



City of San Juan Bautista

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AGENDA

CITY COUNCIL SPECIAL MEETING

CITY HALL COUNCIL CHAMBERS
311 Second Street
San Juan Bautista, California

TUESDAY, OCTOBER 13, 2020

~ PUBLIC PARTICIPATION BY ZOOM ONLY ~

DO NOT ATTEND THIS MEETING IN PERSON*

Join Zoom Meeting at <https://us02web.zoom.us/j/85493240536>

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ZOOM TUTORIAL - <https://www.youtube.com/watch?v=fMUxzrgZvZQ>

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**All residents to follow the Governor's Shelter in Place Order and the CDC Guidelines regarding preventative measures. We can all do our part to flatten the curve and prevent further spread of COVID-19.*

Written comments may be mailed to City Hall (P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to citymanager@san-juan-bautista.ca.us not later than 5:00 p.m., October 13, 2020, and will be read into the record during public comment on the item.

1. Call to Order
Pledge of Allegiance
Roll Call

6:00 PM

2. Public Comment (Only on items on the Agenda)
3. Consent Agenda

- A. Approve Resolution 2020-XX Authorizing the City Manager to Execute a Master Program Funding Agreement with the San Benito Council of Governments (COG). The agreement authorizes COG to allocate the Tier II Local Street and Road Rehabilitation funds derived from Measure G, and approved by the voters in November 2018.

B. Approve Affidavit of Posting Agenda

4. Action Items

- A. Consider Resolution 2020-XX Selecting a Compliance Project Consistent with the Terms and Conditions Agreed Upon in the Environmental Protection Agency (EPA) Administrative Order on Consent (AOC)**

5. Discussion Items

- A. COVID-19 Update**

6. Adjournment

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection electronically.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

AGENDA TITLE: MASTER PROGRAM FUNDING AGREEMENT WITH THE
SAN BENITO COUNCIL OF GOVERNMENTS (COG)

DATE: October 13, 2020

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDATION















It is recommended that the City adopt the attached Resolution and approve the Master Program Funding agreement with the San Benito Council of Governments (“COG”).

BACKGROUND

For the past three years, the Council of San Benito County Governments (COG), San Benito County’s Regional Transportation Planning Agency, has been involved in a community conversation regarding our regional transportation needs. With a lot of community feedback received – from public meetings, stakeholder conversations, online, paper, and bilingual phone surveys, and more COG adopted two guiding documents to support regional transportation needs for years to come. Both the Regional Transportation Plan and the Roads and Transportation Safety Investment Plan, can be viewed on COG’s website at SanBenitoCOG.org. Both plans are equally important in guiding the steps we must take to improve our transportation system, while the Investment Plan is especially critical in helping close the infrastructure funding gap.

COG placed Measure G (“MG”) on the ballot and it was approved by the San Benito San Benito County voters on November 6, 2018, to fill the infrastructure funding gap by establishing a one cent local transactions and use tax to be collected for 30 years to improve our local streets and roads, improve connectivity, and reduce congestion. It is codified as [COG Ordinance 2018-01](#) and the [Transportation Safety and Investment Plan](#). Below is the 2018 Expenditure Plan, and the City annual share of funds (3% to 5%) comes from Tier II funding. This is \$216 million over 30-years and 10.5 million for San Juan Bautista.

Expenditure Summary

	Priority 	How to Address the Need 	Improve Safety 	Reduce Traffic Congestion & Improve Traffic Flow 	Estimated Project Investment 
 Widen Highway 25 to reduce traffic congestion	Tier I	Provide funding for environmental, design and construction of the Route 25 4-Lane Expressway Project. Local funds will be used to match with State and Federal funds as well as Traffic Impact Mitigation Fees.			\$242M*
 Maintain local roads, repair potholes, and improve traffic flow	Tier II	Funding will be provided to each local jurisdiction (City of Hollister, City of San Juan Bautista, and San Benito County) based on a population-based formula. 47.5 percent to San Benito County, 47.5 percent to the City of Hollister, and 5 percent to the City of San Juan Bautista. Funds will be distributed annually by COG and local jurisdictions will implement cost-effective improvements based on their Pavement Management Plans, General Plan Circulation Elements, and the Regional Transportation Plan. Local funds will be used to match with state gas tax funds already provided to the local jurisdictions.			\$216M
 Other categories	Tier III	<ul style="list-style-type: none"> • Pedestrian and Bicycle Safety • Mobility, bus and paratransit services for seniors, people with disabilities, and youth • Other Projects • Administration (capped at 1%) • Future planning & Contingency 			\$27M

* Highway 25 Improvements funding to be based on maximum use of matching State and Federal Funds and Traffic Impact Mitigation Fees to reduce the burden of local funds and maximize our investment, with remaining funds to Tier II and Tier III.

Total Approximate Investment \$485M

By the fall of 2019, local road repair funds were granted to each jurisdiction per the Roads and Transportation Safety Investment Plan, so they can begin implementing the projects outlined in the detailed Plan. Specific projects include:



City of San Juan Bautista

Local neighborhood street and road maintenance by priority from San Benito County pavement index study and capital improvement projects, re-evaluated on an annual bases, including but not limited to:

- Complete Third Street
- Replace and widen San Juan-Hollister Road and add bike lanes
- Replace South Fifth Street
- Replace Mission Street
- Replace East Church Street
- Restore and restripe for diagonal parking on Muckulemi Street
- Speed control on Fourth Street
- Crosswalk and safe pedestrian travel traversing east side of Hwy 156 traffic light
- Bike lanes through the city
- Downtown crosswalk restoration and beautification
- Local street and roadway maintenance and life span protection (pothole repair, road conditioning, chip sealing, crack mitigation, asphalt shoulders) 2019-2040

The City's 3% to 5% of the Tier Two is being used to \$150,000 (10%) of the Third Street improvements.

As the MG program is implemented, COG is dedicated to keeping the community updated regarding the transportation planning and progress, including MG updates. These can be found on the COG website: <http://sanbenitocog.org/MeasureG/> COG is committed to the following principals:

1. Work with the State and Federal governments to ensure maximum investments in our region.
2. Coordinate with local governments – San Benito County, the City of Hollister, and the City of San Juan Bautista – for implementation of the Pavement Management Plans and other projects outlined in the Investment Plan.
3. Address the needs outlined in the detailed Measure G Investment Plan built with community input.
4. Convene a Measure G Citizens Oversight Committee.

Measure G calls for a Transportation Safety and Investment Plan Oversight Committee to be composed of San Benito County citizens to oversee compliance with the Ordinance.

- **Darlene Boyd** – Education
- **John Eade** – Agriculture
- **Victor Gomez** – Latinx Community (Committee Chair)
- **Al Gonzales** – Trade/Labor
- **Judi Johnson** – Senior/Disabled Community (Committee Vice-Chair)
- **Jose Mario Ortega** – Industry
- **Tim Burns** – SBC District 1
 - **Hamdy Abbass** – SBC District 2
 - **Sandy Hughes** – SBC District 3
 - **Kevin Stopper** – SBC District 4
 - **Andrew Rollins** – SBC District 5

DISCUSSION

Before the City can claim its share of MG funds, it needs to complete its Pavement Management Plan, (PMP), and execute the Master Program Funding Agreement. The PMP helps the City prioritize its street repairs and improvements, and contribute priority projects to the regional Roads and Safety Transportation Plan. This is part of the annual Investment Plan update. It was approved by the City Council May 19, 2020. Our Pavement Condition Index is 62, barely above the minimum of 60. We are however, the only County jurisdiction above 60.

This report seeks City Council approval of the Master Programs Funding Agreement. It was approved by COG and the City of Hollister in June. It sets forth reporting and fund distribution parameters. It also assures adherence to the COG Ordinance and regular review by the oversight committee. The City has already completed two of the 11 projects listed in 2018. It needs these funds to balance its budget!

FISCAL IMPACT

Here are the recent estimates from COG:

Measure G: Approved Tier II Formula by Jurisdiction					
	2020	2021	2022	2023	2024
San Juan	3.11%	3.17%	3.23%	3.21%	3.27%
Hollister	29.54%	30.13%	30.73%	30.47%	31.06%
County	30%	30%	31%	30%	31%

Tier II Formula Allocations	Funding Period
	April 2019 to June 2020
San Juan	\$ 293,254.64
Hollister	\$ 2,785,919.10
SBC	\$ 2,785,919.10

Having received an average of \$20,000 per month, at this rate, the total for SJB over 30-years will be more than \$7 million dollars. This exceeds the amount needed to maintain our current Pavement Management Index of 62%.

ATTACHMENTS:

- Resolution and Agreement

RESOLUTION 2020-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
AUTHORIZING THE CITY MANAGER TO EXECUTE A MASTER PROGRAM
FUNDING AGREEMENT WITH THE SAN BENITO COUNCIL OF GOVERNMENTS
(COG)**

WHEREAS, on November 7, 2018, the voters of San Benito County approved the one-cent sales tax for street repairs known as “Measure G;” and

WHEREAS, Measure G is approved for a 30-year period, and guided by a citizen’s oversight committee that assures expenditures meet the San Benito County’s 30-year transportation Expenditure Plan, as it may be amended from time to time; and

WHEREAS, the City is represented on this oversight committee, and its projects are part of the 30-Year Funding Plan; and

WHEREAS, On June 18, 2018, a draft Funding Agreement was approved by the COG to govern the distribution of the Tier II local street and rehabilitation funds from Measure G, to the County and cities of Hollister and San Juan Bautista, of which the City receives between 3% and 5%, requiring each jurisdiction to enter into a separate agreement with COG after the funds begin to be realized; and

WHEREAS, the attached agreement submitted by means of this Resolution is of similar scope and intent to that draft Agreement approved by the COG in 2018, and will initiate the distribution of Measure G funds to the City beginning July 1, 2020.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY RESOLVES AS FOLLOWS:

1. The City Council agrees with and approves of the intentions and facts described in the above recitals.
2. The City Council approves this Resolution and authorizes the City Manager to execute the “Master Programs Funding Agreement” as presented in the attachment to the Resolution.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista on this 13th day of October 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mary V. Edge, Mayor

Laura Cent, City Clerk

MASTER PROGRAMS FUNDING AGREEMENT
BETWEEN THE
COUNCIL OF SAN BENITO COUNTY GOVERNMENTS
AND THE
CITY OF SAN JUAN BAUTISTA

This Master Programs Funding Agreement ("AGREEMENT"), effective the 1st of July 1, 2020, is entered into by and between the Council of San Benito County Governments ("COG") and the City of San Juan Bautista ("RECIPIENT").

I. RECITALS

- A. On November 7, 2018 the voters of San Benito County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 et seq. (the "Act"), approved the authorization of Measure G, thereby authorizing COG to administer the proceeds from a one cent transaction and use tax ("Measure G").
- B. The duration of the Measure G sales tax will be 30 years from the initial year of collection, which began April 1, 2019, with said tax to terminate/expire on March 31, 2049. The tax proceeds will be used to pay for the programs and projects outlined in San Benito County's 30-Year Transportation Expenditure Plan (the "Measure G Expenditure Plan"), as it may be amended.
- C. The Measure G Expenditure Plan authorizes the issuance of bonds to expedite delivery of transportation projects and programs. Costs associated with bonding will be borne only by the capital projects included in the Measure G Expenditure Plan and by any programs included in the Measure G Expenditure Plan that utilize the bond proceeds.
- D. This Agreement delineates the requirements of the Measure G funds that are directly allocated to local jurisdictions, as authorized by the Measure G Transportation Safety and Investment Plan. Discretionary funds identified in these expenditure plans are not the subject of this Agreement, and RECIPIENT will be required to enter into a separate agreement for those funds.
- E. This Agreement was originally approved by the governing body of the COG on June 18, 2020.
- F. This Agreement authorizes the COG to allocate the Tier II local street and road rehabilitation funds derived from Measure G, as described in the voter-approved expenditure plan and summarized in Table A, Below:

Table A: Measure G Tier II Project Allocation Formula	
San Benito County	47.5%
City of Hollister	47.5%
City of San Juan Bautista	5%

G. All distributions pursuant to this Agreement shall be effective as of July 1, 2020.

II. COG'S Duties and Obligations

- A. Within 21 working days of actual receipt of the monthly Measure G sales tax revenues from the California Department of Tax and Fee Administration ("DTFA"), COG shall remit to the RECIPIENT its designated amount of available funds by the formulas described in Table A.
- B. COG shall annually update the Measure G revenue projections and the resulting fund allocation amounts. COG shall use the updated Measure G program allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30.
- C. COG shall report monthly to the public the amount of Measure G revenues distributed to RECIPIENT by each fund type quarterly and for the fiscal year.
- D. COG shall provide for an independent annual audit of its financial statements including revenues and expenditures and also of its calculation of the allocation formula for distributing Measure G revenues to various recipients and render an annual report to the COG Board of Directors within 180 days following the close of the fiscal year.
- E. COG shall provide timely notice to RECIPIENT prior to conducting an audit of expenditures made by RECIPIENT to determine whether such expenditures comply with this Agreement and the Measure G Expenditure Plan.

III. RECIPIENT'S Duties and Obligations

- A. RECIPIENT shall expend all Measure G funds received in compliance with the applicable guidelines and Transportation Safety and Investment Plan, including Implementation Guidelines and performance measures, as they may be adopted or amended by COG from time to time.
- B. RECIPIENT shall set up and maintain an appropriate system of accounts to report on Measure G funds received. RECIPIENT must account for Measure G funds, including any interest received or accrued, separately from any other funds received from the COG. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds. COG and its representatives, agents and nominees shall have the absolute right at

any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.

- C. RECIPIENT shall expend Measure G funds in compliance with the Timely Use of Funds Policies, as they may be adopted or amended by COG from time to time.
- D. RECIPIENT hereby agrees to and accepts the formulas used in the allocation of Measure G revenues as reflected in the ballot measure, the Measure G Expenditure Plan.
- E. Transportation Purposes Only: RECIPIENT shall use all Measure G funds solely for transportation purposes as defined by the authorizing ballot measure. Any jurisdiction that violates this provision must fully reimburse all misspent funds, including all interest which would have been earned thereon.
- F. Non-Substitution of Funds: RECIPIENT shall use Measure G funds to supplement and not replace existing taxes or fees used for transportation purposes.
- G. Fund Exchange: Any fund exchanges made using Measure G funds must be made for transportation purposes. COG will consider exchange proposals on a case-by-case basis.
- H. Staff Cost Limitations: Direct costs associated with the delivery of programs and projects associated with Measure G programs, including direct staff costs and consultant costs, are eligible uses of Measure G funds. COG does not allow indirect costs.

IV. REPORTING REQUIREMENTS

- A. RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, COG may withhold payment of further Measure G funds to RECIPIENT until full compliance is achieved.
- B. RECIPIENT shall, by December 31st of each year, submit to COG, at the RECIPIENT's expense, its independently audited financial statements for the prior fiscal year ended June 30 of Measure G funds received and used. The financial statements shall include Measure G with Measure G being a separate fund from other local agency funds.
- C. RECIPIENT shall, by December 31st of each year, submit to COG, at the RECIPIENT's expense, annual program compliance reports (covering the prior fiscal year) regarding programs and projects on which RECIPIENT expended Measure G funds.
- D. RECIPIENT shall document expenditure activities and report on the performance of Measure G - funded activities through the annual program compliance reporting process, or through other COG performance and reporting processes as they may be requested,

including but not limited to the annual performance report, annual program plan, and monitoring reports. Exhibit A to this agreement documents the required performance metrics to be included in the annual report.

- E. RECIPIENT shall install or mount signage adjacent to Measure G funded construction projects (e.g., RECIPIENT and COG logos; "Your Transportation Tax Dollars Help Fund This Project!") where practical, so San Benito County taxpayers are informed as to how RECIPIENT is using Measure G funds.
- F. RECIPIENT shall provide current and accurate information on RECIPIENT's website, to inform the public about how RECIPIENT is using Measure G funds.
- G. RECIPIENT shall, at least annually, provide COG with a written report suitable for release to the media highlighting a project or program funded by Measure G funds.
- H. RECIPIENT shall actively participate in public outreach activities, in partnership with COG and/or its community advisory committees, as a means of ensuring that the public has access to the ability to know which projects and programs are funded through Measure G funds.
- I. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT's receipt, usage, and/or compliance audit findings regarding Measure G funds before the COG Board and/or the Measure G Transportation Safety and Investment Plan Citizens Oversight Committee or community advisory committees, as applicable.
- J. RECIPIENT agrees that COG may review and/or evaluate all project(s) or program(s) funded pursuant to this Agreement. This may include visits by representatives, agents or nominees of COG to observe RECIPIENT's project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT's staff or governing board.

V. OTHER PROVISIONS

A. INDEMNITY BY RECIPIENT

Neither COG, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure G funds distributed to RECIPIENT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RECIPIENT shall fully defend, indemnify and hold harmless COG, its governing body, and all its officers, agents, and employees, from any

liability imposed on COG for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure G funds distributed to RECIPIENT pursuant to this AGREEMENT.

B. INDEMNITY BY SAN BENITO COG

Neither RECIPIENT, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by COG under or in connection with any work, authority or jurisdiction delegated to COG under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, COG shall fully defend, indemnify, and hold harmless RECIPIENT, and its governing body, elected officials, all its officers, agents, and employees from any liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by COG under or in connection with any work, authority or jurisdiction delegated to COG under this AGREEMENT.

C. JURISDICTION AND VENUE

The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in San Benito County, California and the parties hereto hereby waive inconvenience of forum as an objection or defense to such venue.

D. ATTORNEYS' FEES

Should it become necessary to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable expenses and attorneys' fees from the other party.

E. TERM

The term of this AGREEMENT shall be from July 1, 2020 to June 30, 2030 unless amended in writing or a new Master Programs Funding Agreement is executed between COG and RECIPIENT.

F. SEVERABILITY

If any provision of this AGREEMENT is found by a court of competent jurisdiction or, if applicable, an arbitrator, to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

G. MODIFICATION

This AGREEMENT, and the performance measures set forth in Exhibit A, constitutes the entire AGREEMENT between the parties, and supersedes all prior written or oral understandings regarding Measure G. This AGREEMENT may only be changed by a written amendment executed by both parties. Notwithstanding the foregoing, the performance measures, as set forth in Exhibit A, related to Measure G Funds, may be changed from time to time by COG.

[Signatures on next page]

In Witness Whereof, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

City of San Juan Bautista (RECIPIENT)		Council of San Benito County Governments	
By:		By:	
Name	Date	Mary Gilbert	Date
Title		Executive Director	
Approved Legal Form:		Approved as to Legal Form:	
By:		By:	San Benito County Counsel's Office
Name	Date	Shirley L. Murphy	Date
Title		Deputy County Counsel	

EXHIBIT A

PERFORMANCE MEASURE SUMMARY

Direct Local Distribution recipients are to document the performance and benefits of the projects and programs funded with Measure G funds. The following performance measures are a selection of performance standards that must be documented at minimum by the recipients, as applicable. Additional performance measures may be requested by COG.

Performance reporting will be done through COG's reporting processes including the annual program compliance reports, annual performance report, and various planning activities, as they are requested and applicable. Performance will be evaluated periodically through the evaluation reports to determine the effectiveness of investments and to inform future investment decisions.

LOCAL TRANSPORTATION PROGRAM (Local Streets and Roads) PERFORMANCE MEASURES

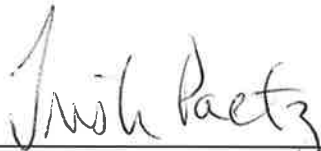
Performance Measure	Performance Metric and Standard	Evaluation Horizon & Method	Corrective Action	Potential Improvements to Correct Deficiency
Pavement State of Repair	Implement projects that have an average Pavement Condition Index of 60 (Fair Condition) or above Track PCI of jurisdiction roadways using a locally-approved Pavement Management program.	Annually via Performance Report	Any agency falling under 60 PCI must provide an explanation and/or identify corrective action will need to increase PCI to target levels	Develop corrective actions
Regional Traffic Impact Mitigation Fee Program	Assess fees as established in the adopted Traffic Impact Mitigation Fee Program.	Annually via Performance Report.	Any agency that fails to collect fees consistent with the adopted Regional Traffic Impact Mitigation Fee Program must provide an explanation and/or identify corrective action to provide its fair share of funding for the projects identified in the TIMF.	Develop corrective actions.

AFFIDAVIT OF POSTING

I, TRISH PAETZ, 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 MEETING AGENDA. I FURTHER DECLARE THAT I POSTED SAID AGENDA ON THE 9th DAY OF OCTOBER 2020, 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 9th DAY OF OCTOBER 2020.



TRISH PAETZ, DEPUTY CITY CLERK



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

AGENDA TITLE: **SELECTION OF EPA WATER SYSTEM COMPLIANCE PROJECTS**

DATE: October 13, 2020

DEPARTMENT HEAD: Don Reynolds, City Manager

Recommendation:

It is recommended that the City Council:

- 1) Consider the recommendations in the Preliminary Engineering Reports (PERs) presented at the Town Hall Meeting on October 6, 2020
- 2) Adopt the attached resolution selecting Alternative 3: Regionalization with Hollister WWTP and Option C: Importing Water from the West Hills WTP as the two compliance projects, and;
- 3) Direct City Manager to submit this selection to the Environmental Protection Agency ("EPA") on or before the required date of October 15, 2020 and return to the City Council with a financing plan for recommended improvements by November 2020.

Background:

For decades, the City has realized that both its potable water source and wastewater contain high levels of sodium and chloride (salt). This salt is being discharged to a creek (a "Waterway of the United States") at very high concentrations that exceed the City's permitted discharge limits. The City's existing wastewater treatment plant is not designed to remove the salt.. To complicate the issue, the City receives c wastewater from three industrial users outside of the City limits.per the municipal code 5-9-800, one or more of these users may be considered "significant users", and since none of them is currently being monitored by an official pre-treatment program they have the potential to discharge high concentrations of salt, further exacerbating this problem.

In October 2019, the City began working with Project Manager Karl Bjarke and Akel Engineering Group ("Water Team") to complete its first Water and Wastewater Master Plans. On October 17, 2019, the City was placed on notice by the EPA, following its June 18, 2019 inspection, that there were several areas of concern identified during that inspection. The City is not in compliance with its EPA National Pollution Discharge Elimination System ("NPDES") Permit requirements ("Permit" - Order No. R3-2009-0019 NPDES Permit No. CA0047902).

On February 25, 2020, the EPA and Regional Water Quality Control Board took interest in the City's work on its Master Plans. Following an update of this work on April 21, 2020, the City

Council assigned Councilmember Freeman and Vice Mayor Jordon to participate in bi-weekly discussions with the EPA and Water Board tracking the progress of the two Plans. In April, the City executed a change order to the Akel consulting agreement adding a third study analyzing the City's best options for improving the water quality discharged into the creek. This study is known as the "Preliminary Engineering Reports," or "PERs;" an exhibit to the Master Plans.

Satisfied that the City was now heading in the right direction to address the EPA's concerns, an agreement was proposed that allows the City until December 21, 2023 to bring its wastewater treatment system into compliance with the Permit. This agreement is called the Administrative Order on Consent ("AOC"). On August 18, 2020, the City Council adopted Resolution 2020-42, agreeing to the terms of this Agreement. The AOC sets forth a number of tasks to be completed between September 1, 2020 and December 21, 2023.

The City has met the AOC first four requirements on time, including the September 15 submittal to the EPA of the Water and Wastewater Master Plans. By October 15, 2020, the City has to select a "compliance project(s)" from the PER. Once built, these Compliance Projects will bring the City back into compliance with the EPA Permit. The first "project" is for the City to better manage the water received from its industrial users. This work began in June, 2020.

The focus of the PER is to analyze its options to improve the physical water systems. It includes a seven-part, weighted criteria, as part of a "Selection Matrix" for evaluating different upgrades to the City's current sources of water. A second Selection Matrix then takes this best choice, and adds it to the various alternatives for improving its wastewater. The focus is to prevent or reduce the salt entering the system, and improve the water leaving the wastewater system.

Discussion

A special Town Hall meeting was held October 6, 2020 to share the options analyzed and considered in the PER. More than 50- community members attended. Options considered include starting a new well, importing water from a new private well to the north of the City, or treating the Blue Valve surface water from the Sacramento Delta. The Blue Valve water entering the City's southern border will be removed during the Caltrans Highway 156 construction. Even if it were replaced near the City, it consists of untreated surface water, and thus requires building and operating an expensive water treatment plant. Due to these issues, it is not part of the PER. The other options are analyzed in the PER, were scored from between 402 and 434, but did not score as high as importing potable water from the West Hills Treatment Plant (434).

This Option then became part of the three different alternatives considered for improving waste water treatment. This Selection Matrix includes five weighted criteria that include sustainability, resilience and ability to keep up with changing standards. These factors are serious concerns now for the existing Plant. Two different methods to increase the capabilities of the existing Wastewater Treatment Plant are analyzed, including new treatment equipment. But the option that scored the highest on the second Selection Matrix, (143 to 243), is the regional option to send the wastewater to the Hollister Wastewater Treatment Plant. The General Manager for the San Benito Water District spoke October 6, and in support of these regional choices.

Each of the three wastewater treatment alternatives include a voluntary water softener buy-back program. This program is currently available to residents, but only a few households have taken advantage of it. With better tasting water, perhaps more households will consider removing their softeners. The City can also prevent future new homes from having them.

Fiscal Impact

By November 30th, the City will submit a preliminary finance plan. Later, as designs are refined, a feasibility study will be completed. An application for a grant and loan from the USDA was submitted September 30th. If it can be leveraged by support from the State Water Board. It is believed that the project can be funded by these two programs, plus support from other regional and local partners. The State water assistance grant and loan application is being submitted this week.

Having the Disadvantaged Community Status will help this process, and the City is currently conducting a household income survey to see if it can qualify. Please encourage neighbors to send in their surveys.

Incurring additional debt will be required, and these debt payments may lead to higher user rates. The current debt cannot be refinanced for another five years. But if the City can refinance its current debt and consolidate it with new debt, the costs could be paid over a forty-year term at 1.5% interest. The City is also working on a water and wastewater rate study to better understand this situation.

RESOLUTION 2020-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA SELECTING A COMPLIANCE PROJECT CONSISTENT WITH THE TERMS AND CONDITIONS AGREED UPON IN THE ENVIRONMENTAL PROTECTION AGENCY (EPA) ADMINISTRATIVE ORDER ON CONSENT

WHEREAS, on October 15, 2019 the City agreed to work with Akel Engineering Group (“Akel”) and complete both a Water and Wastewater Master Plan; and

WHEREAS, on February 25, 2020, the Environmental Protection Agency (“EPA”) and Regional Water Quality Control Board (Water Board) met with the City and agreed that the Master Plans are the best step forward for the City in its efforts to bring its wastewater system back into compliance with the EPA’s National Pollution Discharge Elimination System (“NPDES”) requirements (“Permit” - Order No. R3-2009-0019 NPDES Permit No. CA0047902); and

WHEREAS, on April 14, 2020, the City and Akel agreed to a change order adding to the scope of work the preparation of a United States Department of Agriculture (“USDA”) grant application and Preliminary Engineering Reports (“PERs”), attached by reference and made a part hereof) that defines, analyzes and recommends to the City its best options for investing in improvements to the water and wastewater systems that would bring the City into compliance with the Permit; and

WHEREAS, on July 14, 2020, the City Council received a presentation from its “Water Team” including project Manager Karl Bjarke and Akel Consulting presenting the Preliminary Engineering Reports and its analysis, options for compliance projects, selection process and progress; and

WHEREAS, on August 18, 2020, the City and EPA agreed to an Administrative Order on Consent, (“AOC”) agreeing that the City will bring its water and wastewater systems into Permit compliance by December 31, 2023; and

WHEREAS, Section IV (22) (a) of the AOC has several dates and milestones to be met by the City and consistent with subsection IV (22) (a) (iii) , the City accepted and delivered the Master Plans to the EPA September 15, 2020 ; and

WHEREAS, on October 6, 2020, the City Council held a Town Hall Meeting where more than 50 members of the community participated and the Water Team presented the revised PER that includes the implementation of Municipal Code Section 5-9-800 requiring a wastewater contribution permit from its significant users, in addition to possible compliance projects involving capital improvements; and

WHEREAS, the PER “Selection Matrix” (attached hereto and made a part hereof) scored three water source options, applying seven weighted criteria, applied scores ranging from 402-434, identifying sourcing water from the West Hills Water Treatment Plant as its best “source” option, and a second matrix (attached hereto and made a part hereof) that included “regionalization ” by sending the wastewater to the City of Hollister’s Wastewater Treatment Plant, with five weighted

criteria, with scores ranging from 165 to 243, concluding that the regionalization of the water source and wastewater disposal that scored highest at 243, to be the City's best options; and

WHEREAS, on October 13, 2020, the City Council held a special City Council meeting to consider the community's feedback and support for "Alternative 3;" and

WHEREAS, at the City Council Meeting, the City selected a Compliance Project to improve its source of water, and a second Compliance Project to improve its disposal of waste water, as recommended in the PER as presented, referred to as "Alternative 3: Regionalization with Hollister WWTP and Off-Site Source Control (importing water from the West Hills Water Treatment Plant operated by the San Benito Water District)."

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

SECTION 1. That the above recitals, associated staff report, and recommendation from the Preliminary Engineering Report are true and correct.

SECTION 2. The City Council of the City of San Juan Bautista, hereby selects Alternative 3" as presented in the PER, as its "Compliance Projects."

SECTION 3. The City Council, consistent with Section IV (22) (a) iv) of the AOC, hereby directs the City Manager to submit the selection of its Compliance Project "Alternative 3" on or before the date required in the AOC of October 15, 2020, for the EPA's consideration and to return to the City Council with a financing plan for constructing recommended improvements by November 2020.

PASSED, APPROVED AND ADOPTED this 13th day of October, 2020, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mary Vazquez Edge, Mayor

ATTESTED:

Laura Cent, City Clerk

Attachment: Decision Matrix (2)

Source Control Options Selection Matrix

Criteria	Relative Weight	Comparative Score (Score Total Must Equal 10)				Criterion Score (Relative Weight Times Comparative Score)			
		Pellet Plant	Cartridge Softener	West Hills WTP		Pellet Plant	Cartridge Softener	West Hills WTP	
Life Cycle Costs (Capital and O&M)	21	3.3	3.5	3.2		69	74	67	
Footprint	10	3	4	3		30	40	30	
Ease of O&M	15	2	4	4		30	60	60	
Reliability	21	3.5	3	3.5		74	63	74	
Upstream/Downstream Effect	17	4	3	3		68	51	51	
Water Security	23	3.3	3.3	3.3		77	77	77	
Flexibility (Future Regulations)	19	4	2	4		76	38	76	
						423	402	434	

Improvement Projects Options Selection Matrix

Criteria		Comparative Score (Score Total Must Equal 10)				Criterion Score (Relative Weight Times Comparative Score)		
		Relative Weight	MBR & West Hills WTP	MBR/ RO	Hollister WWTP & West Hills WTP	MBR & West Hills WTP	MBR/ RO	Hollister WWTP & West Hills WTP
Life Cycle Costs (Capital and O&M)	12	3.6	3.3	3.1	43	40	37	
	5	4	2	4	20	10	20	
Operational Simplicity	14	3	2	5	42	28	70	
Reliability	13	3	3	4	39	39	52	
Future Regulations Compliance	16	3	3	4	48	48	64	
	TOTAL SCORE				192	165	243	