvement in community activities, volunteer and civic organizations.

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?
N/A

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

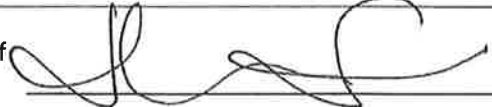
I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

YOUR APPLICATION IS NOT COMPLETE UNTIL IT IS SIGNED AND RETURNED.

IMPORTANT NOTICE

A Board or Commission member is a public official. As such, it is necessary to provide contact information to the public. Please note that all information provided on this form becomes a public record after it is officially filed. Please do not include any information on this form that you do not want posted on the City's web site and the City's Official Roster.

Applicants appointed to the Planning Commission and Historical Resources Board are required to file the Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700), which are also a public record. A copy of this form is available in the City Clerk's office or by visiting www.fppc.ca.gov.

Signature of Applicant 

Date 8/12/22

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045, FAX: 623-4093.

Mishele Newkirk-Smith: Planning Commission

6. What motivated you to apply for this Board or Commission?

When my husband and I started to look for a home to buy a few years ago, we had many requirements for the neighborhood and very few for the actual house. We wanted to be a part of a small rural community where we could make friends with our neighbors and help each other. San Juan Bautista is everything we hoped for in our new community. Even though we moved in during the beginning of the pandemic, we were welcomed into Creek Bridge by our neighbors and the people we met on our daily walks. Now that the city is opening back up, I want to take an active role in planning the future of San Juan Bautista.

7. What skills or attributes can you bring to this Board or Commission?

Having lived in multiple countries and states, I have experienced key elements that make a small town appealing, such as walkable, friendly neighbors, unifying building front, cleanliness, communicative local government, and citizens who desire to embrace controlled change for the benefit of all. As a teacher, I value knowledge and understanding of topics and am not quick to pass judgment. I am a conscious listener, well organized, and educated. I respect all options and am to professionally disagree with someone.

8. The primary role of a Board or Commission is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise the specific Board or Commission role?

The steps I would take to effectively exercise the role is to be well informed on the topics and how the project will affect San Juan Bautista and its citizens. I feel it is very important to talk to all people living in SJB to be able to represent everyone's voices and not just friends. My advice and recommendations will be well thought out and articulated.

9. List any relevant education, training, or experience that demonstrates your ability to effectively serve on this Board or Commission.

As an experienced science educator, I am well versed in environmental concerns that can affect a project and the importance of preserving nature. My years in the classroom have taught me conflict resolution, multicultural understanding, and problem-solving. I can understand reports and maps as well as technical drawings. I can process information and form an option taking in the recommendations and voices of others.

10. List and briefly describe your current or last occupation.

For the past 25 years, I have been a high school science teacher.

Mishele Newkirk-Smith: Planning Commission

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

While I have not attended a live meeting, I have watched a few of the recorded City Council and Commission meetings. It is important for those citizens watching from home to feel a part of the live meetings. In the meetings I watched, the cameras were not directed toward the speaker's face but overhead, and the speaker's voice was not always clear. I would also implement a maximum time for each speaker to shorten the meeting length. The time limit would also encourage the speaker to condense comments into concise statements.

12. Describe your involvement in community activities and volunteer and civic organizations.

As a teacher, I believe in the importance of teaching children to give back to their community. There is no better way to teach than to show by example. For the past 30 years, I have volunteered for animal rescue organizations and local zoos. While my sons were boys, I worked with Boy Scouts of America in many roles for 16 years. I am a club advisor for Science Olympiad and Animal Lover's Club. I have volunteered at food distributions, food banks, and beach clean-ups. As a homeowner for the past 20 years in Port Ludlow, Washington, I have followed and participated in the very active Port Ludlow Commission which governs the resort community.

FILED
CITY OF SAN JUAN BAUTISTA

SEP 15 2022

OFFICE OF THE CITY CLERK

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS

Check one: Planning Commission Historic Resources Board

1. Applicant Name: DAN DE VRIES

2. Current Residence: [REDACTED]

Mailing Address: [REDACTED], SSB CA 95045

E-mail Address: [REDACTED]

3. Telephone Number: (Home) N/A (Work) N/A (Cell) 931.917.4061

4. How long have you been a resident of San Juan Bautista? 32 yrs.

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? CITY COUNCIL Term currently serving _____

PLANNING COMM Term currently serving _____

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.

TO KEEP SAN JUAN BAUTISTA SMALL, HISTORIC,
AESTHETIC AND ECONOMICALLY PROSPEROUS.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

14 YEARS SJB PLANNING COMMISSION; 14 YEARS
SAN BENITO COUNTY PLANNING COMMISSION DIST. 2;
CITY COUNCIL; REAL ESTATE/LAND USE ATTORNEY

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

TO ENGAGE IN THE "HEAVY LIFTING" OF A PROJECT OR
APPLICATION, WITH FACTUAL AND REGULATORY ANALYSIS, IN THE
CONTEXT OF FULL PUBLIC PARTICIPATION.

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

SEE, ABOVE.

Applicant's Name DAN DE VRIES

10. List and provide a brief description of your current or last occupation.

LICENSED CA ATTORNEY.

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

I HAVE ATTENDED A FEW MEETINGS.

IMPROVEMENTS MIGHT TAKE PLACE IN THE AREA
OF KEEPING THE DISCUSSION/ANALYSIS/DELIBERATION
FOCUSED AND "ON TRACK."

12. Describe your involvement in community activities, volunteer and civic organizations.

SEE, ATTACHED.

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?

NO.

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

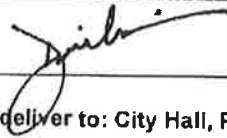
YOUR APPLICATION IS NOT COMPLETE UNTIL IT IS SIGNED AND RETURNED.

IMPORTANT NOTICE

A Board or Commission member is a public official. As such, it is necessary to provide contact information to the public. Please note that all information provided on this form becomes a public record after it is officially filed. Please do not include any information on this form that you do not want posted on the City's web site and the City's Official Roster.

Applicants appointed to the Planning Commission and Historical Resources Board are required to file the Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700), which are also a public record. A copy of this form is available in the City Clerk's office or by visiting www.fppc.ca.gov.

Signature of
Applicant



Date SEPT. 13, 2022

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045,
FAX: 623-4093.

DANIEL J. DE VRIES



EDUCATION: *San Jose State University*
Bachelor of Arts, Economics;
Bachelor of Arts, Literature.

University of the Pacific
Juris Doctor

EMPLOYMENT:

1990 – 2000 *Hoge, Fenton, Jones & Appel, Inc., San Jose, CA*

Civil litigation and transactional: Phillips Petroleum, Bartlesville, OK;
Goodyear Tire & Rubber Company, Akron OH; Sears Roebuck and Co.,
Chicago IL; Schnitzer Steel Corporation, Portland OR.

2000 – 2004 *Fenton & Keller, Inc., Monterey CA*

Civil litigation, transactional, construction, real estate: Pebble Beach
Company, Pacific Grove, CA; Schnitzer Steel Corporation, Portland, OR.

2004 – present *De Vries Law Group, San Juan Bautista, CA*

Land use, agriculture, transactional, civil litigation: Earthbound Farm, San
Juan, CA; Reiter Affiliated, Oxnard, CA; Driscoll's, Watsonville, CA;
Sunset Bay Farms, Inc., Watsonville, CA; Schnitzer Steel Corporation,
Portland, OR; Leal Vineyards, Hollister, CA; Pisoni Vineyards, Gonzales,
CA; Calera Vineyards, Hollister, CA; Bonny Doon Vineyards, Santa Cruz,
CA; agriculture.

COMMUNITY: San Juan Bautista Planning Commission, 1990 – 2004; San Benito County
Planning Commission, 2004 – 2016; San Juan Bautista City Council, 2016
– 2020; San Juan Fire Dept.; Co-founder, San Benito Arts Council;
Founder, "Save San Juan Valley"; Founding Member, San Juan Rotary
Club; Board Member, San Benito Health Foundation; Board Member,
Community Media Access Partnership (CMAP); San Juan Aromas Little
League; Board Member, Marle Holte Holiday Dinners.

**CITY OF SAN JUAN BAUTISTA
APPLICATION FOR PLANNING COMMISSION - /HISTORIC RESOURCES BOARD**

FILED
CITY OF SAN JUAN BAUTISTA
SEP 27 2022 *JJP*
OFFICE OF THE CITY CLERK

1. Applicant Name: **David Medeiros**
2. Current Residence: [REDACTED] San Juan Bautista, CA 95045
3. Mailing Address: [REDACTED] San Juan Bautista, CA 95045
4. E-mail Address: [REDACTED]
5. Telephone Number: (Home) [REDACTED] (Cell) [REDACTED]

How long have you been a resident of San Juan Bautista? **76 years**

Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one: **HR Board & Planning Commission** ___ Term currently serving ___ Ending 11/22/2022

6. What motivated you to apply for this position? You may attach a separate sheet of paper.
My continued love for the city of San Juan Bautista, its community, and location. To support, enable, and serve the people of San Juan Bautista as one of its responsible and proactive citizens to meet its community and civic challenges to the general plan, ordinances, and welfare of its people while being positive, fair, open minded, transparent, and determined to move the city and its community always successfully into the future.
7. What skills or attributes can you bring to the Planning Commission/HRS? You may attach a separate sheet of paper. *I have over 9 years of experience as SJB HRB member and Commissioner. Over 50 years volunteer experience with the city of SJB as Youth & Adult sports director, Annual SJF Rodeo, Church festivals & Religious education & Finance Board member, worked on 3 city of SJB general plans, served on the strategic planning committee, chaired and vice chaired several SJB committees, boards, commissions, and 9+ years of state and federal government, municipal, civic, Conservation, Preservation, and Historical training.*
8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. What steps would you take to effectively exercise the Planning Commission/Historic Resources Board role? You may attach a separate sheet of paper.
To support, enable, and serve the people of San Juan Bautista to meet its community and civic challenges as stated in the general plan, ordinances, and expected by its people while I be positive, fair, honest, responsible, take ownership and proactive, open minded, transparent, bipartisan, and determined to move the city and its community always successfully into the future.
9. List any relevant education, training or experience that demonstrates your ability to effectively serve on the Planning Commission/Historic Resources Board. You may attach a separate sheet of paper.
AB degree from Gavilan college & AB&ABF degrees from University of Cal, Santa Cruz (Major in Art, Minor in Art History & Education & Design & Drafting) Over 25 years of electronics, computer technology, manufacturing, laboratory, Safety, Quality, people management, leadership training & education, business & data management experience. Many years' experiences in the restoration of Mission San Juan Bautista in the preservation of adobe structure, wall paintings, framed paintings, and religious statues. Professional artist, designer & photographer for the Mission San Juan Bautista Preservation Fund publicity committee.
10. List and provide a brief description of your current or last occupation:
Over 20 years Manufacturing manager for IBM San Jose. Managed temporary and permanent employees, on average 40+ employees in a computer technology, test manufacturing equipment, computer technical support teams, and warranty process, and global customer warranty administration and engineering support. Employee moral & safety, product quality and customer satisfaction. Professional artist, designer & photographer for the Mission San Juan Bautista Preservation Fund and publicity committee. Mission San Juan

Bautista Finance Board property & facility committee to annually inventory & prioritize all facility & property maintenance & install preventative maintenance measures.

11. Have you attended a City Council, Planning Commission/HRS meeting, Strategic Planning Committee, Town Hall Meeting, or public workshop? If so, please describe what you learned and what improvements you would suggest the city consider:

Yes, to all of them 1) Continue to work hard with the current city manager, directors, city staff, engineers, planners, and committees as a positive addition to the city's overall administration. 2) water distribution & water waste management best to be connected to Hollister system. 3) Housing and city growth best to serve small town walkable atmosphere while serving the most current general plan. Be extremely astute in federal, state, county, and city municipal governments while addressing land use, infrastructure, city development and growth, and to provide a local strategic and effective economic growth plan. San Juan Bautista to inspire and be a model to other cities in the we value the way of life for citizens within its sphere of influence and a leader in the quality of municipal government serving its people as a boundless productive, positive, and successful community.

12. Describe your involvement in community activities, volunteer, and civic organizations.

See above comments and statements for response to this question.

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Planning Commissioner/Historic Resources Board member? If yes, what can be done to accommodate these constraints? **NO**

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodation, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or Supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

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Applicants Signature:



Date: 09/27/2022

Please, fax (831-623-4093), e-mail (deputycityclerk@san-juan-bautista.ca.us), or deliver to: City Hall, P. O. Box 1420, 311 Second Street, San Juan Bautista, CA 95045

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR PLANNING COMMISSION - HISTORIC RESOURCES BOARD - LETTER OF INTEREST

09/27/2022

To: San Juan Bautista City Council

Please understand my continued love for the city of San Juan Bautista, its community and location are why I'm most prepared and honored to state the following.

As a responsible citizen, my wish is to support, be proactive, prepared, and work hard for the city San Juan Bautista to meet its community and civic challenges that may be imposed by the general plan, city ordinances and municipal codes, the welfare of its people, and by personally doing everything possible to move the city of San Juan Bautista and its community successfully into the future.

Since I have over 10 years' experience as SJB HRB member and Commissioner and 50+ years volunteer experience within the city of San Juan Bautista, worked on 3 city of SJB general plans, served on the strategic planning committee, chaired and vice chaired several SJB committees while being positive, fair, honest, responsible, taking ownership, open minded, transparent, bipartisan, I am determined to move the city of San Juan Bautista in the desired direction of the most current general plan and by the sincere guidance of its great people.

As I noted on the attached application for the Historical Resources Board and Planning commissioner, I do have the necessary experience and qualifications.

Please consider me to continue as a Historical Resources Board member and Planning commissioner.

Thank you



David Medeiros

San Juan Bautista, CA 95045

FILED
CITY OF SAN JUAN BAUTISTA

DEC 30 2022

OFFICE OF THE CITY CLERK

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS

Check one: Planning Commission Historic Resources Board

1. Applicant Name: Jose Aranda
2. Current Residence: [REDACTED] San Juan Bautista CA 95045
Mailing Address: [REDACTED] San Juan Bautista CA 95045
E-mail Address: [REDACTED]
3. Telephone Number: (Home) [REDACTED] (Work) [REDACTED] (Cell) [REDACTED]
4. How long have you been a resident of San Juan Bautista? 3.5 Yrs
5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?
If yes, which one? _____ Term currently serving _____
_____ Term currently serving _____
6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.
Wanting to give back by serving my community and staying involved with local government.
This would also give me a opportunity to stay current with community issues and have a voice in the decision making.
In addition this would be a great learning opportunity to get a better grasp on planning and zoning.
7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.
With a background in IT Management, I would leverage my experience and skillset to bring fresh ideas and innovative approaches to current issues at hand. My day to day skill set consist of problem solving within a fast pace environment. I know how to be resourceful and creative, yet adapt to multiple situations at any given moment and find solutions quickly and effectively. Last, I'm personable, I have a great set of customer service skills that can be applied.
8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.
I would attend city hall meetings in person to get help me understand community issues and ordinances.
Be fair and open minded about community issues. Work closely with city council members and have an open line of communication so that I can bounce ideas off one another. Last, having the ability to communicate with others and respect one another as well as being personable.
9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.
Customer Service Skill Set and dealing with end users in my current role in my career. Learning to listen and understand a problem then coming up with a solution and plan to address it. Problem solving and project managing skills acquired through my current role.

Applicant's Name Jose Aranda

10. List and provide a brief description of your current or last occupation.
IT Manager - Manage a small team of IT specialist's. I budget, project manage and come up with solutions for end user services such as phones systems, video conferencing solutions, hardware solutions, etc
11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.
Yes, city council meetings. What I learned is that even though there are differences in opinion within city council, we are all after one goal and its to improve, protect and preserve are small community for generations to come. Also, It's great to see many coming together through community service and engagement to help keep things moving along.
12. Describe your involvement in community activities, volunteer and civic organizations.
I'm actively a rotary member and work closely with the city to host and put on events with fellow rotarians.
Work with Heidi to help with our small business in town.
Was part of the Ghost Walk and Holiday of Lights Parade.
13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?
None.

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Signature of
Applicant



Date 12/30/2022

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045,
FAX: 623-4093.

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR COMMISSIONS AND BOARDS

FILED
CITY OF SAN JUAN BAUTISTA
DEC 30 2022
OFFICE OF THE CITY CLERK

Check one: Planning Commission/Historic Resources Board
 Economic Development Citizens Advisory Committee
 Urban Growth Boundary-Sphere of Influence Ad-Hoc Committee

1. Applicant Name: Yolanda Delgado

2. Current Residence: San Juan Bautista Ca 95045
Mailing Address: [REDACTED] San Juan Bautista Ca 95045
E-mail Address: [REDACTED]

3. Telephone Number: (Home) _____ (Work) _____ (Cell) [REDACTED]

4. How long have you been a resident of San Juan Bautista? 13 years

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? yes Term currently serving Planning Commission
yes Term currently serving Historic Resources Board

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper. see attached

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper. see attached

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper. see attached

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper. see attached

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS

Applicant's Name Yolanda Delgado

10. List and provide a brief description of your current or last occupation. see attached resume
-
11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider. see attached
-
12. Describe your involvement in community activities, volunteer and civic organizations. see attached
-
13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints? none
-

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Signature of Applicant  Date 12/29/2022

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045, FAX: 623-4093.

Yolanda Delgado

6) Having served on the Planning Commission over the last four years, I would like to continue serving in my capacity as a member of the Commission. Participation allows me to fulfill my passion for local government as well as my service to my community. Continuing as a member of the Commission will allow me to pay it forward for my City.

7) I have served on various committees and groups exemplifies my ability to work within City government and understand how to get past the "red tape" allows me to fulfill my role to the best of my ability. This experience is crucial for such positions, to ensure the City of San Juan Bautista is operating efficiently and effectively. For example, I continually pursued the Planning Commission as the chair and as a planning commissioner member of the city count ADUs in the city RHNA city manager, and I agreed to place this matter on the planning commission agenda to pass it up to the City Council.

8) I would like to change to having a concrete calendar to meet with the assistant city manager and city manager to go over the agendas so that we can all be on the same page. Also to set a clear boundary for effective communication and ensure a professional working relationship with the city manager and assistant city manager. Have more transparency so that the residents of San Juan.

11) Yes. I have learned how local government works. This knowledge is invaluable in order to a positive direction for our city.

12) I volunteer in the San Juan soccer club as a coach, I volunteer in Junior Giants as a coach and team parent, a parent leader for the scouts 428 of San Juan Bautista, and I am a member of CAB for the San Benito county

Yolanda Delgado

Yolanda Delgado

[REDACTED]
San Juan Bautista, CA 95045

Phone: [REDACTED]

E-mail: [REDACTED]

Summary:

Over 30 years of experience in Transportation, Delivery, and Customer Service

COACH OPERATOR, 15 years' experience

SUPERVISOR, 15 years' experience in Operations and Customer Service. Planning Commissioner and Historical Board City of San Juan Bautista, and CAB for the County of San Benito

Bilingual in English and Spanish

Experience:

Job Title: **Bus Driver/Supervisor**

Employer: IHELP Monterey, CA

Length: 11/2020 to present

Duties: Operate passenger buses on regular and/or special routes, providing safe and efficient transportation. Collect fares, issue transfers, and give general information regarding routes, schedules and transfer points. Complete accident and other written reports. Complete bus inspection before and after operation. Actively promote good customer relations. Maintain bus schedules. Deal effectively and safely with unexpected circumstances as they arise. Drive every CT vehicle in our fleet. Supervised women to ensure their safety, assist with medical appointments, and to personal needs to keep them safe.

Job Title: **Bus Driver**

Employer: Sam Trans, San Carlos, CA

Length: 12 years

Duties: Operate passenger buses on regular and/or special routes, providing safe and efficient transportation. Collect fares, issue transfers, and give general information regarding routes, schedules, and transfer points. Complete accident and other written reports. Complete bus inspection before and after operation. Actively promote good customer relations. Maintain bus schedules. Deal effectively and safely with unexpected circumstances as they arise. Drive every CT vehicle in our fleet. On the board of the union. These consisted in negotiations with

Yolanda Delgado

contracts, representing union members with grievances.

Job Title: **Bus Driver**

Employer: VTA, San Jose, CA

Dates: 9/01 to 7/02

Duties: Operate passenger buses on regular and/or special routes, providing safe and efficient transportation. Collect fares, issue transfers, and give general information regarding routes, schedules and transfer points. Complete accident and other written reports. Complete bus inspection before and after operation. Actively promote good customer relations. Maintain bus schedules. Deal effectively and safely with unexpected circumstances as they arise. Drive every CT vehicle in our fleet.

Job Title: **Courier**

Employer: FedEx, San Jose, Ca

Dates: 4/97 to 9/01

Duties: Deliver and pick packages. Give great customer service; handle any problems in a professional manner. Report all accidents. Handle money and then turn it in at the end of the day. Place the packages I was unable to deliver away in the allocated area. I was in training to become a dispatcher.

Job Title: **Supervisor**

Employer: United States Post Office, San Jose, CA

Dates: 7/82 to 4/97

Duties: In charge of operations, customers service, employee attendance, finance, front windows, work with the Postal Inspectors, torts, claims, injury to employees, taking injured employees to doctors, vehicle accidents reports, daily reports, safety supervisor, route restructures, in charge of reporting all new buildings, audit the window clerks' stock and money, also did route checks and implemented Address Mailing system AMS and zip plus 4.

Education:

High School diploma from Andrew P. Hill High School.
Associates of Science from Gavilan College.
Attending California State University Monterey Bay.

CA Drivers

License Class:

B air brake, passengers endorsed, and M1

SEP 15 2022

OFFICE OF THE CITY CLERK

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS

Check one: Planning Commission Historic Resources Board

1. Applicant Name: DAN DE VRIES

2. Current Residence: [REDACTED]

Mailing Address: [REDACTED]

E-mail Address: [REDACTED]

3. Telephone Number: (Home) N/A (Work) N/A (Cell) [REDACTED]

4. How long have you been a resident of San Juan Bautista? 32 yrs.

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? CITY COUNCIL Term currently serving _____

PLANNING COMMA Term currently serving _____

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.

TO KEEP SAN JUAN BAUTISTA SMALL, HISTORIC,
AESTHETIC AND ECONOMICALLY PROSPEROUS.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

14 YEARS SUB PLANNING COMMISSION; 14 YEARS
SAN BENITO COUNTY PLANNING COMMISSION DIST. 2;
CITY COUNCIL; REAL ESTATE/LAND USE ATTORNEY

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

TO ENGAGE IN THE "HEAVY LIFTING" OF A PROJECT OR
APPLICATION, WITH FACTUAL AND REGULATORY ANALYSIS, IN THE
CONTEXT OF FULL PUBLIC PARTICIPATION.

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

SEE, ABOVE.

Applicant's Name DAN DE VRIES

10. List and provide a brief description of your current or last occupation.

LICENSED CA ATTORNEY.

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

I HAVE ATTENDED A FEW MEETINGS.

IMPROVEMENTS MIGHT TAKE PLACE IN THE AREA OF KEEPING THE DISCUSSION/ANALYSIS/DELIBERATION FOCUSED AND "ON TRACK."

12. Describe your involvement in community activities, volunteer and civic organizations.

SEE, ATTACHED.

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?

NO.

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

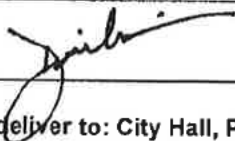
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Signature of Applicant



Date SEPT. 13, 2022

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045, FAX: 623-4093.

DANIEL J. DE VRIES



EDUCATION: *San Jose State University*
Bachelor of Arts, Economics;
Bachelor of Arts, Literature.

University of the Pacific
Juris Doctor

EMPLOYMENT:

1990 – 2000 *Hoge, Fenton, Jones & Appel, Inc., San Jose, CA*

Civil litigation and transactional: Phillips Petroleum, Bartlesville, OK; Goodyear Tire & Rubber Company, Akron OH; Sears Roebuck and Co., Chicago IL; Schnitzer Steel Corporation, Portland OR.

2000 – 2004 *Fenton & Keller, Inc., Monterey CA*

Civil litigation, transactional, construction, real estate: Pebble Beach Company, Pacific Grove, CA; Schnitzer Steel Corporation, Portland, OR.

2004 – present *De Vries Law Group, San Juan Bautista, CA*

Land use, agriculture, transactional, civil litigation: Earthbound Farm, San Juan, CA; Reiter Affiliated, Oxnard, CA; Driscoll's, Watsonville, CA; Sunset Bay Farms, Inc., Watsonville, CA; Schnitzer Steel Corporation, Portland, OR; Leal Vineyards, Hollister, CA; Pisoni Vineyards, Gonzales, CA; Calera Vineyards, Hollister, CA; Bonny Doon Vineyards, Santa Cruz, CA; agriculture.

COMMUNITY: San Juan Bautista Planning Commission, 1990 – 2004; San Benito County Planning Commission, 2004 – 2016; San Juan Bautista City Council, 2016 – 2020; San Juan Fire Dept.; Co-founder, San Benito Arts Council; Founder, "Save San Juan Valley"; Founding Member, San Juan Rotary Club; Board Member, San Benito Health Foundation; Board Member, Community Media Access Partnership (CMAP); San Juan Aromas Little League; Board Member, Marle Holte Holiday Dinners.

**CITY OF SAN JUAN BAUTISTA
APPLICATION FOR PLANNING COMMISSION - /HISTORIC RESOURCES BOARD**

1. Applicant Name: **David Medeiros**
2. Current Residence: [REDACTED]
3. Mailing Address: [REDACTED]
4. E-mail Address: [REDACTED]
5. Telephone Number: (Home) [REDACTED] (Cell) [REDACTED]

FILED
CITY OF SAN JUAN BAUTISTA
SEP 27 2022 *JJP*
OFFICE OF THE CITY CLERK

How long have you been a resident of San Juan Bautista? **76 years**
Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?
If yes, which one: **HR Board & Planning Commission** Term currently serving ___ Ending 11/22/2022

6. What motivated you to apply for this position? You may attach a separate sheet of paper.
My continued love for the city of San Juan Bautista, its community, and location. To support, enable, and serve the people of San Juan Bautista as one of its responsible and proactive citizens to meet its community and civic challenges to the general plan, ordinances, and welfare of its people while being positive, fair, open minded, transparent, and determined to move the city and its community always successfully into the future.
7. What skills or attributes can you bring to the Planning Commission/HRS? You may attach a separate sheet of paper. *I have over 9 years of experience as SJB HRB member and Commissioner. Over 50 years volunteer experience with the city of SJB as Youth & Adult sports director, Annual SJF Rodeo, Church festivals & Religious education & Finance Board member, worked on 3 city of SJB general plans, served on the strategic planning committee, chaired and vice chaired several SJB committees, boards, commissions, and 9+ years of state and federal government, municipal, civic, Conservation, Preservation, and Historical training.*
8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. What steps would you take to effectively exercise the Planning Commission/Historic Resources Board role? You may attach a separate sheet of paper.
To support, enable, and serve the people of San Juan Bautista to meet its community and civic challenges as stated in the general plan, ordinances, and expected by its people while I be positive, fair, honest, responsible, take ownership and proactive, open minded, transparent, bipartisan, and determined to move the city and its community always successfully into the future.
9. List any relevant education, training or experience that demonstrates your ability to effectively serve on the Planning Commission/Historic Resources Board. You may attach a separate sheet of paper.
AB degree from Gavilan college & AB&ABF degrees from University of Cal, Santa Cruz (Major in Art, Minor in Art History & Education & Design & Drafting) Over 25 years of electronics, computer technology, manufacturing, laboratory, Safety, Quality, people management, leadership training & education, business & data management experience. Many years' experiences in the restoration of Mission San Juan Bautista in the preservation of adobe structure, wall paintings, framed paintings, and religious statues. Professional artist, designer & photographer for the Mission San Juan Bautista Preservation Fund publicity committee.
10. List and provide a brief description of your current or last occupation:
Over 20 years Manufacturing manager for IBM San Jose. Managed temporary and permanent employees, on average 40+ employees in a computer technology, test manufacturing equipment, computer technical support teams, and warranty process, and global customer warranty administration and engineering support. Employee moral & safety, product quality and customer satisfaction. Professional artist, designer & photographer for the Mission San Juan Bautista Preservation Fund and publicity committee. Mission San Juan

Bautista Finance Board property & facility committee to annually inventory & prioritize all facility & property maintenance & install preventative maintenance measures.

11. Have you attended a City Council, Planning Commission/HRS meeting, Strategic Planning Committee, Town Hall Meeting, or public workshop? If so, please describe what you learned and what improvements you would suggest the city consider:

Yes, to all of them 1) Continue to work hard with the current city manager, directors, city staff, engineers, planners, and committees as a positive addition to the city's overall administration. 2) water distribution & water waste management best to be connected to Hollister system. 3) Housing and city growth best to serve small town walkable atmosphere while serving the most current general plan. Be extremely astute in federal, state, county, and city municipal governments while addressing land use, infrastructure, city development and growth, and to provide a local strategic and effective economic growth plan. San Juan Bautista to inspire and be a model to other cities in the we value the way of life for citizens within its sphere of influence and a leader in the quality of municipal government serving its people as a boundless productive, positive, and successful community.

12. Describe your involvement in community activities, volunteer, and civic organizations.

See above comments and statements for response to this question.

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Planning Commissioner/Historic Resources Board member? If yes, what can be done to accommodate these constraints? **NO**

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I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or Supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

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Applicants Signature:



Date: 09/27/2022

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CITY OF SAN JUAN BAUTISTA

APPLICATION FOR PLANNING COMMISSION - HISTORIC RESOURCES BOARD - LETTER OF INTEREST

09/27/2022

To: San Juan Bautista City Council

Please understand my continued love for the city of San Juan Bautista, its community and location are why I'm most prepared and honored to state the following.

As a responsible citizen, my wish is to support, be proactive, prepared, and work hard for the city San Juan Bautista to meet its community and civic challenges that may be imposed by the general plan, city ordinances and municipal codes, the welfare of its people, and by personally doing everything possible to move the city of San Juan Bautista and its community successfully into the future.

Since I have over 10 years' experience as SJB HRB member and Commissioner and 50+ years volunteer experience within the city of San Juan Bautista, worked on 3 city of SJB general plans, served on the strategic planning committee, chaired and vice chaired several SJB committees while being positive, fair, honest, responsible, taking ownership, open minded, transparent, bipartisan, I am determined to move the city of San Juan Bautista in the desired direction of the most current general plan and by the sincere guidance of its great people.

As I noted on the attached application for the Historical Resources Board and Planning commissioner, I do have the necessary experience and qualifications.

Please consider me to continue as a Historical Resources **Board** member and Planning commissioner.

Thank you

A handwritten signature in black ink, appearing to read 'David Medeiros', written in a cursive style.

David Medeiros



Trish Paetz

From: Don Reynolds
Sent: Thursday, September 29, 2022 9:34 AM
To: Mayor Jordan
Cc: Trish Paetz
Subject: FW: App for Planning Commissioner and Historic Resources Board
Attachments: David Medeiros HRB & PC App 2022 signed.pdf

FYI

Don Reynolds
City Manager
San Juan Bautista
P.O. Box 1420
311 Second Street
San Juan Bautista CA 95045
(831) 623-4661 x 14
C (831) 594-6322 (New!)

From: Commissioner Medeiros <d.medeiros@san-juan-bautista.ca.us>
Sent: Tuesday, September 27, 2022 4:28 PM
To: Veronica Munoz-N <officeasst@san-juan-bautista.ca.us>
Cc: Don Reynolds <citymanager@san-juan-bautista.ca.us>
Subject: App for Planning Commissioner and Historic Resources Board

Hello San Juan Bautista,

My term will be up this November, however, if anyone within the city would want to know whether I'd be interested in serving another term as Planning Commissioner and Historic Resources Board member, please note the following application See attached PDF file

Thank you for your consideration!

FILED
CITY OF SAN JUAN BAUTISTA
DEC 30 2022
OFFICE OF THE CITY CLERK

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS

Check one: Planning Commission Historic Resources Board

1. Applicant Name: Jose Aranda

2. Current Residence: [REDACTED]

Mailing Address: [REDACTED]

E-mail Address: [REDACTED]

3. Telephone Number: (Home) [REDACTED] (Work) [REDACTED] (Cell) [REDACTED]

4. How long have you been a resident of San Juan Bautista? 3.5 Yrs

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? _____ Term currently serving _____

_____ Term currently serving _____

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.
Wanting to give back by serving my community and staying involved with local government.

This would also give me a opportunity to stay current with community issues and have a voice in the decision making.
In addition this would be a great learning opportunity to get a better grasp on planning and zoning.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

With a background in IT Management, I would leverage my experience and skilket to bring fresh ideas and innovative approaches to current issues at hand. My day to day skill set consist of problem solving within a fast pace environment. I know how to be resourceful and creative, yet adapt to multiple situations at any given moment and find solutions quickly and effectively. Last, I'm personable, I have a great set of customer service skills that can be applied.

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

I would attend city hall meetings in person to get help me understand community issues and ordinances.
Be fair and open minded about community issues. Work closely with city council members and have an open line of communication so that I can bounce ideas off one another. Last, having the ability to communicate with others and respect one another as well as being personable.

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

Customer Service Skill Set and dealing with end users in my current role in my career. Learning to listen and understand a problem then coming up with a solution and plan to address it. Problem solving and project managing skills acquired through my current role.

Applicant's Name Jose Aranda

10. List and provide a brief description of your current or last occupation.
IT Manager - Manage a small team of IT specialist's. I budget, project manage and come up with solutions for end user services such as phones systems, video conferencing solutions, hardware solutions, etc
11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.
Yes, city council meetings. What I learned is that even though there are differences in opinion within city council, we are all after one goal and its to improve, protect and preserve are small community for generations to come. Also, It's great to see many coming together through community service and engagement to help keep things moving along.
12. Describe your involvement in community activities, volunteer and civic organizations.
I'm actively a rotary member and work closely with the city to host and put on events with fellow rotarians.
Work with Heidi to help with our small business in town.
Was part of the Ghost Walk and Holiday of Lights Parade.
13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?
None.

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

YOUR APPLICATION IS NOT COMPLETE UNTIL IT IS SIGNED AND RETURNED.

IMPORTANT NOTICE

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Applicants appointed to the Planning Commission and Historical Resources Board are required to file the Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700), which are also a public record. A copy of this form is available in the City Clerk's office or by visiting www.fppc.ca.gov.

Signature of
Applicant



Date 12/30/2022

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045,
FAX: 623-4093.

Trish Paetz

From: [REDACTED]
Sent: Saturday, December 31, 2022 12:00 AM
To: City Clerk
Cc: Trish Paetz; Don Reynolds
Subject: Re: Planning Commissioner Application

Also forgot to mention that this will serve as my letter of interest.

Thanks
Cheers,
-J

From: [REDACTED]
Date: Friday, December 30, 2022 at 11:58 PM
To: cityclerk@san-juan-bautista.ca.us <cityclerk@san-juan-bautista.ca.us>
Cc: deputycityclerk@san-juan-bautista.ca.us <deputycityclerk@san-juan-bautista.ca.us>, citymanager@san-juan-bautista.ca.us <citymanager@san-juan-bautista.ca.us>
Subject: Planning Commissioner Application

Hi There,

This is Jose Aranda a current resident at [REDACTED]

Attached is my application for the Planning Commissioner position.

I'm not able to drop off my form in person as I'm out of town for the Holiday.

I can drop off on Tuesday January 3, 2022 if that works.

Let me know if you have any questions or concerns.

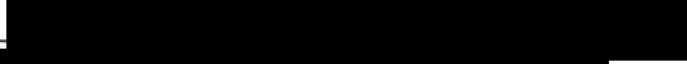
Cheers,
Jose Aranda
[REDACTED]

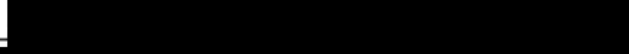
AUG 16 2022

CITY OF SAN JUAN BAUTISTA APPLICATION FOR COMMISSIONS AND BOARDS


Check one: Planning Commission Historic Resources Board

1. Applicant Name: Mishele Newkirk - Smith

2. Current Residence: 

Mailing Address: 

E-mail Address: 

3. Telephone Number: (Home) _____ (Work) 0 (Cell) 

4. How long have you been a resident of San Juan Bautista? 2y 4m

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? N/A Term currently serving _____

_____ Term currently serving _____

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

Applicant's Name Mishele Newkirk-Smith

10. List and provide a brief description of your current or last occupation.

For the past 25 years, I have been a high school science teacher.

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

12. Describe your involvement in community activities, volunteer and civic organizations.

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?

N/A

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

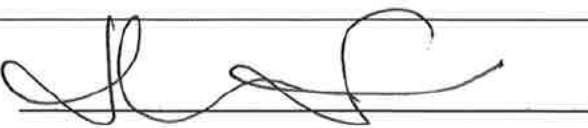
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Signature of Applicant



Date

8/12/22

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045, FAX: 623-4093.

Mishele Newkirk-Smith: Planning Commission

6. What motivated you to apply for this Board or Commission?

When my husband and I started to look for a home to buy a few years ago, we had many requirements for the neighborhood and very few for the actual house. We wanted to be a part of a small rural community where we could make friends with our neighbors and help each other. San Juan Bautista is everything we hoped for in our new community. Even though we moved in during the beginning of the pandemic, we were welcomed into Creek Bridge by our neighbors and the people we met on our daily walks. Now that the city is opening back up, I want to take an active role in planning the future of San Juan Bautista.

7. What skills or attributes can you bring to this Board or Commission?

Having lived in multiple countries and states, I have experienced key elements that make a small town appealing, such as walkable, friendly neighbors, unifying building front, cleanliness, communicative local government, and citizens who desire to embrace controlled change for the benefit of all. As a teacher, I value knowledge and understanding of topics and am not quick to pass judgment. I am a conscious listener, well organized, and educated. I respect all options and am to professionally disagree with someone.

8. The primary role of a Board or Commission is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise the specific Board or Commission role?

The steps I would take to effectively exercise the role is to be well informed on the topics and how the project will affect San Juan Bautista and its citizens. I feel it is very important to talk to all people living in SJB to be able to represent everyone's voices and not just friends. My advice and recommendations will be well thought out and articulated.

9. List any relevant education, training, or experience that demonstrates your ability to effectively serve on this Board or Commission.

As an experienced science educator, I am well versed in environmental concerns that can affect a project and the importance of preserving nature. My years in the classroom have taught me conflict resolution, multicultural understanding, and problem-solving. I can understand reports and maps as well as technical drawings. I can process information and form an option taking in the recommendations and voices of others.

10. List and briefly describe your current or last occupation.

For the past 25 years, I have been a high school science teacher.

Mishele Newkirk-Smith: Planning Commission

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

While I have not attended a live meeting, I have watched a few of the recorded City Council and Commission meetings. It is important for those citizens watching from home to feel a part of the live meetings. In the meetings I watched, the cameras were not directed toward the speaker's face but overhead, and the speaker's voice was not always clear. I would also implement a maximum time for each speaker to shorten the meeting length. The time limit would also encourage the speaker to condense comments into concise statements.

12. Describe your involvement in community activities and volunteer and civic organizations.

As a teacher, I believe in the importance of teaching children to give back to their community. There is no better way to teach than to show by example. For the past 30 years, I have volunteered for animal rescue organizations and local zoos. While my sons were boys, I worked with Boy Scouts of America in many roles for 16 years. I am a club advisor for Science Olympiad and Animal Lover's Club. I have volunteered at food distributions, food banks, and beach clean-ups. As a homeowner for the past 20 years in Port Ludlow, Washington, I have followed and participated in the very active Port Ludlow Commission which governs the resort community.

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR COMMISSIONS AND BOARDS


FILED
CITY OF SAN JUAN BAUTISTA


DEC 30 2022

OFFICE OF THE CITY CLERK

Check one: Planning Commission/Historic Resources Board
 Economic Development Citizens Advisory Committee
 Urban Growth Boundary-Sphere of Influence Ad-Hoc Committee

1. Applicant Name: Yolanda Delgado

2. Current Residence: San Juan Bautista Ca 95045
Mailing Address: 
E-mail Address: _____

3. Telephone Number: (Home) _____ (Work) _____ (Cell) 

4. How long have you been a resident of San Juan Bautista? 13 years

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? yes Term currently serving Planning Commission
yes Term currently serving Historic Resources Board

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.
see attached

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.
see attached

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.
see attached

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.
see attached

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS

Applicant's Name Yolanda Delgado

10. List and provide a brief description of your current or last occupation. see attached resume
-
11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider. see attached
-
12. Describe your involvement in community activities, volunteer and civic organizations. see attached
-
13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints? none
-

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I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

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Signature of Applicant  Date 12/29/2022

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045, FAX: 623-4093.

Yolanda Delgado

6) Having served on the Planning Commission over the last four years, I would like to continue serving in my capacity as a member of the Commission. Participation allows me to fulfill my passion for local government as well as my service to my community. Continuing as a member of the Commission will allow me to pay it forward for my City.

7) I have served on various committees and groups exemplifies my ability to work within City government and understand how to get past the "red tape" allows me to fulfill my role to the best of my ability. This experience is crucial for such positions, to ensure the City of San Juan Bautista is operating efficiently and effectively. For example, I continually pursued the Planning Commission as the chair and as a planning commissioner member of the city count ADUs in the city RHNA city manager, and I agreed to place this matter on the planning commission agenda to pass it up to the City Council.

8) I would like to change to having a concrete calendar to meet with the assistant city manager and city manager to go over the agendas so that we can all be on the same page. Also to set a clear boundary for effective communication and ensure a professional working relationship with the city manager and assistant city manager. Have more transparency so that the residents of San Juan.

11) Yes. I have learned how local government works. This knowledge is invaluable in order to a positive direction for our city.

12) I volunteer in the San Juan soccer club as a coach, I volunteer in Junior Giants as a coach and team parent, a parent leader for the scouts 428 of San Juan Bautista, and I am a member of CAB for the San Benito county

Yolanda Delgado



Summary: Over 30 years of experience in Transportation, Delivery, and Customer Service
COACH OPERATOR, 15 years' experience
SUPERVISOR, 15 years' experience in Operations and Customer Service. Planning Commissioner and Historical Board City of San Juan Bautista, and CAB for the County of San Benito
Bilingual in English and Spanish

Experience:

Job Title: **Bus Driver/Supervisor**

Employer: IHELP Monterey, CA

Length: 11/2020 to present

Duties: Operate passenger buses on regular and/or special routes, providing safe and efficient transportation. Collect fares, issue transfers, and give general information regarding routes, schedules and transfer points. Complete accident and other written reports. Complete bus inspection before and after operation. Actively promote good customer relations. Maintain bus schedules. Deal effectively and safely with unexpected circumstances as they arise. Drive every CT vehicle in our fleet. Supervised women to ensure their safety, assist with medical appointments, and to personal needs to keep them safe.

Job Title: **Bus Driver**

Employer: Sam Trans, San Carlos, CA

Length: 12 years

Duties: Operate passenger buses on regular and/or special routes, providing safe and efficient transportation. Collect fares, issue transfers, and give general information regarding routes, schedules, and transfer points. Complete accident and other written reports. Complete bus inspection before and after operation. Actively promote good customer relations. Maintain bus schedules. Deal effectively and safely with unexpected circumstances as they arise. Drive every CT vehicle in our fleet. On the board of the union. These consisted in negotiations with

Yolanda Delgado

contracts, representing union members with grievances.

Job Title: **Bus Driver**

Employer: VTA, San Jose, CA

Dates: 9/01 to 7/02

Duties: Operate passenger buses on regular and/or special routes, providing safe and efficient transportation. Collect fares, issue transfers, and give general information regarding routes, schedules and transfer points. Complete accident and other written reports. Complete bus inspection before and after operation. Actively promote good customer relations. Maintain bus schedules. Deal effectively and safely with unexpected circumstances as they arise. Drive every CT vehicle in our fleet.

Job Title: **Courier**

Employer: FedEx, San Jose, Ca

Dates: 4/97 to 9/01

Duties: Deliver and pick packages. Give great customer service; handle any problems in a professional manner. Report all accidents. Handle money and then turn it in at the end of the day. Place the packages I was unable to deliver away in the allocated area. I was in training to become a dispatcher.

Job Title: **Supervisor**

Employer: United States Post Office, San Jose, CA

Dates: 7/82 to 4/97

Duties: In charge of operations, customers service, employee attendance, finance, front windows, work with the Postal Inspectors, torts, claims, injury to employees, taking injured employees to doctors, vehicle accidents reports, daily reports, safety supervisor, route restructures, in charge of reporting all new buildings, audit the window clerks' stock and money, also did route checks and implemented Address Mailing system AMS and zip plus 4.

Education:

High School diploma from Andrew P. Hill High School.
Associates of Science from Gavilan College.
Attending California State University Monterey Bay.

CA Drivers

License Class:

B air brake, passengers endorsed, and M1

City Council Board and Committee Membership Responsibilities

<i>Organization</i>	<i>Primary</i>	<i>Secondary</i>	<i>Meeting Times</i>	<i>Remuneration</i>
LAFCO	Cesar Flores	Scott Freels	2 nd Wednesday 6:00 pm	None. (GC56325(b))
AMBAG	John Freeman	Cesar Flores	2 nd Wednesday 6:00 pm	\$50
COG	Mary Edge	Scott Freels	3 rd Thursday 4:00 pm + daytime special mtgs	\$100
Water Resources Assn (w/SBC Water Dist.)	Leslie Jordan	John Freeman	Monthly 1 st Thursday	None
West Nile Virus (San Benito County)	Mary Edge		As needed, 4 th Wednesday 3:15 pm	None
Integrated Waste Mgmt.-Local Task Force	John Freeman		Meets annually.	None
Monterey Bay Unified Air Pollution Control District Board (alternates between Hstr/SJB & S.Cruz Co. cities)	Hollister (Rotating membership)	Santa Cruz County/City	3 rd Wednesday 1:30 pm	\$100
CMAP Board	Cesar Flores	---	Monthly	None
Intergovernmental Committee	John Freeman	Leslie Jordan	Monthly, 1 st Thursday, 10:30 am	None
Ad Hoc Committee for Pkg w/in the City	Mary Edge & Leslie Jordan	---	As needed.	None
Ad Hoc Committee for Sphere of Influence & Urban Growth Boundary	Scott Freels & Mary Edge	---	Currently meeting at least monthly, Monday at 5:30 pm	

Ad Hoc Committee for Sheriff Contract	Scott Freels & Mary Edge	---	As needed.	None
Ad Hoc Committee for Cannabis	Scott Freels & John Freeman	---	As needed.	None
Investment Advisory Committee	John Freeman, CM, Treas., Accountant	---	As needed.	None
San Benito Homeless Planning Group (County)	Cesar Flores	Mary Edge	Monthly, 2 nd Monday 2:00 pm	None
Mont./SB County Continuum of Care Leadership Council	Cesar Flores	Mary Edge		None
Monterey Bay Comm. Power Authority Policy Board	John Freeman	Leslie Jordan	1 st Wednesday, 8 meetings/year 10:30 a.m.	\$100
Area Agency on Aging	Mary Edge	Cesar Flores		None
EDCAC	Leslie Jordan	N-A	Monthly, Thursday 6:00 p.m.	None
Public Safety Committee	Scott Freels Leslie Jordan Rachel Ponce (At Large)	PC Members (2)	Quarterly, 4 th Monday 4:00 p.m.	None
UGB-SOI	Scott Freels Mary Edge	At Large – PC Members (2)	As needed	None

1/17/2021 -tsp



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

TITLE: Resolution Affecting the Disposition of Parklets Pending
Governors Action Lifting COVID State Of Emergency

MEETING DATE: January 24, 2023

SUBMITTED BY: Brian Foucht, Community Development Director

RECOMMENDED ACTION(S):

Adopt a resolution ordering the removal of certain parklets, and directing the City Manager to make funds available to defray the cost of removal within 60 days of the date of lifting of the State of Emergency due to COVID-19 by the State of California.

BACKGROUND INFORMATION:

In April 2020 the City began meeting weekly with its downtown businesses to develop a plan in response to the ongoing Public Health Emergency. Thereafter, the City Council adopted Resolution 2020-24, enabling the establishment of outdoor shopping and dining via expansion of businesses into the right of way. Third Street was converted to a single, one-way lane to enable this expansion. Resulting parklets were originally approved for a three-month period ending December 31, 2020. On November 10, 2020, the City Council agreed to extend the parklets until March 30, 2021, and thereafter agreed to successive extensions to September 30, 2021 and March 30, 2022 pending adoption of an ongoing policy.

During the referenced hearings, the subject of “permanence” has involved issues of non-conformity, long term planning and design of the Third Street streetscape, public safety, infrastructure, relationship to buildings, structures and landscaping within the Third Street Historic District and cost of removal. It is established that to allow permanent “parklet” type outdoor commercial use would first require a thorough evaluation of the historic Third Street district streetscape.

City Council resolution 2022-21 directed the City Manager to cease issuing Encroachment Permits for parklet construction and requested input from the EDCAC regarding continuance of parklets. The City Council thereafter adopted Resolution 2022-40 establishing a policy for ongoing disposition of parklets as follows:

- *Parklets are generally perceived to be beneficial to the community and to the sponsoring business.*
- *There are noted adverse effects of parklets; however, the benefits outweigh the noted adverse effects.*
- *Parklets should not be prevalent on Third Street in the short term. As a means of limiting noted short term adverse effects, the present parklet experience should not be expanded.*

- *It is important to know and understand the attitudes and perspectives of the community, business owners and visitors.*
- *Parklets should remain until-the Third Street Master Plan construction begins. Third Street Master Plan parklet/plaza concepts should be shaped by referenced surveys and testimonials. The parklet experience should be re-imagined for use in the context of the Third Street Master Plan.*

The Governor's office, on October 17, 2022 announced that the COVID 19 State of Emergency will end on February 28, 2023, and the State will rely on ongoing, enhanced public health initiatives to drive down rates and severity of infection. On December 20, 2022, the City Council directed the City Manager to return with a resolution that would institute a revised policy affecting parklets that would go into effect at such time that the COVID State Of Emergency is lifted, currently scheduled for February 28, 2023.

DISCUSSION:

The attached resolution will implement a revised policy contingent upon the Governor lifting the Covid – 19 State of Emergency as follows:

1. Continue the restriction against encroachment permits for new or replacement parklets;
2. Terminate the current encroachment permit authorization for parklets not associated with a restaurant or bar and require parklet removal within 15 days after the COVID State of Emergency is lifted.
3. Retain existing parklets established for eating establishments and bars and require the issuance of new Encroachment Permits subject to the following:
 - a) Required permit fees, costs for inspection, insurance and refundable security deposit of \$1,000 to cover the cost of City removal, if needed.
 - b) A parking space rental fee, to be determined by the City Council, as a Business License Tax surcharge payable on a pro-rated basis for the months March - June 2023 and for the succeeding 12 months at the time of business license renewal.
 - c) New issued encroachment permits to expire upon approval by the City Council of the Third Street Master Plan.
4. Compensate parklet owners required to remove parklets from the General Fund, in accordance with this resolution for the reasonable cost of removal, not to exceed \$750.00 per parklet;

Attached:
City Council Resolution

RESOLUTION 2023- XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA ESTABLISHING THE TERM OF PARKLETS ENCROACHMENT PERMIT

WHEREAS, in an effort to control the pandemic caused by the COVID-19 virus and in response to the Governor's COVID - 19 Emergency Declaration, City Council declared a State of Emergency March 17, 2020; and

WHEREAS, the shelter in place health orders that followed the State Of Emergency closed all but essential businesses; and

WHEREAS, this closure of businesses was harmful to the City's economy and the City, among many other things, initiated the Transformation of Third Street by adopting Resolution 2020-24, on May 19, 2020; and

WHEREAS, to implement the Transformation of Third Street, business owners were offered the opportunity to expand their business onto the public right-of-way and build decks, also known as "parklets," where customers could sit safely and enjoy their services; and

WHEREAS, in an effort to protect the historic nature of the downtown, parklets were required to be built in compliance with Guidelines adopted via City Council Resolution 2021-61; and

WHEREAS, the parklet program was approved by the City Council for a period of six months ending December 31, 2020, and serially extended until March 30, 2021, February 16, 2021 September 30, 2021, March 30 2022, and May 31, 2022 via Resolution 2022-21; and

WHEREAS, the City Council has approved and budgeted funds for the preparation of a Master Streetscape Plan (Third Street Master Plan) for the San Juan Bautista Downtown with a focus on Third Street Mixed Use area and desires to utilize the community's experience with parklets to evaluate the character of public improvements within the Downtown area; and

WHEREAS, the City Council has requested and received the evaluation and recommendation of the City of San Juan Bautista Economic Development Citizens Advisory Committee (EDCAC) established, in part, for this purpose; and

WHEREAS, the City Council has considered the recommendations of the Economic Development Citizen Advisory Committee (EDCAC), the Historic Resources Board and the Planning Commission regarding the City policy regarding parklets and the term of parklets; and

WHEREAS, the City Council has considered the October 17, 2022 announcement by the Governor of the State of California, that the COVID 19 State of Emergency will end on February 28, 2023. Notwithstanding this announcement, the City Council is aware that COVID-19 variants represent a continuing and current threat to public health, safety and general welfare.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL hereby directs the City Manager to implement the following measures:

1. Continue the restriction against encroachment permits for new or replacement parklets;
2. Except as provided in section 3 below, terminate the current encroachment permit authorization for all parklets and require parklet removal within 15 days after the COVID State of Emergency is lifted.
3. Retain existing parklets established for eating establishments and bars and require the issuance of new Encroachment Permits subject to the following:
 - a) Required permit fees, costs for inspection, insurance and refundable security deposit of \$1,000 to cover the cost of City removal, if needed.
 - b) A parking space rental fee, to be determined by the City Council, as a Business License Tax surcharge payable on a pro-rated basis for the months March - June 2023 and for the succeeding 12 months at the time of business license renewal.
 - c) New issued encroachment permits to expire upon approval by the City Council of the Third Street Master Plan.
4. Compensate parklet owners required to remove parklets from the General Fund, in accordance with this resolution for the reasonable cost of removal, not to exceed \$750.00 per parklet;

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista on the 24th day of January 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

AGENDA TITLE: ACKNOWLEDGE RECEIPT OF A REPORT BY THE HOLLISTER FIRE CHIEF REGARDING THE INSPECTION OF CERTAIN OCUPANCIAS IN THE CITY

MEETING DATE: January 24, 2023

SUBMITTED BY: Fire Marshal Charlie Bedolla

BRIEF DESCRIPTION: A Resolution of the City Council authorizing the acceptance and to acknowledge receipt of a report made by the Fire Chief of the Hollister Fire Department regarding the inspection of certain occupancies required annually pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.

RECOMMENDATION: Staff recommends the City Council ADOPT a Resolution to authorize the acceptance of Senate Bill No. 1205, an act to add Section 13146.4 to the Health and Safety Code, relating to fire protection and to acknowledge receipt of a report made by the Fire Chief of the Hollister Fire Department regarding certain occupancies annual inspections.

DEPARTMENT SUMMARY

After the tragic 2016 “Ghost Ship Fire” in Oakland that killed 36 people, Senator Jerry Hill introduced Senate Bill 1205 The Fire Protection Services – Compliance Reporting. The bill was passed, and Section 13146.4 was added to the States Health and Safety Code last year.

California Health & Safety Code Section 13146.4 was added in 2018 and became effective on September 27, 2018. Said code requires all fire departments that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities to comply with building standards, as provided. California Health & Safety Code Section 13146.2 requires all fire departments that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3.

This Resolution will fulfill the requirements of the California Health & Safety Code regarding acknowledgement of the Hollister Fire Department’s compliance with California Health and Sections 13146.2 and 13146.3.

The City Council of the City of San Juan Bautista expressly acknowledges the measure of compliance of the Hollister Fire Department with California Health and Safety Code Sections 13146.2 and 13146.3 in the encompassed areas as follows:

A. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the City of San Juan Bautista, there lie three Group E occupancies, buildings, structures and/or facilities. During calendar year 2022, the Hollister Fire Department completed the annual inspection of three Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

B. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for the purposes of this resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (two units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden.

Within the City of San Juan Bautista, there lie 21 Group R (and their associated sub-categories) occupancies of this nature.

During calendar year 2022, the Hollister Fire Department completed the annual inspection of 21 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

C. INSTITUTIONAL GROUP I OCCUPANCIES:

Institutional Group I occupancy includes, among others, for the purposes of this resolution, the use of a building or structure, or a portion thereof, in which people are cared for or live in a supervised environment, having physical limitations because of health or age, are harbored for medical treatment or other care or treatment, or in which people are detained for penal or correctional purposes or in which the liberty of the occupants is restricted.

Within the City of San Juan Bautista, there lie 0 Group I (and their associated sub-categories) occupancies of this nature.

During calendar year 2022, the Hollister Fire Department completed the annual inspection of Group I occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

Additional items of note regarding this compliance rate can be found in the accompanying staff report for this resolution.

FINANCIAL IMPACT: N/A

CEQA: N/A

ATTACHMENTS:

2022 – City of San Juan Bautista Inspections

RESOLUTION 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
ACKNOWLEDGING HFD TO PERFORM THE INSPECTION OF CERTAIN
OCCUPANCIES REQUIRED ANNUALLY PURSUANT TO SECTIONS 13146.2 AND
13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE AND AUTHORIZE
THE ACCEPTANCE OF SENATE BILL NO. 1205**

WHEREAS, on September 27, 2018, the State of California passed Senate Bill 1205 (SB 1205) adding a new section to the California Health and Safety Code which affects every fire department or fire district in the State; and

WHEREAS, the existing law, California Health & Safety Code Sections 13146.2 and 13146.3, requires every fire department or fire district to inspect every building used as a public or private school, hotels, motels, lodging houses, and apartment complexes annually; and

WHEREAS, this new bill requires every fire department or fire district to report annually to its administering authority their compliance with the annual inspection requirements of the California Health and Safety Code. The bill also requires the administering authority to formally acknowledge receipt of the compliance report in a resolution or a similar formal document; and

WHEREAS, the Hollister Fire Department has performed inspections for compliance with SB 1205; and

WHEREAS, the City Council of the City of San Juan Bautista has reviewed the report from the Fire Chief related to compliance with SB 1205.

NOW, THEREFORE, IT IS RESOLVED, that the City Council of the City of San Juan Bautista has received this report by the Hollister Fire Department for compliance reporting with Senate Bill 1205.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a Regular Meeting held this 24th day of January, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

**2022 CITY OF SAN JUAN BAUTISTA
STATE MANDATED INSPECTIONS**

INSPECTIONS COMPLETED			COMPLIANCE
EDUCATIONAL GROUP E			
E (Schools)	3 OF 3		100%
TOTAL	3 OF 3		100%
RESIDENTIAL GROUP R			
R-1 (Hotel/Motels)	2 OF 2		100%
R-2 (Apartments)	19 OF 19		100%
TOTAL	21 OF 21		100%
INSTITUTIONAL GROUP I			
I (Jails/Courthouse)	0		100%
TOTAL	0		100%
OVERALL INSPECTIONS	24 OF 24		100%

RESOLUTION NO. 2023- XX

**A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA ADOPTING THE
2022 SAN BENITO COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION
PLAN (“HMP”)**

WHEREAS, Chapter 5-33 of the Municipal Code defines and describes the City’s “Emergency Organization and Functions;” and

WHEREAS, the purpose of Chapter 5-33, as described in the first section 5-33-010, are to provide for the preparation and carrying out of plans for the protection of persons and property within this City in the event of an emergency, the direction of the emergency organization, and the coordination of the emergency functions with all other public agencies, corporations, organizations, and affected private persons on the local, regional, Statewide, and national levels; and

WHEREAS, the role of the City Manager is to act as the Director of Emergency Services, and to that end, the City Manager is responsible for preparing for and responding to emergencies; and

WHEREAS; the City’s emergency preparation and responses are guided by the Multi-Jurisdictional Hazard Mitigation Plan, (“HMP”) and for the City, this is a regional Plan known as the San Benito County Multi-jurisdictional Hazard Mitigation Plan, last amended in 2016; and

WHEREAS, since 2011, the County has maintained a HMP that meets the requirements of the Stafford Act and Title 44 Code of Federal Regulations (“CFR”) Section 201.6; and

WHEREAS, using Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program funds, since March 2020, the San Benito County of Office of Emergency Services (County OES) has completed an update of the MHP, a document of 1,000 pages that has been made available on the City’s web-site for residents to consider; and

WHEREAS, the HMP serves as a strategy for the implementation and maintenance of the hazard mitigation programs of five jurisdictions including the City, the City of Hollister and the San Benito County Water District and Sunnyslope Water District; and

WHEREAS, the update of the 2016 HMP incorporates direct participation and feedback from the San Juan Bautista City Manager and representatives from the four other jurisdictions, community outreach and feedback, as well as lessons learned from recent California wildfires threatening the County is 2018, drought seasons 2014-2017, intermittent flood events, and the coronavirus disease 2019 (COVID-19) pandemic; and

WHEREAS, to reduce the impacts of natural and man-made disaster, federal Disaster Mitigation Act of 2000 requires local governments to have an approved HMP as a condition of pre-and post-award-disaster assistance, and a requirement in order to apply for grants under the mitigation grants program; and

WHEREAS, the draft HMP was reviewed by California Office of Emergency Services and approved in August 2022, FEMA approved the HMP in October 2022, approved by the County Board of Supervisors Resolution 2022-139 November 8, 2022, and the HMP is now ready for approval by each of the four other local jurisdictions; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA NOW HEREBY FINDS:

1. That the recitals in this Resolution and accompanying staff report are true and correct and are hereby made a part of this Resolution.
2. That it hereby adopts this Plan, as the official Hazard Mitigation Plan for the City of San Juan Bautista.
3. It authorizes the City Manager and/or delegate to participate in the drafting of future revisions as required by the Disaster Mitigation Act of 2000 and FEMA, and submit them to the City Council for approval for a period of five (5) years from the date of this Resolution.
4. That the City will comply with all applicable Federal Statutes and Regulations in effect with respect to the requirements of any federal grants programs awarded to the City in the next five years including 44 CFR 13.11 (C), and will amend the Plan as required by 44 CFR 13.11 (D).

BE IT FURTHER RESOLVED, that this Plan has been approved by San Benito County, Cal OES and FEMA, and a copy of this Resolution will be forwarded to each Agency.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a special meeting held on the 24th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: ADOPTION OF THE 2022 SAN BENITO COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN (“HMP”)

MEETING DATE: January 24, 2023

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDED ACTION(S):

It is recommended that the City Council adopt the attached Resolution and thereby adopt the 2022 San Benito County Multi-Jurisdictional Hazard Mitigation Plan (“HMP”)

BACKGROUND INFORMATION:

To reduce the impacts of natural and manmade disasters, the federal Disaster Mitigation Act was adopted in 2000. It requires local governments to have an approved HMP as a condition or pre- and post-award-disaster assistance, and requirement to apply for mitigation grants. Since 2011, the County has maintained a HMP that meets the requirements of the Stafford Act and Title 44 Code of Federal Regulations (CFR) §201.6, with the previous plan update completed in 2016.

DISCUSSION:

The 2022 San Benito County Multi-jurisdictional HMP will serve as a strategy for implementation and maintenance of the hazard mitigation program in San Benito County. It incorporates lessons learned from recent California wildfires; specifically, fires threatening San Benito County in 2018, drought seasons of 2014-2017, intermittent flood events, and the coronavirus disease 2019 (COVID-19) pandemic. Attached with the Resolution are the first fifteen pages of the 1,001 page document. They include the Table of Contents and the purpose of the HMP, and the public process by which it was reviewed and updated. Funding for this planning process was obtained through the Federal Emergency Management Association (FEMA) Hazard Mitigation Grant Program.

The City Manager was an active participant in the Plan update. The City’s relationship with its rural neighbors in the canyons, with ag producers, and with other regional government partners is critical to the effectiveness of this Plan as implemented. The concepts in the Plan were shared with the City Council last fall, and most recently with the Public Safety Committee. After approval

from FEMA, City staff attended nine different trainings hosted by the County Office of Emergency Services.

FISCAL IMPACT:

There is no immediate fiscal impact. Having an approved HMP is required before the City can receive state and federal relief and grant funds.

ATTACHMENTS:

Proposed Resolution

HMP Pages 1- 15

COUNTY OF SAN BENITO, CALIFORNIA

Multi-Jurisdictional Hazard Mitigation Plan

PARTICIPATING JURISDICTIONS:

*County of San Benito County, City of Hollister, City of San Juan Bautista,
Sunnyslope County Water District, and San Benito County Water District*

September 2022



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1 Introduction

1.1 Background

The 2021 San Benito County Multi-Jurisdictional Hazard Mitigation Plan (HMP) update was developed to reduce the San Benito County community's vulnerability to natural and manmade disasters and increase community resilience. Since 2011, the County has maintained a HMP that meets the requirements of the Stafford Act and Title 44 Code of Federal Regulations (CFR) §201.6, with the previous plan update completed in 2016. The 2021 San Benito County Multi-Jurisdictional HMP will serve as a strategy for implementation and maintenance of the mitigation program in San Benito County. The 2021 HMP incorporates lessons learned from recent California wildfires, specifically fires threatening San Benito County in 2018, drought seasons of 2014-2017, intermittent flood events, and the coronavirus disease 2019 (COVID-19) pandemic. Funding for this planning process was obtained through the Federal Emergency Management Association (FEMA) Hazard Mitigation Grant Program.

1.2 Purpose

The purpose of the HMP is to meet and exceed FEMA hazard mitigation planning requirements to maintain eligibility for FEMA's Hazard Mitigation Assistance (HMA) grants. The plan does not have the authority to establish policy or have other legal implications. Rather, the planning process, resulting HMP, and intended mitigation action implementation indicate the County's strategy to increase the resiliency of the community to hazard events.

1.3 Scope

While the San Benito County HMP applies to all communities in San Benito County. A total of five participating jurisdictions are included in the 2021 San Benito County Multi-Jurisdictional HMP: San Benito County, the City of Hollister, the City of San Juan Bautista, San Benito County Water District (SBCWD), and Sunnyslope Water District (SSWD). These jurisdictions fully participated in the planning update process and adopted the Plan to retain eligibility as direct recipients of HMA grants. **Appendix B. Planning Process** summarizes the involvement of representatives from each of these communities in the hazard mitigation planning process.

1.4 Plan Organization

This Plan consists of the Base Plan, its Appendices, and the Jurisdictional Annexes. The Base Plan is comprised of the following sections:

- **Section 1 Introduction** introduces the reader to the Plan and provides context for the information included in the Plan.



- **Section 2 Planning Process** describes the planning process and records the participation of stakeholders in the planning process.
- **Section 3 County Profile** analyzes the demographics, geography, and climate in the County to inform the mitigation planning process.
- **Section 4 Risk Assessment** analyzes the County's and jurisdictions' risks to natural and man-made hazards.
- **Section 5 Lifeline Vulnerability Assessment** analyzes the County's and jurisdictions' vulnerabilities to natural and man-made hazards.
- **Section 6 Capability Assessment** collates the County's capabilities and assesses how these capabilities can support mitigation programs or be improved to support mitigation.
- **Section 7 Mitigation Strategy** describes the County's mitigation strategy, including the Plan's goals for a mitigation program and County specific actions, and provides a road map for the County of how to implement the Plan throughout the planning cycle.

The Base Plan Appendices include tools and data that supported the development of the Plan or will support the implementation of the plan.



2 Planning Process

The following section details the process used to develop the San Benito County HMP. Detailed documentation of this process, including records of meeting attendance, presentations, and the Engagement Strategy can be found in **Appendix J. Planning Process**.

2.1 Stakeholder Organization and Responsibilities

The stakeholders involved in the development of the San Benito County HMP are distributed between three categories, as shown in Figure 1. This tiered structure is outlined by participation in the planning process. More details on the responsibilities of each group and their participation in the planning process are included in the subsections below.

Figure 1: Audience Organization



2.1.1 Planning Committee

The Planning Committee consisted of leadership and advisory support from the California Governor's Office of Emergency Services (Cal OES), California Department of Forestry and Fire Protection (CAL FIRE): San Benito-Monterey Unit, San Benito County OES, SBCWD, SSWD, City of Hollister, and City of San Juan Bautista. This group was responsible for organizing and executing the planning process, directing the development of the HMP, and reviewing drafts of planning documents. They were consulted to make high-level decisions about the purpose and goals of the HMP. This group was also invited to participate in the activities outlined for the Stakeholder Group and public.

The responsibilities of the Planning Committee include:



- Organize and carry out the planning process.
- Make high level decisions about the purpose and goals of the Plan.
- Collect information from the stakeholders to update the Plan.
- Participate in Capabilities Survey in May 2021.
- Develop and finalize drafts of the Plan documents.

Table 1: Members of the Planning Committee

Name	Job Title	Organization
Adam Amaral	Senior Emergency Services Coordinator	Cal OES
Bob Martin del Campo	Fire Chief	Hollister Fire Department
Brett Miller	City Manager	City of Hollister
Charlie Bedolla	Battalion Chief	Hollister Fire Department
Don Reynolds	City Manager	City of San Juan Bautista
Drew Lander	General Manager	SSWD
Garrett Haertel	Deputy District Engineer	SBCWD
Kris Mangano	Emergency Services Manager	San Benito County OES
Madison Mitchell	Staff Analyst	San Benito County OES
Matt Streck	Assistant Chief	CAL FIRE San Benito-Monterey Unit
Michael Meddles	Chief	CAL FIRE West Division
Mike Chambless	Code Enforcement Officer	Hollister Resource Management Agency (RMA)
Reno DiTullio	Unit Chief	CAL FIRE San Benito-Monterey Unit
Rich Brown	Code Enforcement Officer	City of San Juan Bautista
Rob Hillebrecht	Associate Engineer	SSWD

2.1.2 Stakeholder Group

The Stakeholder Group consisted of a larger audience of community representatives. The Planning Committee defined the composition of the Stakeholder Group, which included key entities the County regularly interacts with, including:



- Law enforcement groups;
- Regional and federal agencies;
- Community risk reduction groups (e.g., San Benito Fire Council);
- Neighboring jurisdictions;
- Utility providers;
- Cultural and faith-based organizations; and
- County and City departments that manage economic development, land use, housing, health and social services, infrastructure, and natural resources.

The Stakeholder Group was invited to provide feedback on drafted plan sections. They provided input on the development of the plan given their understanding of local community needs and values. As needed, Planning Committee consulted with individuals in the Stakeholder Group for subject matter expertise on specific topics. This group will also be invited to participate in the activities outlined for the public.

The responsibilities of the Stakeholder Group include:

- Maintain awareness of the plan update process.
- Provide subject matter expertise as requested.
- Participate in Community Hazards Survey in February 2021.
- Participate in Mitigation Strategy Workshop in July 2021.
- Participate in the Plan Review Webinar in September 2021.
- Review draft Plan during the stakeholder review period in November 2021.
- Participate in Plan-to-Project Workshop in February 2021.

Table 2: Invited Members of the Stakeholder Group

Jurisdiction	Organizations
Federal	<ul style="list-style-type: none"> • FEMA Region X • Environmental Protection Agency (EPA)
State	<ul style="list-style-type: none"> • CAL FIRE • Cal OES
Regional	<ul style="list-style-type: none"> • Santa Cruz County OES • Monterey County OES • City of Morgan Hill
Local	<ul style="list-style-type: none"> • City of Hollister Animal Care & Services • City of Hollister Police Department • San Benito County Administrative Officer • San Benito County Agriculture Commissioner • San Benito County Business Council • San Benito County GIS • San Benito County Health and Human Services Agency (HHSA) • San Benito County Integrated Waste Management Department • San Benito County Local Transportation Authority • San Benito County Office of Education • San Benito County RMA • San Benito County Sherriff's Office • Seniors Council of Santa Cruz and San Benito Counties



Jurisdiction	Organizations
Private / Nonprofit	<ul style="list-style-type: none"> • American Red Cross of the Central Coast • Community Food Bank San Benito County • Community Services Development Corporation • Hazel Hawkins Memorial Hospital • Pacific Gas & Electric Company (PG&E) • San Benito Fire Safe Council • United Way of San Benito County

2.1.3 Public

The Public consisted of the residents of San Benito County. The Public was invited to participate in surveys to document their understanding of community hazards and capabilities to mitigate those hazards. They also had the opportunity to directly review and provide feedback on the completed HMP prior to its submission to FEMA.

The responsibilities of the Public include:

- Participate in Community Hazards Survey in February 2021.
- Participate in the Public Review Webinar in November 2021.
- Review draft Plan during public review period in November and December 2021.

2.2 Plan Update Process

2.2.1 Jurisdictional Participation

The HMP includes the five participating jurisdictions including: San Benito County, the City of Hollister, the City of San Juan Bautista, SBCWD, and SSWD. All five jurisdictions contributed to and participated in the collaborative planning process to produce the multi-jurisdictional plan. In addition to participation in the collaborative County planning process, the City of Hollister conducted a comprehensive hazard mitigation planning process in conjunction with their Hollister 2040 General Plan update. This work is incorporated into the HMP and included as a jurisdictional annex to the HMP in **Appendix I. Hollister Jurisdictional Annex**. Hollister chose to complete a comprehensive jurisdictional annex in addition to participating in the collaborative planning process to ensure alignment between the City’s general plan and widely reflects the vision and priorities of the City. Participation in the HMP indicates the commitment of the five jurisdictions to mitigate risk to and increase the resilience of the whole San Benito County community.

2.2.2 Planning Meetings

The planning process included various included bi-weekly meetings to engage the Planning Committee and collect necessary information to develop the Plan. Table 3 provides an overview of the meetings conducted during the planning process and describes the purpose of each



meeting. Documentation from each of these meetings, including agendas, presentation materials, and notes, are included in **Appendix J. Planning Process**.

Table 3: Planning Meetings and Workshops

Title	Date	Purpose
Kick-Off Meeting	1/13/2021	<ul style="list-style-type: none"> • Introduce the hazard mitigation planning process • Review project schedule and deliverables • Discuss approach to the Risk Assessment
Planning Committee Meeting	2/10/2021	<ul style="list-style-type: none"> • Discuss proposed hazards for the risk assessment • Introduce community lifelines concept • Discuss engagement strategies for various audiences
Planning Committee Meeting	2/24/2021	<ul style="list-style-type: none"> • Discuss Community Hazards Survey distribution methods • Identify members for the stakeholder group
Planning Committee Meeting	3/20/2021	<ul style="list-style-type: none"> • Confirm Community Hazards Survey distribution logistics • Prepare for the Risk Assessment Meeting • Request data to support the Risk Assessment
Planning Committee Meeting	3/24/2021	<ul style="list-style-type: none"> • Past significant hazard events • Discuss significant past hazard events and their direct and cascading impacts on the County • Identify community assets to be protected • Conduct an initial prioritization of hazards
Planning Committee Meeting	4/7/2021	<ul style="list-style-type: none"> • Review Risk Assessment Meeting agenda and logistics • Introduce contents of Risk Assessment • Discuss process for Risk Assessment Draft distribution and feedback collection
Planning Committee Meeting	4/28/2021	<ul style="list-style-type: none"> • Review Risk Assessment Meeting • Collect additional feedback on the Risk Assessment Draft • Introduce Capability Assessment Survey
Planning Committee Meeting	5/12/2021	<ul style="list-style-type: none"> • Remind Planning Committee to fill out the Capability Assessment Survey • Review Capability Assessment Webinar agenda and logistics
Planning Committee Meeting	6/15/2021	<ul style="list-style-type: none"> • Review Capability Assessment Webinar • Discuss upcoming planning process milestones
Planning Committee Meeting	7/8/2021	<ul style="list-style-type: none"> • Discuss approach to evaluating previous mitigation actions • Review Mitigation Strategy Workshop agenda and logistics
Planning Committee Meeting	7/28/2021	<ul style="list-style-type: none"> • Review Mitigation Strategy Workshop • Discuss outstanding items for Plan development
Planning Committee Meeting	8/25/2021	<ul style="list-style-type: none"> • Determine approach to Plan Review Meeting • Review upcoming community engagement activities
Planning Committee Meeting	9/8/2021	<ul style="list-style-type: none"> • Discuss the upcoming Plan Review Meeting • Review remaining project deliverables
Planning Committee Meeting	10/6/2021	<ul style="list-style-type: none"> • Identify outstanding information for the Mitigation Strategy • Discuss approval and adoption requirements



2.2.3 Outreach

To promote participation of the whole community in the planning process, San Benito County conducted outreach throughout plan development. This section details different aspects and components of this outreach. **Appendix J. Planning Process** includes documentation of this engagement.

2.2.3.1 ENGAGEMENT STRATEGY

At the beginning of the planning process, the Planning Committee developed an Engagement Strategy to identify goals for the engagement, define the various audiences, and describe different methods that will be considered and utilized during the planning, execution, and evaluation of various outreach activities. The objectives identified in the Engagement Strategy are as follows:

- Increase community knowledge about relevant hazards and related mitigation activities;
- Collect comprehensive feedback and input; and
- Promote collaboration among stakeholders that may extend beyond the HMP process.

These objectives were established to focus the planning process on effectively engaging the whole community.

2.2.3.2 WORKSHOPS AND WEBINARS

The Planning Committee and Stakeholder Group were invited to participate in five workshops or webinars over the course of the planning process. The purpose of these events was to engage the participants, gather information needed to develop the Plan, and collect feedback on drafted deliverables. The evolving COVID-19 pandemic directed the nature of engagement and limited the ability of the Planning Committee, Stakeholder Group, and public to meet in person. The format of engagement was conducted in compliance with local and State public health safety regulations.

Table 4 provides an overview of the workshops and webinars offered to the Planning Committee and Stakeholder Group, including the date, purpose, and format of the event.

Table 4: Planning Meetings and Workshops

Title	Date	Format	Purpose
Risk Assessment Meeting	4/14/2021	Virtual Webinar	<ul style="list-style-type: none"> • Introduce the purpose and process of hazard mitigation planning • Discuss the initial findings of the Risk Assessment • Collect community context for hazard impacts on community lifelines
Capability Assessment Webinar	5/26/2021	Virtual Webinar	<ul style="list-style-type: none"> • Review project progress • Discuss the initial findings of the Capability Assessment • Identify additional resources to build mitigation capacity



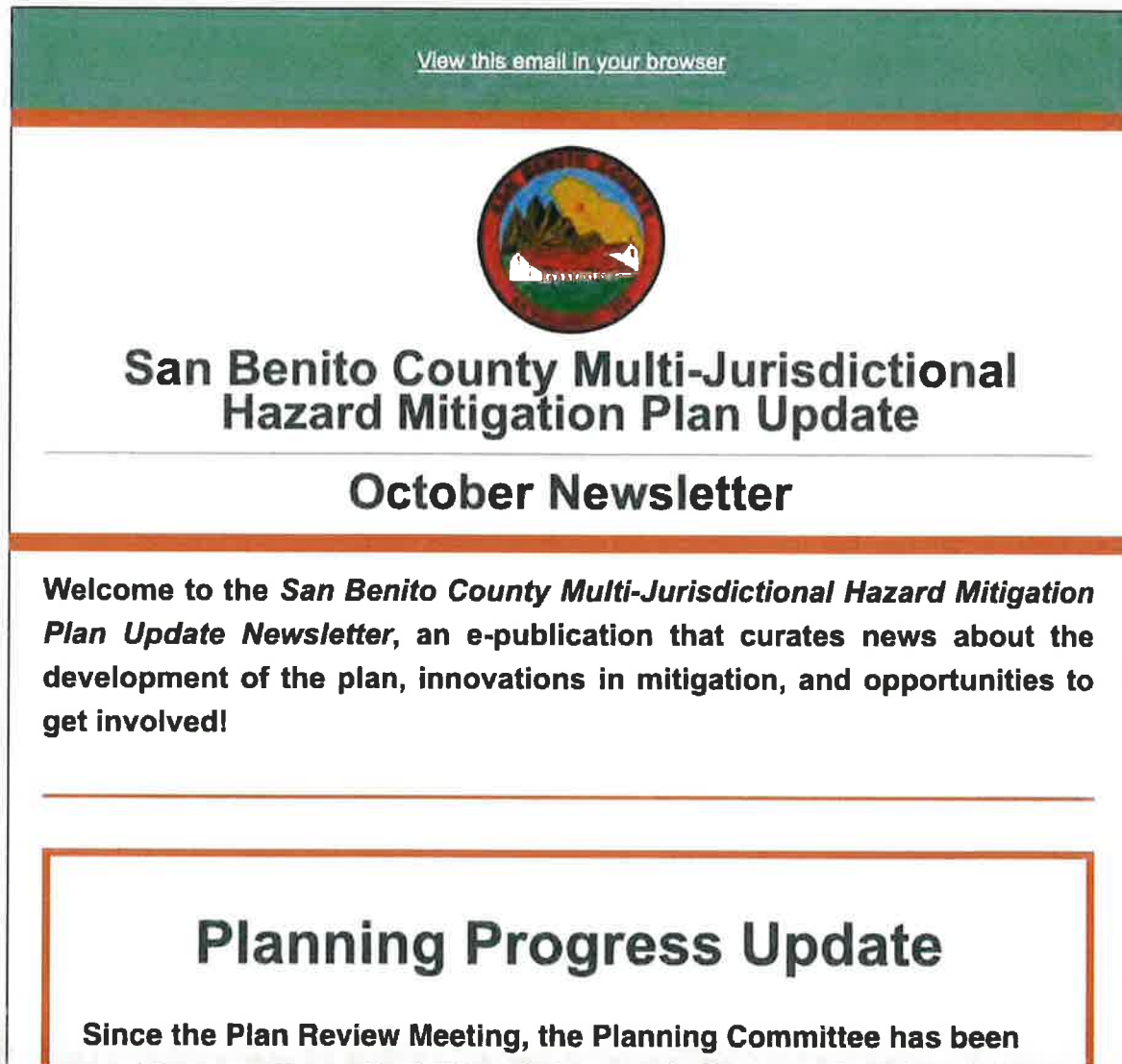
Title	Date	Format	Purpose
Mitigation Strategy Workshop	7/13/2021	In-person Workshop	<ul style="list-style-type: none"> Identify mitigation goals that will guide the mitigation strategy Design mitigation actions that will address hazard risks, leverage County capabilities, and advance the mitigation goals
City Council Meeting	9/21/2021	Virtual Presentation	<ul style="list-style-type: none"> Introduce the purpose and process of hazard mitigation planning Review the planning process for the HMP
Plan Review Meeting	9/22/2021	Virtual Webinar	<ul style="list-style-type: none"> Review structure of the full drafted HMP Advise the Planning Committee and Stakeholder Group on the type of feedback needed during the plan review period
Public Review Meeting	3/23/2022	In-person Presentation	<ul style="list-style-type: none"> Review content and purpose of the HMP Describe how residents can provide feedback on the drafted HMP

2.2.3.3 MONTHLY NEWSLETTERS

The Planning Committee developed and shared monthly newsletters with the Stakeholder Group through the online platform MailChimp. These newsletters provided a method for clear and consistent communication with the Stakeholder Group and were utilized to inform the stakeholders of planning progress, invite the group to upcoming workshops and other engagement activities, and share relevant information related to hazard mitigation planning and projects. A total of 14 newsletters were sent out throughout the planning process. Figure 2 provides an example of the newsletter format, all the newsletters are provided in **Appendix J. Planning Process**.



Figure 2: Sample Newsletter



2.2.3.4 COMMUNITY HAZARDS SURVEY

A community hazards survey was developed to collect information on the community's perspective of hazards and vulnerabilities in the County and priorities for mitigation. The survey was distributed through the County's social media platforms by the County's Public Information Officer. The survey was available from March 9 to April 16, 2021 and collected responses from 137 County residents.

2.2.3.5 PUBLIC COMMENT PERIOD

San Benito County shared its draft HMP with the public by posting the Plan on the County website between February 28 and March 28, 2022. The public comment period was publicized



through the San Benito County OES's social media, the County website, the Stakeholder Group webinar, a presentation to the San Benito County Board of Supervisors, and during the Public Review Meeting on March 23, 2022. The Public Review Survey, which was posted alongside the draft HMP, is included in **Appendix J. Planning Process**. Three comments were received from the public during the comment period. These comments were reviewed and addressed through revisions or additions to the Plan, as appropriate.

2.2.4 Data Sources

The Planning Committee utilized various data sources, plans, and documentation throughout the planning process. Collected information was used for various ways, including the analysis of hazard risks, detailing community assets and vulnerabilities, and identifying priorities for the County and its residents. Data was sourced from federal, state, and local databases, including the following:

Federal Resources	State Resources	Local Resources
<ul style="list-style-type: none">• National Oceanic and Atmospheric Administration (NOAA) National Centers for Environmental Information (NCEI) Storm Events Database• U.S. Geological Survey (USGS) Database• United States Census Data	<ul style="list-style-type: none">• CAL FIRE• California Department of Transportation (Caltrans)• Cal OES• State Hazard Mitigation Plan	<ul style="list-style-type: none">• Community Hazards Survey Responses• Geographic Information Systems (GIS) Data• Public Comment Period Responses





CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: **INTRODUCE AN ORDINANCE AND READ BY TITLE ONLY, WAIVING FURTHER READING, TO AMEND SECTIONS 2-1-105 AND 2-2-115(B) OF THE SAN JUAN BAUTISTA MUNICIPAL CODE TO VEST THE AUTHORITY IN THE CITY MANAGER TO APPOINT THE CITY CLERK.**

MEETING DATE: **JANUARY 24, 2023**

DEPARTMENT HEADS: **CITY MANAGER/CITY ATTORNEY**

RECOMMENDED ACTION

Introduce and read by title only, waiving further reading, an Ordinance that if subsequently adopted would vest authority in the City Manager to appoint, supervise and exercise authority over the City Clerk.

BACKGROUND

At the City Council regular meeting on December 20, 2022, the Council directed that an ordinance be brought for consideration of introduction and adoption (at a second reading) which would delegate to and vest authority in the City Manager to appoint, supervise, and exercise authority over the City Clerk.

The City Clerk is established as one of the statutory officers specified by state law for general law cities such as San Juan Bautista, which has a Council-City Manager form of government (Government Code Section 34851). Since incorporation on May 4, 1896, the City Clerk position has been an elected position and in accordance with the Municipal Code the City Clerk is a department head. In order to hold the elective office of City Clerk the person elected had to be at least 18 years old, a resident and a voter in the City.

The duties, responsibilities and requirements of the city clerk position have changed and evolved significantly over the years and now regularly include duties under the Ralph M. Brown Act, the Public Records Act, the Political Reform Act and acting as the City's Election Official to assure

compliance with California election laws and regulations. As the duties and responsibilities of the city clerk position have increased, the professional expertise required to fulfill the position has also increased and most elected City Clerks in California have been replaced by an appointed City Clerk with appropriate training and experience who typically performs both City Clerk and other city staff duties. The last elected City Clerk, Ms. Shawna Freels, was elected at the November 3, 2020, general municipal election and Mr. Freels resigned from that position on January 23, 2022, and the position has remained vacant since that time.

DISCUSSION

Government Code Section 36509 provides authority to the City Council to place the question of whether the City Clerk should be an appointed position on the ballot. The Council did just that for the November 8, 2022 General Municipal Election and the City's voters approved Measure W with 57.81% of the vote to make the office of City Clerk an appointive office by the City Council (455 votes in favor, 332 votes opposed). The elective office of City Clerk was also on the same ballot for the November 8, 2022 election as the measure asking whether the voters wished to make the office appointive, however, no person was elected to that office by that election and accordingly a vacancy continues to exist in the office of City Clerk. Therefore the power to appoint the City Clerk is now vested in the City Council. Appointed officers are not required to be either residents or electors of the City (Government Code Section 36510).

Government Code Section 34856 provides when the office of City Clerk is made appointive the City Council may by ordinance vest the authority to make that appointment in the City Manager. The ordinance attached as **Exhibit A** makes the required changes to the Municipal Code to include appointing and exercising authority over the City Clerk a part of the City Manager's duties as the Chief Executive Officer of a general law city with a Council-Manager form of governance.

A person appointed by the City Manager to serve as City Clerk would be required, under the City Manager's supervision, to perform all the duties of the City Clerk set forth in Article 2 of Chapter 2-3 of the Municipal Code and the historic duties of a city clerk set forth in Government Code Sections 40801 through 40814.

RECOMMENDATION:

At this time it is recommended that the City Council (1) Discuss, consider public comment and consider a motion introducing the Ordinance attached as **Exhibit A**.

Exhibit A – Ordinance 2023-xx

ORDINANCE NO. 2023 -__

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SAN JUAN BAUTISTA
AMENDING SECTIONS 2-2-105 AND 2-2-115(B)
OF THE SAN JUAN BAUTISTA MUNICIPAL CODE
TO VEST AUTHORITY IN THE CITY MANAGER
TO APPOINT THE CITY CLERK**

-o0o-

**THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY
ORDAINS AS FOLLOWS:**

SECTION 1. Section 2-2-105 of the San Juan Bautista Municipal Code hereby is amended to read as follows:

2-2-105 Chief Executive.

The City Manager shall be the chief executive of the City government under the direction and control of the Council except as otherwise provided in this ordinance. He/She shall have authority over all other officers and employees including the City Clerk, except he/she shall have no authority over the City Treasurer or City Attorney.

SECTION 2. Section 2-2-115(B) of the San Juan Bautista Municipal Code hereby is amended to read as follows:

2-2-115(B) Chief Manager Duties.

Appoint, Dismiss, Etc. Appoint and promote, discipline, suspend or dismiss, all officers and employees of the City including the City Clerk, except he/she shall have no authority over the City Attorney or City Treasurer. No department head shall be appointed or removed until the City Manager shall have first reviewed such appointment or removal with the City Council in executive session.

The City Manager shall provide a single merit principle personnel system for all officers and employees of the City except the City Attorney, City Treasurer, Chief of Police, and the Director of Public Works, and

may designate an officer responsible to him/her to administer said personnel system.

SECTION 3. This ordinance and the various parts thereof are hereby declared to be severable. Should any part of this ordinance be declared by a court to be unconstitutional or invalid, such decision shall not affect the validity of the ordinance as a whole, or any other part that the part so declared.

SECTION 4. This ordinance shall go into effect thirty (30) days after the date of its adoption.

THE FOREGOING ORDINANCE was first read at a special meeting of the San Juan Bautista City Council on the 24th day of January, 2023, and was adopted at a regular meeting of the San Juan Bautista City Council on the 21st day of February, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q. Jordan, Mayor

ATTEST:

Elizabeth Soto, Deputy City Clerk

APPROVED AS TO FORM:

City Attorney

PUBLIC NOTICE
NOTICE OF VACANCY
CITY TREASURER

A vacancy has occurred in the City Treasurer's Office. Candidates are sought for the position of City Treasurer for the City of San Juan Bautista. *To qualify, a candidate must be an elector and resident of the City of San Juan Bautista.*

The City Treasurer is the keeper of all money coming into their hands as treasurer. They comply with all laws governing the deposit and securing of public funds and the handling of trust funds in their possession. They pay out money only on warrants signed by legally designated persons. Monthly, the City Treasurer submits to the City Clerk a written report and accounting of all receipts, disbursements and fund balances, and files a copy with the City Council. The City Treasurer performs such duties relative to the collection of city taxes and license fees as prescribed by ordinance. The City Treasurer may appoint deputies for those acts for which they are responsible.

City Council has set a \$100 monthly stipend for this position.

Interested applicants shall submit a resume, or biography, and statement of interest to City Hall at 311 Second Street, P.O. Box 1420, San Juan Bautista, CA 95045, or e-mail to deputycityclerk@san-juan-bautista.ca.us for receipt not later than **4:00 p.m. on Tuesday, January 31, 2023**. Appointment to fill the vacancy will be addressed at the February 21, 2023 Regular Meeting of the City Council, at 6:00 p.m. Applicants should plan to attend.

City of San Juan Bautista
311 Second Street
P.O. Box 1420
San Juan Bautista, CA 95045
(831) 623-4661

www.san-juan-bautista.ca.us

Posted 1/6/2023