



# City of San Juan Bautista

*The "City of History"*

[www.san-juan-bautista.ca.us](http://www.san-juan-bautista.ca.us)

## AGENDA

### REGULAR CITY COUNCIL MEETING

TUESDAY ~ FEBRUARY 16, 2021 ~ 6:00 P.M.

## ~ PUBLIC PARTICIPATION BY ZOOM ONLY ~

Join Zoom Webinar <https://zoom.us/j/89113433022>

or call 1 (669) 900-6833

Webinar ID: 891 1343 3022

#### THIS MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20

In order to minimize the spread of the COVID 19 virus the City Council is conducting this meeting by Zoom conference and will be offering alternative options for public participation. You are encouraged to watch the meeting live on Zoom or Facebook. *Please follow the Governor's Shelter in Place Order and the CDC Guidelines regarding preventative measures and do your part to help flatten the curve and prevent further spread of COVID-19.*

**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 you MUST login to Zoom.

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](mailto:deputycityclerk@san-juan-bautista.ca.us) not later than 5:00 p.m., February 16, 2021, and will be read into the record during public comment on the item.

In compliance with the Americans with Disabilities Act, and Governor's Order N-29-20, 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 Section 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](http://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](mailto: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. Public Comment on Items Not on the Agenda but Within the Subject Matter  
Jurisdiction of the City Council**

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.

**3. 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. Approve Affidavit of Posting the Agenda**

**B. Approve Resolution 2021-XX Authorizing a Third Amendment to the Agreement with Harris and Associates for Planning Services**

**C. Approve Minutes of the January 19, 2021 Regular City Council Meeting**

**D. Approve Minutes of the December 15, 2020 Regular City Council Meeting**

**E. Waive Reading of Ordinances and Resolutions on the Agenda Beyond Title**

**4. Presentations, Informational Items and Reports**

**A. Recognition of Outgoing City Treasurer Chuck Geiger**

**B. Sheriff's Department Report – Captain Eric Taylor**

**C. Treasurer's Report and Monthly Financial Statements**

**D. City Manager's Report**

**E. Reports from City Council Representatives to Regional Organizations and Committees**

**5. Action Items**

**A. Approve Resolution 2021-XX Changing Signature Responsibility on City Bank Accounts at Union Bank**

**B. Approve Resolution 2021-XX Authorizing the Acceptance, and to Acknowledge Receipt, of a Report 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**

**C. Appoint a Member of the Community to the Urban Growth Boundary Ad Hoc Committee**

**D. Adopt Resolution 2021-XX Authorizing the City Manager to Execute a Consulting Services Agreement with Stantec Consulting Services, Inc. Group for Preparation of a Complete Bid Package and Provide Construction Support for the San Juan Bautista to Hollister Sanitary Sewer Force Main Project**

**E. Approve Resolution 2021-XX Authorizing the Mayor to Execute a Memorandum of Understanding with the San Benito County Water District for the Source Water Compliance Project**

**F. Consider a Recommendation by the Planning Commission and Approve Resolution 2021-XX Extending the Term of the Temporary Parklets on Third Street One Hundred Eight Days or Until September 30, 2021 – City Manager Reynolds**

**G. Approve Resolution 2021-XX Preliminary Intention to Proceed With the Issuance of Series 2021 Bond Anticipation Notes to Finance the City's Sewer Compliance**

**Project Sending the Waste Water to the Regional Plant in Hollister, and Appointing the Necessary Consultants In Connection Therewith**

- H. Approve Settlement with Meritage Homes for Double Payment of Water Impact/Improvement Fees**
- I. Approve Resolution 2021-XX Approving a Letter of Agreement, and Accepting Land Dedication from Rosa and Edward Loayza, Owners of the Subdivision at 957 First Street, to be Used to Construct the First Street Roundabout**

**6. Discussion Items**

- A. Provide Update on Water and Wastewater Distribution System Enhancements and Compliance with the Environmental Protection Agency**
- B. Traffic Calming Options on First Street – City Manager Reynolds**
- C. Update on COVID-19 and Affects to our Community and San Benito County**

**7. Comments**

- A. City Council**
- B. City Manager**
- C. City Attorney**
- D. City Clerk**

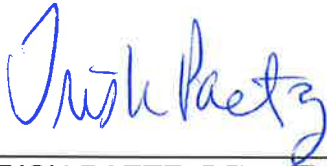
**8. Adjournment**

**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 12<sup>th</sup> DAY OF FEBRUARY 2021, 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 12<sup>th</sup> DAY OF FEBRUARY 2021.



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TRISH PAETZ, DEPUTY CITY CLERK



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL

**AGENDA TITLE:**        **THIRD AMENDMENT TO THE HARRIS AND ASSOCIATES AGREEMENT FOR PLANNING SERVICES**

**MEETING DATE:**        February 16, 2021

**SUBMITTED BY:**        Don Reynolds, City Manager

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### **RECOMMENDED ACTION:**

Adopt a resolution authorizing the City Manager to execute a Third Amendment to the Harris and associates Agreement increasing the total by \$50,000 for a total of \$105,000 through the end of the fiscal year, June 30, 2021.

### **BACKGROUND**

In the fall of 2019, the City solicited proposals for planning services. The immediate need was to support the associate planner with current planning applications. Harris and Associates was awarded the agreement, which was accomplished by amending the existing Master Agreement. That Agreement has since been terminated, and cleaned up to remove engineering services and focusing on planning services. After the approval of the budget last fall, the current agreement was executed for \$55,000, but the Budget included \$203,000 for these services. The City has spent 25% of this budget, but the Harris Agreement has only \$10,000 remaining.

### **DISCUSSION**

At the February 2, 2021 Planning Commission and Historic Resources Board meeting, a re-organization of the City's planning functions was presented. It describes five different areas the city needs to focus on; building and safety, current planning, advanced planning, economic development and housing, and historic preservation. To manage these tasks, the City is considering recruitment of an Assistant City Manager/Director of Community Development.

In 2019, the City learned the consequences of not adhering to State planning regulations. It adopted two Housing Elements in twelve months, and amending the zoning code eight times to get caught up. On January 1, 2020 more than a dozen new laws became effective all related to the Community Development functions representing the State's reaction to the Affordable Housing crisis. Since approving the Housing Element, the State has contributed more than \$200,000 in grants to study these areas of concern.

These new laws draw attention to the City's current (or lack of) sphere of influence. The 2016 SOI was never approved by LAFCO, and so the City is relying on its previous SOI from the 1990's. It is critical that the city continue its efforts with the Urban Growth Boundary Ad-Hoc Committee and re-establish a good sphere of influence.

The goal of bolstering the City's community development function is to respond to these State mandates, and provide quality growth that is well designed and managed. Its upgraded organizational chart has been shared with David Mack, Senior Planner with Harris and Associates. Under a different agreement, he is helping with the Ad Hoc Committee (Advanced Planning). Their reply is to assign an entry level planner to work with David to handle the simple Current Planning and Historical Resource applications. These functions require a continuation of the quality current planning provided by Harris and Associates.

Attachments: Resolution

**RESOLUTION NO. 2021-XX**

**A RESOLUTION OF THE SAN JUAN BAUTISTA CITY COUNCIL  
APPROVING A THIRD AMENDMENT TO THE AGREEMENT  
WITH HARRIS AND ASSOCIATES FOR PLANNING SERVICES**

**WHEREAS**, On November 19, 2019, the City Council approved Resolution 2019-56, amending its Master Agreement with Harris and Associates by adding a new scope of work to its engineering services agreement for planning services; and

**WHEREAS**, one year later on August 1<sup>st</sup>, 2020, after the adoption of the FY 20/21 Budget, the City executed a new Agreement with Harris and Associates specifically for Planning Services in the amount not to exceed \$55,000 through June 30, 2021; and

**WHEREAS**, at mid-year review, it has been determined that the City had budgeted \$203,000, but has only spent 25% of its budget for the Planning Services, with a current balance available of \$152,000, but the \$55,000 approved in the Agreement with Harris and Associates was down to less than \$10,000; and

**WHEREAS**, the City has benefited greatly from the Planning Services provided by Harris and Associates, helping with current planning including Casa Rosa, advanced planning to include the Urban Growth Boundary, and urban design efforts that include the downtown parklet program; and

**WHEREAS**, the City and Harris and Associates agree to continue this relationship for the near future by amending the Agreement adding \$50,000 to the current \$55,000 for a total of \$105,000 to be used between now and the end of the fiscal year; and

**WHEREAS**, Section 18 of the Agreement allows amendments to the Agreement upon mutual written consent by both parties.

**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 planning services provided by Harris and Associates have been beneficial to the City and agrees with the Third Amendment to increase the Agreement by \$50,000.
3. Authorizes the City Manager make minor changes that may be necessary to implement the intent of this Resolution and to execute the Amendment to the Harris and Associates Agreement.

**PASSED AND ADOPTED** by the City Council of the City of San Juan Bautista at a regular meeting held on the 16<sup>th</sup> day of February 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

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Leslie Q. Jordan, Mayor

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Shawna Freels, City Clerk





Minutes of the Regular Meeting of the  
San Juan Bautista City Council  
Tuesday, January 19, 2021

**1. Call to Order**

Mayor Jordan called the meeting to order at 6:00 p.m.

**Pledge of Allegiance**

Council Member Freeman led the pledge of allegiance.

**Roll Call**

Present: Council Member Mary Edge, Vice Mayor Cesar Flores, Council Member Scott Freels, Council Member John Freeman, Mayor Leslie Jordan

*City Attorney Mall provided a closed session announcement from the earlier special meeting announcing that the Council had discussed an anticipated litigation item and had given direction to legal counsel, and the special meeting had concluded at 5:32 p.m.*

Mayor Jordan announced that all Council Members were participating remotely pursuant to the Governor's Executive Order Number N-29-20, and she then detailed the process of public participation.

**2. Public Comment on Items Not on the Agenda but Within the Subject Matter  
Jurisdiction of the City Council**

Dan DeVries inquired about enforcement the City's plastic bag ordinance.

Jackie Morris-Lopez commented on the illegal business operation of Uno Mas asking that the City utilize all available enforcement measures.

Public comment was then closed.

**3. Consent Items**

- A. Approve Affidavit of Posting the Agenda**
- B. Approve Minutes of the July 14, 2020 Regular City Council Meeting**
- C. Adopt Ordinance 2021-01 Approving a Zoning Map Amendment to Change the Zoning District from "Industrial" to "Public Facilities" for a  $\pm$  0.73-Acre Parcel Located at 485 San Juan Hollister Road (APN: 002-550-009)**
- D. Waive Reading of Ordinances and Resolutions on the Agenda Beyond Title**

**Motion on the Consent Calendar**

Motion was made by Council Member Edge, seconded by Vice Mayor Flores and carried with a 5-0 vote, Council Member Freels abstaining on item 3B.

#### **4. Presentations, Informational Items and Reports**

##### **A. Fiscal Year 2019-2020 Audit Presentation by Auditor Ryan Jolley**

Item 4A was moved further down the agenda to be combined with item 5G.

##### **B. Presentation by Britt Bassoni, Executive Director of the Seniors Council on San Benito County Aging and Disabilities Resource Connection**

The presentation was given by Seniors Council on San Benito County Aging and Disabilities Resource Connection Special Projects Manager Britt Bassoni.

There were no public comments.

##### **C. Monthly Financial Statements**

The staff report was presented by City Manager Reynolds.

There were no public comments.

##### **D. City Manager's Report**

The staff report was presented by City Manager Reynolds.

There were no public comments.

##### **E. Reports from City Council Representatives to Regional Organizations and Committees**

Council Member Freeman reported on the AMBAG meeting focus on financials and the 2035 transportation plan. He then spoke on the Central Coast Broad Band Consortium detailing improved broadband soon to be available in San Juan with funding through a USDA grant.

Vice Mayor Flores reported from the Homeless Leadership Group on the delay of the 2021 Homeless Census. He then detailed a recent LAFCO approval in Aromas and reported on the Commission's selection of officers and review of the sphere of influence and urban growth boundary.

#### **5. Action Items**

Item 5G was moved up the agenda prior to 5A and combined with presentation item 4A.

##### **4. A. Fiscal Year 2019-220 Audit Presentation by Auditor Ryan Jolley**

The report was presented by City Accountant Wendy Cumming.

There were no public comments.

##### **5. G. Adoption of a Resolution Accepting the Fiscal Year 2019-2020 Audit**

**Motion on Item 5G**

**Motion was made by Council Member Edge, seconded by Council Member Freeman and carried with a 5-0 vote to adopt Resolution 2021-01, a Resolution of the City Council of the City of San Juan Bautista Accepting the Fiscal Year 2019-2020 Audit.**

**A. Approval of Mayor's Selection of City Council Representatives to Regional Organizations and Committees**

There were no public comments.

Mayor Jordan recommended the following appointments:

LAFCO – Vice Mayor Flores, Member; Council Member Freels, Alternate  
 AMBAG – Council Member Freeman, Member; Vice Mayor Flores, Alternate  
 COG – Council Member Edge, Member; Council Member Freels, Alternate  
 Water Resources Association – Mayor Jordan, Member; Council Member Freeman, Alternate  
 West Nile Virus – Council Member Edge, Member  
 Integrated Waste Management Local Task Force – Council Member Freeman, Member  
 CMAP Board– Vice Mayor Flores, Member  
 Intergovernmental Committee – Council Member Freeman, Member; Mayor Jordan, Alternate  
 AD Hoc Committee on Parking – Council Member Edge and Mayor Jordan, Member's  
 Ad Hoc Committee on Sphere of Influence/Urban Growth Boundary – Council Member's Freels and Edge, Members  
 Ad Hoc Committee for Sheriff Contract– Council Member's Edge and Freels, Members  
 Ad Hoc Cannabis Committee – Council Member's Freels and Freeman, Members  
 Investment Advisory Committee – Council Member Freeman, Member  
 San Benito County Homeless Planning Group – Vice Mayor Flores, Member; Council Member Edge, Alternate  
 Monterey County/San Benito County Continuum of Care Leadership Council – Vice Mayor Flores  
 Monterey Bay Power Authority Policy Board – Council Member Freeman, Member; Mayor Jordan, Alternate  
 Area Agency on Aging – Council Member Edge, Member; Vice Mayor Flores, Alternate

**Motion on Item 5A**

**Motion was made by Vice Mayor Flores, seconded by Council Member Edge and carried with a 5-0 vote to confirm the appointments of City Council representatives to regional organizations and committees.**

**B. Consider Recommendation of Council Ad Hoc Committee and Appointment of Two Planning Commissioners for Four-Year Terms Ending December 2024**

The staff report was introduced by City Manager Reynolds and further presented by Ad Hoc Committee Members Vice Mayor Flores and Council Member Edge.

Public comment was opened.

Applicant EJ Sabathia asked what criteria was used in the selection process.

Applicant Priscilla Ribera asked what the criteria was in the selection process.

Yolanda Delgado described the staff input to the ad hoc committee that had guided them in considering the late application.

Applicant Jackie Morris-Lopez spoke on abiding by the established rules in the selection process, and then thanked the ad hoc committee.

Public comment was then closed.

#### **Motion on Item 5B**

**Motion was made by Council Member Edge, was seconded by Vice Mayor Flores and carried with a 3-2 vote (Council Members Freels and Freeman voting no) to appoint Jackie Morris Lopez to the Planning Commission, for a four-year term.**

#### **Second Motion on Item 5B**

**Motion was made by Council Member Edge, was seconded by Vice Mayor Flores and carried with a 3-2 vote (Council Members Freels and Freeman voting no) to appoint Mary Bains to the Planning Commission, for a four-year term.**

### **C. Appointment of a City Treasurer for a Two-Year Term Ending December 2022**

The staff report was presented by City Manager Reynolds.

Public comment was opened.

Jackie Morris-Lopez asked what the applicant's qualifications were.

Applicant Michelle Sabathia shared her experience and enthusiasm in filling the vacant seat.

Public comment was then closed.

#### **Motion on Item 5C**

**Motion was made by Vice Mayor Flores, seconded by Council Member Edge and carried with a 5-0 vote to appoint Michelle Sabathia to fill the vacant seat as Elected City Treasurer with a term ending in December 2022.**

### **D. Re-appointment of Urban Growth Boundary Ad Hoc Committee Members**

The staff report was presented by City Manager Reynolds.

Public comment was opened.

EJ Sabathia shared his interest in serving on the committee.

Yolanda Delgado encouraged applicants to apply to the committee.

Public comment was then closed.

**Motion on Item 5D**

**Motion was made by Vice Mayor Flores, seconded by Council Member Freeman and carried with a 5-0 vote to appoint Council Members Freels and Edge and newly appointed Planning Commissioner Morris-Lopez to the Ad Hoc Committee, and recruit to fill the member at large vacancy.**

**E. Consideration of the Adoption of a Confined Space Policy Providing Safety Procedures for the Public Works Department and Comply with State of California Requirements**

The staff report was presented by City Manager Reynolds.

There were no public comments.

**Motion on Item 5E**

**Motion was made by Council Member Edge, seconded by Council Member Freels and carried with a 5-0 vote to adopt the Confined Space Policy.**

**F. Adoption of a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with California Municipal Advisors to Prepare a Feasibility and Financial Plan to Fulfill Requirements Set Forth by the Environmental Protection Agency Administrative Order on Consent in the Amount of \$37,630**

The staff report was presented by City Manager Reynolds.

There were no public comments.

**Motion on Item 5F**

**Motion was made by Council Member Edge, seconded by Council Member Freels and carried with 5-0 vote to adopt Resolution 2021-02 a Resolution of the City Council of the City of San Juan Bautista authorizing the City Manager to execute a professional services agreement with California Municipal Advisors.**

**G. Adoption of a Resolution Accepting the Fiscal Year 2019-2020 Audit**

Item 5G was moved up the agenda and addressed prior to item 5A.

**H. Adoption of a Resolution Authorizing the City Manager to Execute a Contract with EMC Planning Group for Professional, Land Use Consulting, Technical Analysis and Design Services to Develop and Prepare the South San Juan Area Plan, NTE \$210,521**

The staff report was presented by City Manager Reynolds.

Public comment was opened.

Rosa Vivian Fernandez of San Benito Health Foundation spoke on the Agency's interest in creating housing on the property for students and employees and as stage housing for practicum.

David Medeiros asked why other areas of the city were not being looked at for a more balanced approach to housing throughout the city.

Jackie Morris-Lopez suggested that more public input and research be conducted, asking what the city would gain from the proposal.

Dan DeVries described the impacts of the proposal on the community and environmental sensitivity of the area, asking that further public input be sought first before moving forward.

Public comment was then closed.

**Motion on Item 5H**

**Motion was made by Council Member Freels, seconded by Council Member Edge and carried with a 4-1 vote (Vice Mayor Flores voting no), to postpone the item until the next meeting to find out more about the proposal and receive a legal opinion about the legality of the 1919 development approval of the prime agricultural land in the area.**

**6. Discussion Items**

**A. Review Recommendation on City Staff Reorganization**

The staff report was presented by City Manager Reynolds.

Public comment was opened.

Dave Medeiros suggested that land use of properties near historical sites be included within the Planning Manager/Assistant City Manager responsibilities.

Jackie Morris-Lopez inquired about the responsibilities of the newly created Planning Manager/Assistant City Manager position.

Public comment was then closed.

Direction was given to staff to move forward with the reorganization, for approval at the next meeting.

## **B. Urban Growth Boundary/Sphere of Influence Ad-Hoc Committee Status**

City Manager Reynolds presented the item.

There were no public comments.

Direction was given to staff to get the citizen at large position filled and move forward.

## **C. Update on Water and Wastewater Distribution System Enhancements and Compliance with the Environmental Protection Agenda**

Note: there was a minor typographical error in the published agenda and the last word was intended to read "Agency".

City Manager Reynolds presented the staff report.

Public comment was opened; there being no comments, it was then closed.

## **D. Traffic Management on First Street and Lavagnino Drive During the Construction of the Roundabout at Rancho Vista**

The staff report was introduced by City Manager Reynolds and further presented by City Engineer Julie Behzad.

Public comment was opened.

EJ Sabathia highlighted his letter to Council on the closure of 1<sup>st</sup> street, describing the needed egress for public safety and negative impacts to downtown businesses if the street was closed.

David Medeiros inquired about a traffic study and asked if the roundabout would be a gateway into San Juan. He then commented on speeding on 1<sup>st</sup> street.

Public comment was then closed.

The Council gave direction to staff to move forward with option B – one lane kept open on 1<sup>st</sup> street during construction.

## **E. Update on COVID-19 and Affects to the Community and San Benito County**

The staff report was presented by City Manager Reynolds.

Public comment was opened.

Jackie Morris-Lopez spoke on the new County ordinance and necessary enforcement and described the organization "Open Up San Benito" that was actively opposed to the restrictions.

Public comment was then closed.

The Council agreed to a Special Meeting on February 9<sup>th</sup> at 6 p.m. to address the downtown parklets.

## **7. Comments**

### **A. City Council**

Vice Mayor Flores stated that he had recently lost a family member to COVID 19 and spoke on the need to adhere to the protections to prevent the spread of the virus.

Council Member Freeman shared his condolences to Vice Mayor Flores for his loss and agreed that all protections be followed to prevent the spread of the virus.

Council Member Freels shared his condolences to Vice Mayor Flores, and he then asked the Council to agendize a future item for a full discussion on the issue of speeding on 1<sup>st</sup> Street.

Council Member Edge suggested that applicants not selected for appointment to the Planning Commission apply for the Urban Growth Boundary/Spere of Influence Ad Hoc Committee.

Mayor Jordan thanked everyone for a productive meeting.

### **B. City Manager**

There were no comments provided.

### **C. City Attorney**

There were no comments provided.

### **D. City Clerk**

City Clerk Freels explained that her first focus as the new City Clerk was to enhance the Council agenda by providing more detailed descriptions and instructions for increased public engagement, and she described her discussions with City Manager Reynolds to learn his priorities for the City Clerk's Office.

## **8. Adjournment**

### **Motion to Adjourn**

**Motion was made by Vice Mayor Flores, seconded by Council Member Edge and carried with a 5-0 vote to adjourn the meeting at 9:38 p.m.**

Respectfully Submitted:

/s/ Shawna Freels, MMC  
City Clerk



**CITY OF SAN JUAN BAUTISTA  
REGULAR CITY COUNCIL MEETING  
DECEMBER 15, 2020  
DRAFT MINUTES**

- 1. CALL TO ORDER** - Mayor Mary Edge called the meeting to order at 6:15 p.m.

**PLEDGE OF ALLEGIANCE** – Vice Mayor Jordan lead the pledge of allegiance.

**ROLL CALL Present:** Mayor Edge, Vice Mayor Jordan, Council Members DeVries, Freeman, and Flores.

**Staff Present:** City Manager Reynolds, City Attorney Mall, Deputy City Clerk Paetz

**2. CEREMONIAL ITEMS AND SWEARING IN OF COUNCIL MEMBERS AND CITY CLERK**

**A. Approve Resolution 2020-67 Declaring Election Results**

Mayor Edge read the resolution declaring the results of the November 3, 2020 election.

A motion was made by Council Member Flores and seconded by Council Member Jordan to approve the resolution. The motion passed unanimously, 5-0.

**B. Presentation of Plaques Honoring Outgoing City Council Member Dan DeVries, Outgoing Planning Commissioners Scott Freels and Shirley Brewer, and Outgoing City Clerk Laura Cent**

Mayor Edge distributed plaques and expressed gratitude and appreciation to outgoing City Council Member DeVries and City Clerk Cent, and Planning Commissioners.

**C. Installation of Newly Elected City Council Members John Freeman and Scott Freels and New City Clerk Shawna Freels**

Re-elected City Council Member Freeman and newly elected City Clerk Shawna Freels were sworn in by City Clerk Laura Cent, and then newly elected City Council Member Scott Freels was sworn in by newly elected City Clerk Shawna Freels.

**D. Selection of Mayor**

Council Member Edge nominated Council Member Jordan for Mayor. The nomination was seconded by Council Member Freels. A vote was taken and the motion passed unanimously, 5-0.

**E. Selection of Vice Mayor**

Council Member Freels nominated Council Member Freeman for Mayor Pro Tem (Vice Mayor). The motion died for lack of second.

Council Member Edge nominated Council Member Flores for Mayor Pro Tem. The nomination was seconded by Council Member Jordan. A vote was taken and the motion passed unanimously, 5-0.

**3. PUBLIC COMMENT**

No comments were provided.

**4. CONSENT ITEMS**

**A. Approve Affidavit of Posting Agenda**

**B. Approve Affidavit of Posting Public Hearing Notice**

**C. Approve Minutes of the November 17, 2020 Meeting**

**D. Waive Reading of Ordinances and Resolutions on Tonight's Agenda Beyond Title**

A motion was made by Vice Mayor Flores, and seconded by Council Member Edge, to approve all items on the Consent Agenda. The motion passed unanimously with Council Member Freels abstaining from voting on the minutes as he was not present at the meeting.

**5. PRESENTATIONS, INFORMATIONAL ITEMS AND REPORTS**

**A. Monthly Financial Statements**

City Manager Reynolds reviewed the financial statements for the Council. There was no public comment.

**B. City Manager's Report**

City Manager Reynolds reviewed his report. There was no public comment.

**C. Reports from City Council Appointees to Regional Organizations and Committees**

Council Members Edge, Freeman, Flores and Edge reported on meetings they attended. There was no public comment.

**6. PUBLIC HEARING**

**A. Consider Approval of a General Plan Amendment to Change the land use designation from "Industrial" to "Public Facilities" and Zoning Map amendment to change the land use zoning from "Industrial" to "Public Facilities" of the City Well 6 and underlying 0.73 acre parcel, located at the corner of 485 San Juan-Hollister Road (APN 002-550-009)**

City Manager Reynolds introduced Sr. Planner David Mack. Mr. Mack provided a Powerpoint presentation. Mayor Jordan opened the public hearing. No public comments were received. Mayor Jordan closed the public hearing. Council Member Freeman reminded everyone that Well 6 is off line.

**i. Approve Resolution 2020-68 Approving a General Plan Amendment to Change the Land Use Designation from “Industrial” to “Public Facilities”**

A motion was made by Vice Mayor Flores and seconded by Council Member Freeman to Approve Resolution 2020-68 approving a General Plan Land Use Map amendment to reclassify the property land use designation from “Industrial” to “Public Facilities” for the property located at 485 San Juan-Hollister Road (APN 002-550-009). The motion passed unanimously, 5-0.

**ii. Approve Resolution 2020-69 Approving a Zoning Map Amendment to change the land use zoning from “industrial” to “Public Facilities”**

A motion was made by Council Member Edge and seconded by Council Member Freeman to approve Resolution 2020-69 Adopting an Ordinance Amending the City of San Juan Bautista Zoning Map Rezoning the “Well 6” Property located at 485 San Juan-Hollister Road from “Industrial” to “Public Facilities” (APN 002-550-009). The motion passed unanimously, 5-0.

**B. Introduce an Ordinance Approving a Zoning Map Amendment to Change the Zoning District from “Industrial” to “Public Facilities” for a +/- 0.73 Acre Parcel Located at 485 San Juan Hollister Road (APN: 002-550-009)**

A motion was made by Council Member Flores and seconded by Council Member Edge to introduce an ordinance approving a zoning map amendment to change the zoning district from “Industrial” to “Public Facilities” for a +/- 0.73 acre parcel located at 485 San Juan Hollister Road (APN 002-550-009). The motion passed unanimously, 5-0.

**7. ACTION ITEMS**

**A. Select an Ad Hoc Committee to Recruit for Planning Commissioners**

City Manager Reynolds provided a report stating there are two vacancies on the Planning Commission/ Historic Resources Board. A new ordinance passed by the City Council recently states that the ad hoc committee needs to recruit by reviewing applications, conducting interviews, and then report back to the City Council with their recommendation. No public comment was received. Mayor Jordan appointed Council Members Edge and Flores as the Ad Hoc Committee to Recruit for Planning Commissioners.

**8. DISCUSSION ITEMS**

**A. City Treasurer Appointment Process Update**

City Manager Reynolds provided a report stating since there were no candidates running for the office of City Treasurer in the election last month, the Council decided at their last meeting that they would appoint. During public comment, Michelle Sabathia asked what the duties of the City Treasurer are, and City Manager provided an explanation. No other public comments were received.

**B. Urban Growth Boundary/Sphere of Influence Ad Hoc Committee Status Report**

City Manager Reynolds provided a report. Council Member Freels confirmed he wants to continue on the UGB Committee as the Council's representative. The Council was in consensus that Council Member Freels, formerly a representative from the Planning Commission, should continue on the UGB/SOI Ad Hoc Committee as the Council's representative. During public comment Wanda Guibert asked for clarification on what is agricultural property. City Manager Reynolds explained, the Nyland Property boundary to Rocks Road.

**C. COVID-19 Update**

City Manager Reynolds provided an update. There was no public comment.

**D. Water Update**

City Manager Reynolds provided an update stating he is searching for funding search water and wastewater. No public comment was received.

**9. COMMENTS**

**A. City Council**

Council Member Edge commented that the regular Friday food distribution event since COVID-19 has moved to the Community Hall, and the Council is providing gifts for the victims of the Marentis Court fire. Council Member Freels thanked his wife for supporting him during the election, and then commended the Hollister Fire Department for their work on the Marentis Court fire. Mayor Jordan commended the Fire Department as well, and then thanked Council Member Edge for serving as Mayor in 2020.

**B. City Manager**

City Manager Reynolds thanked Council Member Edge for her support.

**C. City Attorney**

City Attorney Mall wished everyone Happy Holidays.

**10. ADJOURNMENT**

The meeting adjourned at 8:00 P.M.

## **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

**Treasurer's Report**  
**For the Six Month Period Ended December 31, 2020**

**General Fund ~**

General revenues are running at 45% for the year to date. Correspondingly, general fund expenditures are at 43% for the year to date. The net effect is a positive change in general fund balance of \$87k.

**Water Enterprise Fund ~**

The water enterprise fund revenues are running at 56% for the year to date, and expenses are at 45%. The net effect is a positive change in the water enterprise fund of 292k.

**Sewer Enterprise Fund ~**

The sewer enterprise fund revenues are running at 48% for the year to date, and expenses are at 54%. With the higher than anticipated expenses, the sewer enterprise fund is still showing a positive net change in fund balance of \$155k.

**City of San Juan Bautista**  
**Expenditures ~ Budget Vs. Actual**

Item #4C  
City Council Meeting  
February 16, 2021

**For the Six Month Period Ended December 31, 2020**

<b>EXPENDITURES</b>	<b>FY20</b>	<b>FY21</b>	<b>Annual</b>		<b>YTD</b>	
<u>Fund</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>	<u>50%</u>	<u>Note</u>
<b>General Fund</b>	632,946	726,784	1,676,216	(949,432)	43%	
<b>Special Revenue Funds:</b>						
Capital Projects Fund	150,743	1,210,773	2,699,628	(1,488,855)	45%	
Community Development	310,585	272,703	595,779	(323,076)	46%	
COPS	50,000	50,000	100,000	(50,000)	50%	
Parking & Restroom Fd	4,047	707	71,200	(70,493)	1%	A
Gas Tax Fund	7,862	64,978	264,447	(199,469)	25%	A
Valle Vista LLD	10,570	7,984	21,717	(13,733)	37%	
Rancho Vista CFD	1,473	17,013	27,375	(10,362)	62%	
Copperleaf CFD	1,473	3,805	14,186	(10,381)	27%	
<b>Development Impact Fee Funds</b>						
Public/Civic Facility	1,353	1,353	166,840	(165,487)	1%	A
Library	2,220	2,220	25,000	(22,780)	9%	A
Storm Drain	1,717	89,783	95,566	(5,783)	94%	A
Park In-Lieu	150	150	33,565	(33,415)	0%	A
Public Safety	429	429	135,319	(134,890)	0%	A
Traffic	216	128,314	133,314	(5,000)	96%	A
<b>Internal Service Funds:</b>						
Blg Rehab. & Replace	-	-	45,000	(45,000)	0%	A
Vehicle Replacement	6,504	3,674	11,890	(8,216)	31%	A
<b>Enterprise Funds:</b>						
Water:						
Operations	308,895	335,754	753,359	417,605	45%	
Capital	263,548	67,902	615,565	547,663	11%	A
Sewer						
Operations	498,796	403,391	741,916	338,525	54%	
Capital	28,280	94,592	341,694	247,102	28%	A
<b>TOTAL Funds</b>	<b>1,698,375</b>	<b>2,755,525</b>	<b>8,569,576</b>	<b>5,814,051</b>	<b>32%</b>	

**Footnotes:**

A ~ Capital fund transfers/costs are budgeted to be incurred by these funds. Since the costs/transfers occur sporadically during the year, they do not always align with the to date percentages, or prior year amounts.

**City of San Juan Bautista**  
**Revenues ~ Budget Vs. Actual**  
**For the Six Month Period Ended December 31, 2020**

Item #4C  
City Council Meeting  
February 16, 2021

<b>REVENUES</b>	<b>FY20</b>	<b>FY21</b>	<b>Annual</b>		<b>YTD</b>	
<b>Fund</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Budget</b>	<b>Difference</b>	<b>50%</b>	<b>Notes</b>
<b>General Fund</b>	781,828	814,160	1,810,092	(995,932)	45%	
<b>Special Revenue Funds:</b>						
Capital Projects Fund	-	1,210,773	2,574,628	(1,363,855)	47%	C
Community Development	201,182	109,067	467,903	(358,836)	23%	B
COPS	77,325	67,607	100,000	(32,393)	68%	
Parking & Restroom Fd	14,997	8,411	14,812	(6,401)	57%	
Gas Tax Fund	47,833	50,471	249,897	(199,426)	20%	A
Valle Vista LLD	10,859	10,859	21,717	(10,859)	50%	
Rancho Vista CFD	46,372	28,829	57,657	(28,829)	50%	
Copperleaf CFD	17,195	10,639	21,279	(10,640)	50%	
<b>Development Impact Fee Funds:</b>						
Park Development	-	20,536	-	20,536		
Public/Civic Facility	55,495	1,767	-	1,767		
Library	74,655	2,377	-	2,377		
Storm Drain	2,602	38,288	-	38,288		
Park In-Lieu	1,309	10,426	-	10,426		
Public Safety	57,741	1,839	-	1,839		
Traffic	6,316	45,821	-	45,821		
<b>Internal Service Funds:</b>						
Blg Rehab. & Replace	19,000	19,000	38,000	(19,000)	50%	
Vehicle Replacement	30,000	30,000	60,000	(30,000)	50%	
<b>Enterprise Funds:</b>						
Water						
Operations	534,104	627,803	1,124,400	(496,597)	56%	
Capital	3,646	207,493	615,565	(408,072)	34%	
Sewer						
Operations	543,753	558,098	1,161,800	(603,702)	48%	
Capital	8,773	12,488	341,694	(329,206)	4%	C
<b>TOTAL Funds</b>	<b>1,753,157</b>	<b>3,072,591</b>	<b>8,659,444</b>	<b>5,586,853</b>	<b>35%</b>	

A ~ Measure G Funds are a significant portion of this funds budget. Those funds have not yet been received.

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**  
**Warrant Listing**  
**As of January 31, 2021**

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
<b>101.000 · Union Bank</b>				
<b>101.001 · Operating Acct. 1948</b>				
	01/06/2021	214320	Clark Pest Control	-95.00
	01/06/2021	214321	CSG Consultants, Inc.	-152,955.00
	01/06/2021	214322	EMC Planning Group Inc.	-542.74
	01/06/2021	214323	Judy's Gifts & Awards	-238.15
	01/06/2021	214324	Level 1 Private Security.	-6,884.25
	01/06/2021	214325	Maggiora Bros. Drilling Inc.	-500.00
	01/06/2021	214326	Monterey Bay Analytical Services	-1,572.30
	01/06/2021	214327	MuniBilling	-393.38
	01/06/2021	214328	rrm design group	-1,355.00
	01/06/2021	214329	Rx-Tek	-20.00
	01/06/2021	214330	United Site Services of California, Inc.	-356.15
	01/12/2021	214331	maggiora bros	-1,500.00
	01/12/2021	214332	3T Equipment Company Inc.	-228.86
	01/12/2021	214333	4Leaf, Inc.	-1,007.29
	01/12/2021	214334	ACWA Health Benefits Authority	-11,227.82
	01/12/2021	214335	All Clear Water Services	-4,100.00
	01/12/2021	214336	Alyssa Melrose.	-63.57
	01/12/2021	214337	att.com	-70.75
	01/12/2021	214338	Bear's Hideaway, LLC.	-1,500.00
	01/12/2021	214339	Brigantino Irrigation, Inc.	-90.13
	01/12/2021	214340	CALNET	-259.93
	01/12/2021	214341	Charter Communications	-537.37
	01/12/2021	214342	Chimalma Del Rio.	-69.86
	01/12/2021	214343	Code Publishing Company	-150.00
	01/12/2021	214344	Country Cuts.	-1,500.00
	01/12/2021	214345	Cypress Water Services	-150.00
	01/12/2021	214346	Department of Conservation	-383.01
	01/12/2021	214347	Gosomer Properties, LLC.	-2,500.00
	01/12/2021	214348	Graniterock	-5,580.98
	01/12/2021	214349	Harris & Associates	-8,972.50
	01/12/2021	214350	Heather Brodersen Imports.	-850.00
	01/12/2021	214351	Hollister Auto Parts, Inc.	-475.76
	01/12/2021	214352	Inaka Japanese Restaurant, LLC	-1,500.00
	01/12/2021	214353	J.V. Orta's Rent A Fence	-225.00
	01/12/2021	214354	Jan's Top Rock Shop.	-1,350.00
	01/12/2021	214355	Jardines de San Juan Bautista	-1,000.00
	01/12/2021	214356	Jardines, Inc.	-150.00
	01/12/2021	214357	Margot's Ice Cream Parlor.	-1,000.00
	01/12/2021	214358	Mission Cafe.	-1,200.00
	01/12/2021	214359	Monterey Bay Analytical Services	-450.00
	01/12/2021	214360	Mrs. B's Z-Place LLC.	-1,500.00
	01/12/2021	214361	Rochelle Eagen	-332.96
	01/12/2021	214362	Silver Leaf Tree Service	-2,010.00

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

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
01/12/2021	214363	Sky is the Limit Beverage Inc..	-1,500.00
01/12/2021	214364	Smith & Enright Landscaping	-3,420.00
01/12/2021	214365	State Compensation Insurance Fund	-1,972.67
01/12/2021	214366	Stephanie Clawson.	-74.30
01/12/2021	214367	Thankful Co.	-2,500.00
01/12/2021	214368	True Value Hardware	-277.11
01/12/2021	214369	Univar Solutions	-385.74
01/12/2021	214370	Wellington Law Offices	-2,500.00
01/12/2021	214371	Wendy L. Cumming, CPA	-4,205.00
01/12/2021	214372	Wright Bros. Industrial Supply	-122.43
01/12/2021	214373	Mind, Music, Body & Spirit Connections.	-2,500.00
01/12/2021	214374	Cooper Controls, Inc.	-8,412.93
01/19/2021	214375	4Leaf, Inc.	-9,175.00
01/19/2021	214376	at&t	-90.85
01/19/2021	214377	Bryant L. Jolley	-26,000.00
01/19/2021	214378	Cypress Water Services	-9,308.75
01/19/2021	214379	Imelda Negrete.	-500.00
01/19/2021	214380	Level 1 Private Security.	-4,673.25
01/19/2021	214381	Monterey Bay Analytical Services	-121.50
01/19/2021	214382	Monterey County Health Department	-50.00
01/19/2021	214383	San Benito County Administrative Office	-5,388.00
01/26/2021	214385	4Leaf, Inc.	-1,450.21
01/26/2021	214386	AFLAC	-290.69
01/26/2021	214387	Central Electric	-10,849.00
01/26/2021	214388	Hamner Jewell Associates	-253.00
01/26/2021	214389	Joni L. Janecki & Associates, Inc.	-2,260.70
01/26/2021	214390	KBA Docusys	-219.57
01/26/2021	214391	League of California Cities	-1,477.00
01/26/2021	214392	Martha K. Brown.	-750.00
01/26/2021	214393	Monterey Bay Analytical Services	-523.80
01/26/2021	214394	P G & E	-5,375.82
01/26/2021	214395	Ready Refresh	-50.83
01/26/2021	214396	rrm design group	-280.00
01/26/2021	214397	Rx-Tek	-100.00
01/26/2021	214398	Sprint	-168.33
01/26/2021	214399	State Compensation Insurance Fund	-1,972.67
01/26/2021	214400	The Rotary Club of San Juan Bautista	-416.00
01/26/2021	214401	Univar Solutions	-532.06
01/26/2021	214402	US Bank	-1,736.34
01/26/2021	214403	US Bank Equipment Finance	-249.61
01/26/2021	214404	Valero Wex Bank	-814.60
01/26/2021	214405	P G & E	-5,048.11
Total 101.001 - Operating Acct. 1948			-334,843.63
Total 101.000 - Union Bank			-334,843.63
<b>TOTAL</b>			<b>-334,843.63</b>

# **CITY OF SAN JUAN BAUTISTA**

## **CITY COUNCIL**

### **STAFF REPORT**

**MEETING DATE:** February 16, 2021

**SUBJECT:** **AUTHORIZE CHECK SIGNING AUTHORITY TO NEW CITY TREASURER**

**FROM:** Trish Paetz, Administrative Services Manager

Background:

The individuals holding the position of Mayor, City Treasurer and City Manager are all authorized signers on the City's accounts at Union Bank. With the change in City Treasurer, the bank needs a resolution authorizing the changes.

Recommendation:

Approve a resolution authorizing Michelle Sabathia to be a signer on the City's bank accounts.

Fiscal Impact:

None

## **RESOLUTION 2021-XX**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA AUTHORIZING CHANGES TO THE DESIGNATED SIGNERS ON THE CITY'S BANK ACCOUNTS AT UNION BANK**

**WHEREAS**, Michelle Sabathia was appointed by the City Council as the City Treasurer for the City of San Juan Bautista; and

**WHEREAS**, Council Member Leslie Jordan was nominated to serve as Mayor for the City of San Juan Bautista, replacing Council Member Mary Vasquez Edge.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL hereby** requests Union Bank add Michelle Sabathia as an authorized signer on City bank accounts.

**FURTHER**, the City Council hereby confirms that the total list of signatories consists of Michelle Sabathia, Don Reynolds, César Flores, John Freeman, and Leslie Jordan. This shall be in effect for all City bank accounts at Union Bank, and

**FURTHER**, the City Council hereby authorizes Wendy Cumming, CPA to have access to bank information but *not* added as a check signer.

**PASSED AND ADOPTED** this 16<sup>th</sup> day of February 2021 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**ATTEST:**

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**Leslie Q. Jordan, Mayor**

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**Shawna Freels, 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 OCUPANCIES IN THE CITY**

**MEETING DATE:** February 16, 2021

**SUBMITTED BY:** Fire Marshal Charlie Bedolla

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**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 3 Group E occupancies, buildings, structures and/or facilities. During calendar year 2019, the Hollister Fire Department completed the annual inspection of 3 Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

During calendar year 2020, the Hollister Fire Department completed the annual inspection of 3 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 23 Group R (and their associated sub-categories) occupancies of this nature.

During calendar year 2019, the Hollister Fire Department completed the annual inspection of 23 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

During calendar year 2020, the Hollister Fire Department completed the annual inspection of 23 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 2019, the Hollister Fire Department completed the annual inspection of 0 Group I occupancies, buildings, structures and/or facilities. This is a compliance rate of 0% for this reporting period.

During calendar year 2020, the Hollister Fire Department completed the annual inspection of 0 Group I occupancies, buildings, structures and/or facilities. This is a compliance rate of 0% 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:**

1. Senate Bill 1205
2. 2019-2020 City of San Juan Bautista Inspections
3. 2019 California Fire Code – Occupancy Classifications

**RESOLUTION 2021-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 16<sup>th</sup> day of February, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Leslie Q. Jordan, Mayor

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Shawna Freels, City Clerk



**Senate Bill No. 1205**

**CHAPTER 854**

An act to add Section 13146.4 to the Health and Safety Code, relating to fire protection.

[Approved by Governor September 27, 2018. Filed with  
Secretary of State September 27, 2018.]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1205, Hill. Fire protection services: inspections: compliance reporting.

Existing law requires the chief of any city or county fire department or district providing fire protection services and his or her authorized representatives to inspect every building used as a public or private school within his or her jurisdiction, for the purpose of enforcing specified building standards, not less than once each year, as provided. Existing law requires every city or county fire department or district providing fire protection services that is required to enforce specified building standards to annually inspect certain structures, including hotels, motels, lodging houses, and apartment houses, for compliance with building standards, as provided.

This bill would require every city or county fire department, city and county fire department, or district required to perform the above-described inspections to report annually to its administering authority, as defined, on the department's or district's compliance with the above-described inspection requirements, as provided. The bill would require the administering authority to acknowledge receipt of the report in a resolution or a similar formal document. To the extent this bill would expand the responsibility of a local agency, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

*The people of the State of California do enact as follows:*

SECTION 1. Section 13146.4 is added to the Health and Safety Code, to read:

13146.4. (a) Every city or county fire department, city and county fire department, or district required to perform an annual inspection pursuant

to Sections 13146.2 and 13146.3 shall report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3.

(b) The report made pursuant to subdivision (a) shall occur when the administering authority discusses its annual budget, or at another time determined by the administering authority.

(c) The administering authority shall acknowledge receipt of the report made pursuant to subdivision (a) in a resolution or a similar formal document.

(d) For purposes of this section, "administering authority" means a city council, county board of supervisors, or district board, as the case may be.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

<b>2019 CITY OF SAN JUAN BAUTISTA</b>		
<b>INSPECTIONS COMPLETED</b>		
<b>COMPLIANCE</b>		
<b>EDUCATIONAL GROUP E</b>		
<b>E (Schools)</b>	3 OF 3	100%
<b>TOTAL</b>	3 OF 3	100%
<b>RESIDENTIAL GROUP R</b>		
<b>R-1 (Hotel/Motels)</b>	2 OF 2	100%
<b>R-2 (Apartments)</b>	21 OF 21	100%
<b>R-2.1 (Residential/Adult Care)</b>		
<b>R-3 (Adult/Child Care)</b>		
<b>R-3.1 (Group Homes)</b>		
<b>R-4 (Rehabilitation Facilities)</b>		
<b>TOTAL</b>	23 OF 23	100%
<b>INSTITUTIONAL GROUP I (INSPECTED BIENNIALY)</b>		
<b>I (Jails/Courthouse)</b>	0	0%
<b>TOTAL</b>	0	0%
<b>OVERALL INSPECTIONS</b>	26 OF 26	

<b>2020 CITY OF SAN JUAN BAUTISTA</b>		
<b>INSPECTIONS COMPLETED</b>		
<b>COMPLIANCE</b>		
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<b>I (Jails/Courthouse)</b>	0	0%
<b>TOTAL</b>	0	0%
<b>OVERALL INSPECTIONS</b>	26 OF 26	

## Occupancy Classifications

**OCCUPANCY CLASSIFICATION.** For the purposes of this code, certain occupancies are defined as follows:

**Assembly Group A.** Assembly Group A occupancy includes, among others, the use of a building or structure, or a portion thereof, for the gathering of *persons* for purposes such as civic, social or religious functions; recreation, food or drink consumption; or awaiting transportation *or Motion Picture and Television Production Studio Sound Stages, Approved Production Facilities and production locations; or for the showing of motion pictures when an admission fee is charged and when such building or structure is open to the public and has a capacity of 10 or more persons.*

***Exceptions:***

1. A building or tenant space used for assembly purposes with an *occupant load* of less than 50 *persons* shall be classified as a Group B occupancy.
2. A room or space used for assembly purposes with an *occupant load* of less than 50 *persons* and accessory to another occupancy shall be classified as a Group B occupancy or as part of that occupancy.
3. A room or space used for assembly purposes that is less than 750 square feet (70 m<sup>2</sup>) in area and accessory to another occupancy shall be classified as a Group B occupancy or as part of that occupancy.
4. Assembly areas that are accessory to Group E occupancies are not considered separate occupancies except when applying the assembly occupancy requirements of Chapter 11 of the *California Building Code*.
5. Accessory religious educational rooms and religious auditoriums with *occupant loads* of less than 100 are not considered separate occupancies.

**Assembly occupancies shall include the following:**

**A-1** Assembly uses, usually with fixed seating, intended for the production and viewing of performing arts or motion pictures including, but not limited to:

*Motion picture and television production studio sound stages, approved production facilities and production locations. (With live audiences).*

Motion picture theaters

Symphony and concert halls

Television and radio studios admitting an audience

Theaters

**A-2** Assembly uses intended for food and/or drink consumption including, but not limited to:

Banquet halls  
Casinos (gaming areas)  
Night clubs  
Restaurants, cafeterias and similar dining facilities  
(including associated commercial kitchens)  
Taverns and bars

**A-3** Assembly uses intended for worship, recreation or amusement and other assembly uses not classified elsewhere in Group A, including, but not limited to:

Amusement arcades  
Art galleries  
Bowling alleys  
Community halls  
Courtrooms  
Dance halls (not including food or drink consumption)  
Exhibition halls  
Funeral parlors  
Greenhouses for the conservation and exhibition of plants that provide public access.  
Gymnasiums (without spectator seating)  
Indoor swimming pools (without spectator seating)  
Indoor tennis courts (without spectator seating)  
Lecture halls  
Libraries  
Museums  
Places of religious worship  
Pool and billiard parlors  
Waiting areas in transportation terminals

**A-4** Assembly uses intended for viewing of indoor sporting events and activities with spectator seating including, but not limited to:

Arenas

Skating rinks

Swimming pools

Tennis courts

**A-5** Assembly uses intended for participation in or viewing outdoor activities including, but not limited to:

Amusement park structures

*Bleachers*

Grandstands

Stadiums

**Business Group B.** Business Group B occupancy includes, among others, the use of a building or structure, or a portion thereof, for office, professional or service-type transactions, including storage of records and accounts. Business occupancies shall include, but not be limited to, the following:

Airport traffic control towers

Ambulatory health-care facilities *serving five or fewer patients (see Group I-2.1 or Section 308.3.2 California Building Code for facilities serving more than five patients)*

Animal hospitals, kennels and pounds

Banks

Barber and beauty shops

Car wash

Civic administration

Clinic-outpatient

Dry cleaning and laundries: pick-up and delivery stations and self-service

Educational occupancies for students above the 12th grade

Electronic data processing

Food processing establishments and commercial kitchens not associated with restaurants, cafeterias and similar dining facilities not more than 2,500 square feet (232m<sup>2</sup>) in area.

Laboratories: testing, research *and instruction*

Motor vehicle showrooms

Post offices

Print shops

Professional services (architects, attorneys, dentists, physicians, engineers, etc.)

Radio and television stations

Telephone exchanges

Training and skill development not within a school or academic program (this shall include, but not be limited to, tutoring centers, martial arts studios, gymnastics and similar uses regardless of ages served, and where not classified as a Group A occupancy)

**Group C (Camps, organized).** *An organized camp is a site with programs and facilities established for the primary purpose of providing an outdoor group living experience with social, spiritual, educational or recreational objectives, for five days or more during one or more seasons of the year.*

**Educational Group E.** Educational Group E occupancy includes, among others, the use of a building or structure, or a portion thereof, by more *than six persons* at any one time for educational purposes through the 12th grade. Religious educational rooms and religious auditoriums, which are accessory to places of religious worship in accordance with Section 508.3.1 of the *California Building Code* and have *occupant loads* of less than 100, shall be classified as Group A-3 occupancies.

**Exception:** A residence used as a home school for the children who normally reside at the residence. Such residences shall remain classified as Group R-2, or Group R-3 Occupancies.

**Day Care Facilities.** This group includes buildings and structures or portions thereof occupied by more than *six* children 2 years of age *and older* who receive educational, supervision or personal care services for fewer than 24 hours per day.

**Exception:** *A day-care facility not otherwise classified as an R-3 Occupancy, where occupants are not capable of responding to an emergency situation without physical assistance from the staff shall be classified as Group I-4.*

**Factory Industrial Group F.** Factory Industrial Group F occupancy includes, among others, the use of a building or structure, or a portion thereof, for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair or processing operations that are not classified as a Group H high hazard or Group S storage occupancy.

**F-1 Moderate-hazard occupancy.** Factory industrial uses which are not classified as Factory Industrial F-2 Low Hazard shall be classified as F-1 Moderate Hazard and shall include, but not be limited to, the following:

Aircraft (manufacturing, not to include repair)

Appliances

Athletic equipment

Automobiles and other motor vehicles

Bakeries

Beverages; over 16-percent alcohol content

Bicycles

Boats

Brooms or brushes

Business machines

Cameras and photo equipment

Canvas or similar fabric

Carpets and rugs (includes cleaning)

Clothing

Construction and agricultural machinery

Disinfectants

Dry cleaning and dyeing

Electric generation plants

Electronics

Engines (including rebuilding)

Food processing establishments and commercial kitchens not associated with restaurants, cafeterias and similar dining facilities more than 2,500 square feet (232 m<sup>2</sup>) in area.

Furniture

Hemp products

Jute products

Laundries

Leather products

Machinery

Metals

Millwork (sash and door)

*Motion picture and television production studio sound stages, approved production facilities and production locations (without live audiences)*

Musical instruments

Optical goods

Paper mills or products

Photographic film

Plastic products

Printing or publishing



Recreational vehicles  
Refuse incineration  
Shoes  
Soaps and detergents  
Textiles  
Tobacco  
Trailers  
Upholstering  
Wood; distillation  
Woodworking (cabinet)

**F-2 Low-hazard Occupancy.** Factory industrial uses involving the fabrication or manufacturing of noncombustible materials which, during finishing, packaging or processing do not involve a significant fire hazard, shall be classified as Group F-2 occupancies and shall include, but not be limited to, the following:

Beverages; up to and including 16-percent alcohol content  
Brick and masonry  
Ceramic products  
Foundries  
Glass products  
Gypsum  
Ice  
Metal products (fabrication and assembly)

**High-hazard Group H.** High-hazard Group H occupancy includes, among others, the use of a building or structure, or a portion thereof, that involves the manufacturing, processing, generation or storage of materials that constitute a physical or *health hazard* in quantities in excess of those allowed in *control areas* complying with Section 2703.8.3, based on the maximum allowable quantity limits for *control areas* set forth in Tables 2703.1.1(1) and 2703.1.1(2). Hazardous occupancies are classified in Groups H-1, H-2, H-3, H-4 and H-5 and shall be in accordance with this code and the requirements of Section 415 of the *California Fire Code*. Hazardous materials stored or used on top of roofs or canopies shall be classified as outdoor storage or use and shall comply with this code.

**Exceptions:** The following shall not be classified as Group H, but shall be classified as the occupancy that they most nearly resemble.

1. Buildings and structures occupied for the application of flammable finishes, provided that such buildings or areas conform to the requirements of Section 416 of the *California Fire Code*.
2. Wholesale and retail sales and storage of flammable and *combustible liquids* in mercantile occupancies conforming to the *California Fire Code*.
3. Closed piping system containing flammable or *combustible liquids* or gases utilized for the operation of machinery or equipment.
4. Cleaning establishments that utilize *combustible liquid* solvents having a *flash point* of 140°F (60°C) or higher in *closed systems* employing equipment *listed* by an *approved* testing agency, provided that this occupancy is separated from all other areas of the building by 1-hour *fire barriers* in accordance with Section 707 or 1-hour *horizontal assemblies* in accordance with Section 711, or both.
5. Cleaning establishments that utilize a liquid solvent having a *flash point* at or above 200°F (93°C).
6. Liquor stores and distributors without bulk storage.
7. Refrigeration systems.
8. The storage or utilization of materials for agricultural purposes on the premises.
9. Stationary storage battery systems installed in accordance with the *California Fire Code*.
10. *Corrosives* shall not include personal or household products in their original packaging used in retail display
11. Commonly used building materials.
12. Buildings and structures occupied for aerosol storage shall be classified as Group S-1, provided that such buildings conform to the requirements of the *California Fire Code*.
13. Display and storage of nonflammable solid and nonflammable or noncombustible liquid hazardous materials in quantities not exceeding the *maximum allowable quantity per control area* in Group M or S occupancies complying with Section 414.2.5
14. The storage of black powder, smokeless propellant and small arms primers in Groups M and R-3 and special industrial explosive devices in Groups B, F, M and S, provided such storage conforms to the quantity limits and requirements of this code.
15. Capacitor energy storage systems in accordance with the *California Fire Code*.
16. *Group L occupancies as defined in Section 453.*

**H-1.** Buildings and structures containing materials that pose a *detonation* hazard shall be classified as Group H-1. Such materials shall include, but not be limited to, the following:

Detonable pyrophoric materials

Explosives:

Division 1.1

Division 1.2

Division 1.3

**Exception:** Materials that are used and maintained in a form where either confinement or configuration will not elevate the hazard from a mass fire to mass explosion hazard shall be allowed in Group H-2 occupancies.

Division 1.4

**Exception:** Articles, including articles packaged for shipment, that are not regulated as an *explosive* under Bureau of Alcohol, Tobacco and Firearms regulations, or unpackaged articles used in process operations that do not propagate a *detonation* or *deflagration* between articles shall be allowed in Group H-3 occupancies.

Division 1.5

Division 1.6

Organic peroxides, unclassified detonable

Oxidizers, Class 4 Unstable (reactive) materials, Class 3 detonable, and Class 4

**High-hazard Group H-2.** Buildings and structures containing materials that pose a *deflagration* hazard or a hazard from accelerated burning shall be classified as Group H-2. Such materials shall include, but not be limited to, the following:

Class I, II or IIIA flammable or combustible liquids which are used or stored in normally open containers or systems, or in closed containers or systems pressurized at more than 15 pounds per square inch (103.4 kPa) gauge

Combustible dusts

Cryogenic fluids, flammable

Flammable gases

Organic peroxides, Class I Oxidizers, Class 3, that are used or stored in normally open containers or systems, or in closed containers or systems pressurized at more than 15 pounds per square inch (103.4 kPa) gauge

Pyrophoric liquids, solids and gases, nondetonable

Unstable (reactive) materials, Class 3, nondetonable Water-reactive materials, Class 3

**High-hazard Group H-3.** Buildings and structures containing materials that readily support combustion or that pose a physical hazard shall be classified as Group H-3. Such materials shall include, but not be limited to, the following:

Class I, II or IIIA flammable or combustible liquids that are used or stored in normally closed containers or systems pressurized at 15 pounds per square inch gauge (103.4 kPa) or less

Combustible fibers, other than densely packed baled cotton

Consumer fireworks, 1.4G (Class C, Common)

Cryogenic fluids, oxidizing

Flammable solids

Organic peroxides, Class II and III

Oxidizers, Class 2 Oxidizers, Class 3, that are used or stored in normally closed containers or systems pressurized at 15

pounds per square inch gauge (103 kPa) or less

Oxidizing gases

Unstable (reactive) materials, Class 2

Water-reactive materials, Class 2

**High-hazard Group H-4.** Buildings and structures which contain materials that are health hazards shall be classified as Group H-4. Such materials shall include, but not be limited to, the following:

Corrosives

Highly toxic materials

Toxic materials

**High-hazard Group H-5.** Semiconductor fabrication facilities and comparable research and development areas in which hazardous production materials (HPM) are used and the aggregate quantity of materials is in excess of those listed in Tables 2703.1.1(1) and 2703.1.1(2) shall be classified as Group H-5. Such facilities and areas shall be designed and constructed in accordance with Section 415.8 of the California Building Code.

**Institutional Group I.** Institutional Group I occupancy includes, among others, 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. Institutional occupancies shall be classified as Group I-1, I-2, I-3 or I-4. *Restraint shall not be permitted in any building except in Group I-3 occupancies constructed for such use. See California Building Code Section 408.1.1.*

*Where occupancies house both ambulatory and non-ambulatory persons, the more restrictive requirements shall apply.*

**Group I-1.** *Not used. (See Group R-2.1 or Section 310.1, California Building Code.)*

**Group I-2.** This occupancy shall include buildings and structures used for medical, surgical, psychiatric, nursing or custodial care for persons who are not capable of self-preservation *or classified as nonambulatory or bedridden*. This group shall include, but not be limited to, the following:

Child care facilities

Detoxification facilities

Hospitals

Mental hospitals

Nursing homes

**Group I-2.1 Ambulatory healthcare facility.** *A healthcare facility that receives persons for outpatient medical care that may render the patient incapable of unassisted self-preservation and where each tenant space accommodates more than five such patients.*

**Group I-3.** This occupancy shall include buildings or *portions of buildings* and structures which are inhabited by *one or more persons* who are under restraint. An I-3 facility is occupied *by persons* who are *restrained*. This group shall include, but not be limited to, the following:

Correctional centers

Detention centers

Jails Juvenile halls

Prisons

Reformatories

Buildings of Group I-3 shall be classified as one of the occupancy conditions indicated below:

**Condition 1.** This occupancy condition shall include buildings in which free movement is allowed from sleeping areas and other spaces where access or occupancy is permitted, to the exterior via means of egress without restraint. A Condition 1 facility is permitted to be constructed as Group R.

**Condition 2.** This occupancy condition shall include buildings in which free movement is allowed from sleeping areas and any other occupied smoke compartment to one or more other smoke compartments. Egress to the exterior is impeded by locked exits.

**Condition 3.** This occupancy condition shall include buildings in which free movement is allowed within individual smoke compartments, such as within a residential unit

comprised of individual sleeping units and group activity spaces, where egress is impeded by remote-controlled release of means of egress from such smoke compartment to another smoke compartment.

**Condition 4.** This occupancy condition shall include buildings in which free movement is restricted from an occupied space. Remote-controlled release is provided to permit movement from sleeping units, activity spaces and other occupied areas within the smoke compartment to other smoke compartments

**Condition 5.** This occupancy condition shall include buildings in which free movement is restricted from an occupied space. Staff-controlled manual release is provided to permit movement from sleeping units, activity spaces and other occupied areas within the smoke compartment to other smoke compartments.

**Group I-4, day-care facilities.** This group shall include buildings and structures occupied by *persons* of any age who receive custodial care for less than 24 hours by individuals other than parents or guardians, relatives by blood, marriage, or adoption, and in a place other than the home of the *person* cared for. A facility such as the above with *six* or fewer *clients* shall be classified as Group R-3 or shall comply with the *California Residential Code*. Places of worship during religious functions are not included.

**Adult day-care facility.** A facility that provides accommodations for less than 24 hours for more than six unrelated adults and provides supervision and personal care services shall be classified as Group I-4.

**Child day-care facility.** Child care facilities that provide supervision and personal care on less than a 24-hour basis for more than six children under 2 years of age shall be classified as Group I-4.

**Exception:** A child day care facility that provides care for more than six but no more than 100 children under 2 years of age, where the rooms in which the children are cared for are located on a level of exit discharge serving such rooms and each of these child care rooms has an exit door directly to the exterior, shall be classified as Group E.

**Group L Laboratories.** [SFM] Group L occupancy includes the use of a building or structure, or a portion thereof containing one or more laboratory suites as defined in Section 443 of the California Building Code.

**Mercantile Group M.** Mercantile Group M occupancy includes, among others, the use of a building or structure or a portion thereof, for the display and sale of merchandise, and involves stocks of goods, wares or merchandise incidental to such purposes and accessible to the public. Mercantile occupancies shall include, but not be limited to, the following. [B]

Department stores

Drug stores

Markets

Motor fuel-dispensing facilities

Retail or wholesale stores

Sales rooms

**Residential Group R.** Residential Group R includes, among others, the use of a building or structure, or a portion thereof, for sleeping purposes when not classified as an Institutional Group I or when not regulated by the *California Residential Code*. Residential occupancies shall include the following:

**R-1** Residential occupancies containing sleeping units where the occupants are primarily transient in nature, including:

Boarding houses (transient)

Hotels (transient)

Motels (transient)

Congregate living facilities (transient) or congregate residences (transient) with 10 or fewer occupants are permitted to comply with the construction requirements for Group R-3.

**R-2** Residential occupancies containing sleeping units or more than two dwelling units where the occupants are primarily permanent in nature, including:

Apartment houses

Boarding houses (nontransient)

Convents

Dormitories

Fraternities and sororities

Hotels (nontransient)

Live/work units

Monasteries Motels (nontransient)

Vacation timeshare properties

Congregate living facilities or congregate residences with 16 or fewer occupants are permitted to comply with the construction requirements for Group R-3.

**R-2.1** *This occupancy shall include buildings, structures or parts thereof housing clients, on a 24-hour basis, who because of age, mental disability or other reasons, live in a supervised residential environment that provides personal care services.*

*This occupancy may contain more than six nonambulatory and/or bedridden clients. (See Appendix Chapter 4,*

*Section 425 Special Provisions For Licensed 24-Hour Care Facilities in a Group R-2.1, R-3.1 or R-4 Occupancy). This group shall include, but not be limited to, the following:*

*Assisted living facilities such as:*

Residential care facilities

Residential care facilities for the elderly (RCFEs)

Adult residential facilities

Congregate living health facilities

Group homes

Residential care facilities for the chronically ill

Congregate living health facilities for the terminally ill

*Social rehabilitation facilities such as:*

Halfway houses

Community correctional centers

Community correction reentry centers

Community treatment programs

Work furlough programs

Alcoholism or drug abuse recovery or treatment facilities

**R-3** Residential occupancies where the occupants are primarily permanent in nature and not classified as Group R-1, R-2, R-2.1, R-4 or I, including:

Buildings that do not contain more than *two dwelling units*.

Adult care facilities that provide accommodations for six or fewer clients of any age for less than 24 hours. *Licensing categories that may use this classification include, but are not limited to:*

Adult day programs.

Child care facilities that provide accommodations for six or fewer clients of any age for less than 24 hours. Licensing categories that may use this classification include, but are not limited to:

Day-care center for mildly ill children Infant care center

School age child day-care center.

Family day-care homes that provide accommodations for 14 or fewer children, in the provider's own home for less than 24 hours.

Congregate living facilities or congregated residences with 16 or fewer persons.



Adult care and child care facilities that are within a single-family home are permitted to comply with the California Residential Code.

**R-3.1** This occupancy group may include facilities licensed by a governmental agency for a residentially based 24-hour care facility providing accommodations for six or fewer clients of any age. Clients may be classified as ambulatory, nonambulatory or bedridden. A Group R-3.1 occupancy shall meet the requirements for construction as defined for Group R-3, except as otherwise provided for in Appendix Chapter 4 Special Provisions For Licensed 24-Hour Care Facilities in a Group R-2.1, R-3.1 or R-4 Occupancy. This group may include:

Adult residential facilities

Congregate living health facilities

Foster family homes

Group homes

Intermediate care facilities for the developmentally disabled habilitative

Intermediate care facilities for the developmentally disabled nursing

Nurseries for the full-time care of children under the age of six, but not including "infants" as defined in Section 202

Residential care facilities for the elderly

Small family homes and residential care facilities for the chronically ill

**Exception:** Foster Family Homes or Group Homes licensed by the Department of Social Services which provide nonmedical board, room and care for six or fewer ambulatory children or children two years of age or younger, and which do not have any nonambulatory clients shall not be subject to regulations found in Section Appendix Chapter 4, Section 425.

*Pursuant to Health and Safety Code Section 13143 with respect to these exempted facilities, no city, county, or public district shall adopt or enforce any requirement for the prevention of fire or for the protection of life and property against fire and panic unless the requirement would be applicable to a structure regardless of the special occupancy. Nothing shall restrict the application of state or local housing standards to such facilities if the standards are applicable to residential occupancies and are not based on the use of the structure as a facility for ambulatory children. For the purpose of this exception, ambulatory children does not include relatives of the licensee or the licensee's spouse.*

**R-4** Residential occupancies shall include buildings arranged for occupancy as residential care/assisted living facilities including more than six ambulatory clients, excluding staff.

Group R-4 occupancies shall meet the requirements for construction as defined for Group R-3, except as otherwise provided for in this code or shall comply with the California Residential Code, provided the building is protected by an automatic sprinkler system installed in accordance with Section 903.2.8.

This occupancy classification may include a maximum six nonambulatory or bedridden clients (see Appendix Chapter 4, Section 425 Special Provisions For Licensed 24-Hour Care Facilities in a Group R-2.1, R-3.1, or R4 Occupancy). Group R-4 occupancies shall include the following:

*Assisted living facilities such as:*

Residential care facilities

Residential care facilities for the elderly (RCFEs)

Adult residential facilities

Congregate living health facilities

Group homes.

*Social rehabilitation facilities such as:*

Halfway houses

Community correctional centers

Community correction reentry centers

Community treatment programs

Work furlough programs

Alcoholism or drug abuse recovery or treatment facilities

**Storage Group S.** Storage Group S occupancy includes, among others, the use of a building or structure, or a portion thereof, for storage that is not classified as a hazardous occupancy. [B]

**Moderate-hazard storage, Group S-1.** Buildings occupied for storage uses that are not classified as Group S-2, including, but not limited to, storage of the following:

Aerosols, Levels 2 and 3

Aircraft hangar (storage and repair)

Bags: cloth, burlap and paper

Bamboos and rattan

Baskets Belting: canvas and leather

Books and paper in rolls or packs

Boots and shoes

Buttons, including cloth covered, pearl or bone

Cardboard and cardboard boxes  
Clothing, woolen wearing apparel  
Cordage Dry boat storage (indoor)  
Furniture Furs Glues, mucilage, pastes and size  
Grains  
Horns and combs, other than celluloid  
Leather  
Linoleum  
Lumber  
Motor vehicle repair garages complying with the maximum allowable quantities of hazardous materials listed in Table 2703.1.1(1) (see Section 406.6 of the California Building Code)  
Photo engravings  
Resilient flooring  
Silks  
Soaps  
Sugar  
Tires, bulk storage of  
Tobacco, cigars, cigarettes and snuff  
Upholstery and mattresses  
Wax candles

**Low-hazard storage, Group S-2.** Includes, among others, buildings used for the storage of noncombustible materials such as products on wood pallets or in paper cartons with or without single thickness divisions; or in paper wrappings. Such products are permitted to have a negligible amount of plastic trim, such as knobs, handles or film wrapping. Storage uses shall include, but not be limited to, storage of the following:

Asbestos  
Beverages up to and including 16-percent alcohol in metal, glass or ceramic containers  
Cement in bags  
Chalk and crayons  
Dairy products in nonwaxed coated paper containers  
Dry cell batteries  
Electrical coils  
Electrical motors

Empty cans  
Food products  
Foods in noncombustible containers  
Fresh fruits and vegetables in nonplastic trays or containers  
Frozen foods  
Glass  
Glass bottles, empty or filled with noncombustible liquids  
Gypsum board  
Inert pigments  
Ivory  
Meats  
Metal cabinets  
Metal desks with plastic tops and trim  
Metal parts  
Metals  
Mirrors  
Oil-filled and other types of distribution transformers  
Parking garages, open or enclosed  
Porcelain and pottery  
Stoves  
Talc and soapstones  
Washers and dryers

**Miscellaneous Group U.** Buildings and structures of an accessory character and miscellaneous structures not classified in any specific occupancy shall be constructed, equipped and maintained to conform to the requirements of this code commensurate with the fire and life hazard incidental to their occupancy. Group U shall include, but not be limited to, the following: [B]

Agricultural buildings

Aircraft hangar, accessory to a one- or two-family residence (see Section 412.3 of the California Building Code)

Barns

Carports

Fences more than 6 feet (1829 mm) high

Grain silos, accessory to a residential occupancy

Greenhouses

Livestock shelters

Private garages

Retaining walls

Sheds

Stables

Tanks

Towers

## **PUBLIC NOTICE**

### **City Council Seeks Interested Person to Serve on the Urban Growth Boundary Subcommittee**

*“An urban growth boundary, or UGB, is a regional boundary, set in an attempt to control urban sprawl by, in its simplest form, mandating that the area inside the boundary be used for urban development and the area outside be preserved in its natural state or used for agriculture.” Wikipedia*

The City Council for the City of San Juan Bautista has formed a committee to re-establish the City’s Urban Growth Boundary and desires to include a member of the public.

Any resident of the City of San Juan Bautista interested in participating can obtain an application to serve on the committee by contacting either Deputy City Clerk Trish Paetz at [deputycityclerk@san-juan-bautista.ca.us](mailto:deputycityclerk@san-juan-bautista.ca.us), or by calling 831-623-4661, extension 13, or from the City website at [www.san-juan-bautista.ca.us](http://www.san-juan-bautista.ca.us). The deadline to submit an application is **February 12 at 4:00 p.m.**

The matter will be addressed by the City Council on Tuesday, February 16, 2021 at 6:00 p.m. The meeting will be accessible by Zoom, and the agenda posted on the City website.

City of San Juan Bautista  
311 Second Street  
P.O. Box 1420  
San Juan Bautista, CA 95045  
(831) 623-4661



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:** Award Consulting Services Agreement to Stantec Consulting Services, Inc.

**MEETING DATE:** February 16, 2021

**DEPARTMENT HEAD:** City Manager

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**RECOMMENDED ACTION:** Adopt the resolution authorizing the City Manager to execute a consulting services agreement with Stantec Consulting Services, Inc. Group in order to prepare the completed bid package and provide construction support for the project, “San Juan Bautista to Hollister Sanitary Sewer Force Main Project.”

### **BACKGROUND**

The City of San Juan Bautista recently adopted a Wastewater Master Plan that calls for transitioning wastewater treatment from San Juan Bautista Wastewater Treatment Plant to the Hollister Wastewater Reclamation Facility via a new pump station and force main to achieve permit compliance.

On August 8, 2020, the City Council adopted Resolution 2020-42, and the City and EPA executed an Administrative Order on Consent (AOC), agreeing to resolve the City’s NPDES violations by December 2023, setting forth a schedule by which certain milestones will be reached.

On October 15, 2020, the City Council approved Resolution 2020-51, and agreed to two compliance projects from the analysis provided in the Preliminary Engineers Report (PER): “Alternative 3: Regionalization with Hollister WWTP and Off-Site Source Control (Hollister Water Treatment Plant operated by the City of Hollister”, and “West Hills Water Treatment Plant operated by the San Benito County Water District”).

### **DISCUSSION**

To proceed with regionalization with Hollister WWTP, staff proceeded with preparing a Request for Proposals (RFP) in December 2020. The RFP was forwarded to the following six consultants to solicit proposals: Schaff & Wheeler, Stantec, Hydrosience, Akel Engineering, Weareharris and West Yost. Staff received two proposals from Hydrosience and Stantec in January 2021. The city formed a committee who reviewed the proposals. Following the review process, the City interviewed both consultants. Upon completion of evaluation and assess the firm’s proposed qualification, experience, pricing, and strength of the proposer in terms of financial resources and ability to perform the work, the City selected Stantec Consulting Services, Inc

Stantec Consulting Services, Inc has extensive sewerage experience and recently completed a regional wastewater project identical to the City project for the City of Lincoln called the "Mid-Western Placer Regional Sewer Project." Stantec has specialized in water, sewer and civil engineering projects for almost 70 years. They have more than 4,600 engineers and scientists throughout the company and 250 in California. Stantec has also helped to prepare the City's recent master plan and project concept. Combined with their multiple field visits, Stantec has an intimate understanding of the project that will support efficient project development on a time critical schedule.

Stantec's proposal includes following tasks: 1.) Project Management/Meetings, 2.) Topographic Mapping, 3.) Preserving and perpetuating survey monuments, 4.) Research/Permits/Utilities, 5.) Environmental Services, 6.) Property Services, 7.) Design, 8.) Bidding Services, and 9.) Construction Support Services. Stantec's fee for the abovementioned tasks is not to exceed \$1,066,410. Staff is still negotiating a final cost with Stantec while reviewing the proposed alternatives. Staff is requesting the City Council to authorize the City Manager to negotiate a final cost and execute an agreement with Stantec.

### **FISCAL IMPACT**

The City has applied to State for funding of this project. The City is also working closely with USDA on the long-term bond financing solution for the Project. It is a requirement of USDA that the City must obtain interim financing for acquisition and construction of the Project, and that USDA will provide the 40-year, long-term take-out financing once the Project has been completed. The Council, after due investigation and deliberation, has determined that it is in the City's interest at this time to consider issuing its Series 2021 Bond Anticipation Notes for the purpose of financing for the acquisition and construction of San Juan Bautista to Hollister Sanitary Sewer Force Main Project in accordance with the applicable plans and specifications.

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 to issue its bond, loan, or grant anticipation notes for the purpose of financing the Project. To efficiently accomplish the Financing, the City desires to appoint California Municipal Advisors LLC as Financial Advisor and The Weist Law Firm as Bond Counsel to provide the necessary professional services to also seek a line of credit to initiate the design until the USDA and other funds will be made available. Staff is seeking the City Council's authorization to proceed with these professional services in a separate Council Action.

### **ATTACHMENTS**

Resolution that authorizes the City Manager to execute the agreement.



## **RESOLUTION NO. 2021-XX**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA APPROVING AN AGREEMENT BETWEEN THE CITY AND STANTEC CONSULTING SERVICES INC.**

**WHEREAS**, high salt levels being discharged into the creek currently exceed the National Pollution Discharge Elimination System (NPDES) permit levels, causing a violation of the Permit; and

**WHEREAS**, following a June 2019 EPA inspection of the City's Treatment Plant, and for the past year, the City has been working towards re-gaining compliance with its NPDES Permit enforced by the Environmental Protection Agency (EPA) and the Regional Water Quality Board; and

**WHEREAS**, in October 2019, the City hired a project manager to assist with the development of a Water and Waste Water Master Plan, and during the process of completing these plans, it was determined that the high levels of salt being discharged into the creek at the Waste Water Treatment Plant are introduced from its source of ground water and passed through the Plant to the creek; and

**WHEREAS**, on April 20, 2020, the City Council appointed its Water Subcommittee consisting of Council Members Leslie Q. Jordan and John Freeman; and

**WHEREAS**, on August 8, 2020, the City Council adopted Resolution 2020-42, and the City and EPA executed an Administrative Order on Consent (AOC), agreeing to resolve the City's NPDES violations by December 2023, setting forth a schedule by which certain milestones will be reached; and

**WHEREAS**, on October 6, 2020, the City Council held a Town Hall meeting to discuss its options for solving the City's source water and waste water compliance issues; and

**WHEREAS**, on October 15, 2020, the City Council approved Resolution 2020-51, and agreed to two compliance projects from the analysis provided in the Preliminary Engineers Report (PER): "Alternative 3: Regionalization with Hollister WWTP", and "Off-Site Source Control (Hollister Water Treatment Plant operated by the City of Hollister, and West Hills Water Treatment Plant operated by the San Benito County Water District)"; and

**WHEREAS**, the City prepared a Request for Proposals (RFP) in December 2020, and the RFP was forwarded to the following six consultants to solicit proposals: Schaff & Wheeler, Stantec, Hydrosience, Akel Engineering, Wearcharris and West Yost; and

**WHEREAS**, staff received two proposals from Hydrosience and Stantec in January 2021, and the city formed a committee who reviewed the proposals and interviewed both consultants; and

**WHEREAS**, upon completion of evaluation and assess the firm's proposed qualification, experience, pricing, and strength of the proposer in terms of financial resources and ability to perform the work, the City selected Stantec Consulting Services Inc.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA NOW HEREBY FINDS:**

A. The City Council of the City of San Juan Bautista has approved the agreement between the City of San Juan Bautista and Stantec Consulting Services Inc. for the preparation of complete bid package and construction support for "San Juan Bautista to Hollister Sanitary Sewer Force Main Project," in an amount not to exceed \$1,066,410. The City Council is also hereby authorizing the City Manager to negotiate the final cost and execute the agreement on behalf of the City.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the City Council held on February 16, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

\_\_\_\_\_  
Leslie Q. Jordan, Mayor

\_\_\_\_\_  
Shawna Freels, City Clerk



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL

**AGENDA TITLE:**        **MEMORANDUM OF UNDERSTANDING  
INITIATING THE SOURCE WATER  
COMPLIANCE PROJECT WITH THE SAN  
BENITO COUNTY WATER DISTRICT**

**MEETING DATE:**        February 16, 2021

**SUBMITTED BY:**        Don Reynolds, City Manager

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**RECOMMENDED ACTION:**

Approve a resolution authorizing the Mayor to execute a memorandum of understanding (“MOU”) to initiate the design of the source water compliance project with the San Benito Water District (“SBCWD”).

**BACKGROUND**

The background provided in the attached resolution provides a summary of the road taken by the City to improve its waste water and source of drinking water over the past 18 months. Both the Environmental Protection Agency (“EPA”) and the San Benito County Water District were present October 15, 2020, when the City decided to resolve its longstanding water issues with forward thinking regional solutions. This decision makes the solution “Regional.” One will send the City’s domestic waste water to the regional Hollister Treatment Plant, and the second will import drinking water from the SBCWD’s West Hills Treatment Plant. The EPA and SBCWD agree with these choices.

The City has created a summary for this work provided in the attached flow chart. The first column represents the City’s obligation to the EPA to perform a fiscal strategy to construct both compliance projects. This includes the recently approved agreement with California Municipal Advisors. The second is a column for the source water. The SBCWD is planning to build and manage the source water project. The third column is for the waste water project. The City will be building and responsible for the infrastructure for the waste water compliance project. Approving an MOU with SBCWD and the City of Hollister is the next step for both compliance projects.

This report explains the MOU and the process moving forward.

## **DISCUSSION**

The proposed MOU has two parts. First it will initiate the construction drawings, analyze environmental concerns and required approvals, research right-of-way acquisition and determine the project's feasibility. This will take approximately 5-6 months to complete. By the end of August, it is anticipated that the design will be 30% complete. At that time the City and SBCWD will discuss the project's feasibility. If it is determined to be feasible, the MOU will remain in effect until such a time that a permanent agreement is negotiated.

The permanent agreement will be similar to the "The Hollister Urban Area Water Supply and Treatment Agreement" executed in 2018, between the City of Hollister, Sunnyslope Water District and SBCWD for SBCWD to provide drinking water to the two parties from the West Hills Treatment Plant. This Agreement is the same tool being considered for San Juan Bautista. It is a longer term agreement, that is permanent, sets the base rates for water, and assures the SBCWD will be able to recover its capital investment over time. In this way, the rate payers will not experience a big increase in their rates due to the cost of the project being spread over a long period of time.

The Council's Water Subcommittee has been directly involved in the discussions with the SBCWD. They have considered the permanent agreement and provided feedback to the District. They have met with the District's subcommittee to discuss the MOU. They have reviewed and commented on the MOU. They support the path we are taking.

## **FISCAL IMPACT**

The SBCWD is offering to front the cost of design through the 30% of completion. If determined that the project is not feasible, the City will reimburse the SBCWD for their expense. If it is deemed feasible by both parties, the SBCWD will continue to finance the project through to completion assuming this permanent agreement is executed promptly by both parties. If the City is successful in its application for Water Board grant or loan, (applied for in December 2020, awarded in June 2022), it can be used to reduce the overall debt.

Attachments: Flow Chart  
Resolution  
Memorandum of Understanding

## CITY OF SAN JUAN BAUTISTA WATER COMPLIANCE PLAN

1980'S TO CURRENT

Feb-20

Aug-20

Oct-20

**SAN JUAN BAUTISTA - GROUND WATER IS TOO SALTY- WASTE WATER DISCHARGES TOO MUCH SALT TO CREEK**

**WATER BOARD VIOLATIONS BACK TO 2007; NOT ELIGIBLE FOR DISS. ADV. COMM.; PAYING FINES**

**EPA NPDES PERMIT VIOLATION ADMINISTRATIVE ORDER ("AOC") ON CONSENT EXECUTED AUGUST 2020**

**CITY SELECTS TWO REGIONAL COMPLIANCE PROJECTS (REQUIRED BY AOC) TO COMMIT ITS RESOURCES TOWARD;  
IMPORT BETTER SOURCE WATER & EXPORT DOMESTIC WASTE WATER TO TREATMENT PLANT**

	FISCAL STRATEGY	IMPORT BETTER SOURCE WATER	EXPORT DOMESTIC WASTE WATER
Jan-21	CALIF MUNI ADVISORS AGMT EXECUTED W/CITY	DRAFT MOU WITH SBCWD	DRAFT MOU WITH HOLLISTER
Feb-21	BARTLE WELLS RATE STUDY APPROVED	EXECUTE MOU; 2 PHASES	EXECUTE MOU; 2 PHASES
	AUDIT FROM FY 19/20	SIB/SBCWD	SIB/H
	WATER FINE UPDATE	APPROVE CAP IMP CONCEPT	CITY AWARDS CONTRACT FOR ENV STUDIES, PIPELINE DESIGN DESIGN AND ROW
	USDA GRANT APPLICATION COMPLETED	SIB/SBCWD	CITY
			APPROVE CAP IMP CONCEPT
			SIB/H
Mar-21	RESOLVE WATER BOARD FINE	PHASE 1- PROJECT FEASIBILITY	PHASE 1- PROJECT FEASIBILITY
	TWO STATE WATER GRANT APPS COMPLETED	Begin Analysis	Begin Analysis
44317	IDENTIFY DEBT CAPACITY	INITIATE DESIGN	INITIATE DESIGN
	CONDITIONAL APPROV FROM USDA	INITIATE FORMAL DRAFTING AGREEMENT	INITIATE FORMAL DRAFTING AGREEMENT
Jun-21	APPROVE CIP BUDGET FOR FY 21/22	SBCWD	CITY
	APPROVE NEW RATES	SBCWD	
	APPLY COST ESTIMATES TO CAPACITY		
Jul-21		DESIGN AT 30%; ENV STATUS VERIFIED	DESIGN AT 30%; ENV STATUS VERIFIED
		SBCWD	CITY
AUGUST MILESTONES	DETERMINE IMPACT TO RATE PAYERS	FEASIBILITY CONFIRMED	FEASIBILITY CONFIRMED
Sep-21	USDA FUNDING AVAILABLE	ENV WORK DONE; ROW COMMITTED	ENV WORK DONE; ROW COMMITTED
		SBCWD	CITY
Nov-21	FIRST CAPITAL EXPENSES	DESIGN AT 60%; ROW ACQUIRED	DESIGN AT 60%; ROW ACQUIRED
		SBCWD	CITY
Jan-22	PREPARE FOR CIP	MOU COMPLETE; FORMAL AGREEMENT READY	MOU COMPLETE; FORMAL AGREEMENT READY
		SIB/SBCWD	SIB/H
Feb-22		RFP FOR CONSTRUCTION	RFP FOR CONSTRUCTION
		SBCWD	CITY
		FORMAL AGREEMENT EXECUTED	FORMAL AGREEMENT EXECUTED
		SIB/SBCWD	SIB/H

## **RESOLUTION 2021-XX**

### **A RESOLUTION OF THE SAN JUAN BAUTISTA CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE SAN BENITO WATER DISTRICT FOR THE SOURCE WATER COMPLIANCE PROJECT**

**WHEREAS**, for decades the City has relied upon source water from wells, that is notoriously “hard,” high in minerals, and includes a high level of salt; and

**WHEREAS**, these wells are often subject to high nitrate levels causing them to be closed prematurely; and

**WHEREAS**, high salt levels being discharged into the creek currently exceed the National Pollution Discharge Elimination System (“NPDES”) permit levels, causing a violation of the Permit; and

**WHEREAS**, following a June 2019 EPA inspection of the City’s Treatment Plant, and for the past year, the City has been working towards re-gaining compliance with its NPDES Permit enforced by the Environmental Protection Agency (“EPA”) and the Regional Water Quality Board; and

**WHEREAS**, in October 2019, the City hired a project manager to assist with the development of a Water and Waste Water Master Plan, and during the process of completing these plans, it was determined that the high levels of salt being discharged into the creek at the Waste Water Treatment Plant are introduced from its source of ground water and passed through the Plant to the creek; and

**WHEREAS**, on April 20, 2020, the City Council appointed its Water Subcommittee consisting of Council Members Leslie Q. Jordan and John Freeman; and

**WHEREAS**, on August 8, 2020, the City Council adopted Resolution 2020-42, and the City and EPA executed an Administrative Order on Consent (“AOC”), agreeing to resolve the City’s NPDES violations by December 2023, setting forth a schedule by which certain milestones will be reached; and

**WHEREAS**, on October 6, 2020, the City Council held a Town Hall meeting to discuss its options for solving the City’s source water and waste water compliance issues; and

**WHEREAS**, on October 15, 2020, the City Council approved Resolution 2020-51, and agreed to two compliance projects from the analysis provided in the Preliminary Engineers Report (“PER”): “Alternative 3: Regionalization with Hollister WWTP and Off-Site Source Control (Hollister Water Treatment Plant operated by the City of Hollister, and West Hills Water Treatment Plant operated by the San Benito County Water District).”

**WHEREAS**, San Benito County Water District Board authorized their General Manager to meet with the Council’s Water Subcommittee on November 19, 2020, and they began working towards the execution of the agreements needed for the City to import water from its West Hills Treatment Plant; and

**WHEREAS**, the Subcommittee was presented with a sample agreement from the City of Hollister, and Sunny Slope Water District (The Hollister Urban Area Water Supply and Treatment Agreement) through which they buy water from the District, and the concept that an agreement like this would be the end product of a four-step process that begins with the execution of a Memorandum of Understanding (“MOU”); and

**WHEREAS**, a draft MOU was provided to City staff the first week in December along with a technical study that further describes the details of the proposed project; and

**WHEREAS**, the Subcommittee, and the City’s technical team evaluated the draft SBCWD MOU, and have since agreed upon its terms and conditions as described by the staff report submitted to the City Council to be included by reference in this Resolution; and

**WHEREAS**, at its meeting February 16, 2021, the City Council considered the terms of the MOU and approved of its intent.

**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 the attached draft San Benito County Water District Memorandum of Understanding is the correct course of action for the two agencies to take to initiate the work needed to determine the feasibility of importing source water from the its West Hills Treatment Plant.
3. That it approves the draft MOU as presented, authorizes the City Manager to make any minor edits or changes as needed consistent with its intent, and hereby authorizes the Mayor to execute the MOU and that the City Manager send the MOU to the SBCWD for their consideration and approval.

**PASSED AND ADOPTED** by the City Council of the City of San Juan Bautista at a regular meeting held on the 16<sup>th</sup> day of February 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

---

Leslie Q. Jordan, Mayor

---

Shawna Freels, City Clerk

MEMORANDUM OF UNDERSTANDING  
SAN JUAN BAUTISTA WATER SUPPLY PLAN

This MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into on \_\_\_\_\_ 2021 by and between the SAN BENITO COUNTY WATER DISTRICT (SBCWD) and the CITY OF SAN JUAN BAUTISTA (CITY).

**RECITALS**

WHEREAS, California Government Code Section 6502, authorizes public entities, including cities, counties and special districts to enter into agreements for their mutual benefit, and

WHEREAS, on October 13, 2020, the City Council of San Juan Bautista adopted Resolution 2020-51, and pursuant to the City and Environmental Protection Agency (“EPA”) Administrative Order on Consent, (executed August 8<sup>th</sup>, 2020), approved the selection of two compliance projects to bring its water and waste water systems into compliance with the EPA’s National Pollution Discharge Elimination System permit, and the Source Water Compliance project selected is the off-site source control importing water from the West Hills Treatment Plant owned and operated by the SBCWD (“San Juan Bautista Water Supply Plan”); and

WHEREAS, SBCWD and the CITY have a compelling and mutual interest in developing and implementing the San Juan Bautista Water Supply Plan (WSP); and

WHEREAS, SBCWD and the CITY want to ensure cooperation and mutual support for successful and cost-effective development and implementation of the WSP; and

WHEREAS, the CITY and SBCWD wish to identify agreed-upon objectives for the development of the WSP and determining the feasibility thereof; and

WHEREAS, the delivery of treated San Felipe water will provide the CITY with a much-needed upgrade to remedy water quality deficiencies, and delivery of San Felipe water to CITY facilities and system use; and

WHEREAS, “San Felipe Water” refers to water imported from the Central Valley Project pursuant to a water service contract between the SBCWD and the United States Bureau of Reclamation under the authority of the Central Valley Project Improvement Act, and such additional surface water as the SBCWD may develop or secure to serve the purposes of Zone 6, (described in the attached Map) for the



purposes of supplementing groundwater supplies in Zone 6 of the SBCWD and to provide a source of high quality surface water to agricultural, municipal and industrial customers in Zone 6; and

WHEREAS, upgrading the CITY's water supply will allow the CITY to meet the more stringent of applicable federal, state, local regulations and industry standards; and

WHEREAS, the CITY and SBCWD wish to cooperate to ensure an adequate delivery of San Felipe water to CITY residents and provide the benefits of improved water quality directly to CITY consumers.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED by SBCWD and the CITY, as follows:

1. GENERAL

The foregoing recitals are true and current, and incorporated herein.

2. SAN JUAN BAUTISTA WATER SUPPLY PLAN (WSP)

The parties intend to undertake the development of a comprehensive Water Supply Plan for importing drinking water from the West Hills Treatment Plant.

The comprehensive WSP for the CITY shall identify specific alternatives to achieve the agreed upon objectives at the lowest practical lifecycle cost and earliest practical time. The WSP shall include a feasibility phase(s) and an implementation plan phase(s) resulting in specific size, location and performance for physical facilities, project specific CEQA compliance, a financing plan including required revenues from water charges, assessments and connection/impact fees, funding mechanism (cash, bonds, etc.), and institution arrangements and responsibilities (ownership, operations, maintenance, repair and replacement responsibility, etc.)

2.1. The WSP shall be based on the following principles:

2.1.1. Urban water supply including as appropriate blending of treated surface water and groundwater, to provide urban water users with uniform water quality, shall minimize the need for water softeners, assure reliability of the urban water supply and support reuse of urban wastewater for ground water replenishment, agricultural irrigation and other non-potable but healthy purposes. The urban water supply may include provision(s) for drinking water service to areas in and adjacent to the San Juan Bautista Urban Area, found to be consistent with its General Plan, (and related

Sphere of Influence, Urban Growth Boundary and such policies), and where Health and Safety issues exist.

2.1.2. Surface water and groundwater supplies shall be managed to sustain the area water supply and manage groundwater levels to avoid negative impacts on overlying land uses.

2.1.3. The standards for the quality of potable (drinking) water delivered to urban users shall be developed and agreed to by the CITY and the SBCWD and shall include appropriate consideration of regional issues while focusing on economic and health impacts. These standards shall be the most stringent of reasonable local standards, state or federal regulations and shall include careful consideration of anticipated future regulation.

2.1.4. The impacts of water supply and treatment and wastewater treatment and disposal (including reclamation) on the culture, economy and environment of the CITY shall be carefully evaluated and negative impacts minimized. The impacts considered shall be consistent with the City's General Plan, and include, but not be limited to, impacts on air quality, surface water and groundwater quality and quantity, rates and charges including connection and impact fees, property values, industry and business preservation of agriculture and agricultural land and aesthetics.

2.1.5. Any action proposed by the WSP shall consider water and wastewater management to protect and sustain the local surface and groundwater supplies of San Benito County.

2.2. The Parties further agree that the WSP shall be based on the following objectives and assumptions:

2.2.1. For the planning period mutually defined in the WSP, the urban water supply (surface and groundwater) and water system for the San Juan Bautista Urban Area shall be capable of meeting 100% of the demands, including fire suppression, during wet, above normal, normal and dry years and in the first year of a critically dry period. That supply shall be consistent with meeting 100% of the SBCWD Zone 3 and Zone 6 (defined in the attached map) demands under the same conditions. During the second and subsequent years of multi-year droughts/water shortages, the water supplies (surface and groundwater) shall be capable of meeting 85% of the Municipal and Industrial demands and 75% of the agricultural demands of all Zone 3 and Zone 6 water users.

2.2.2. Drinking water shall have a TDS concentration of not greater than 700 mg/L, Chloride concentrations averaging 80 mg/L and no greater than 90 mg/L, and a hardness of not greater than 150 mg/l (Calcium Carbonate).

These concentrations will at no time exceed those limits placed upon the City by the Drinking Water Permit used by the State of California.

2.2.3. Within the San Juan Bautista Urban Area, all wastewater shall be treated at the City of Hollister Regional wastewater treatment plant. San Juan Bautista General Plans and supporting public service plans and implementing Ordinances/Regulations shall be consistent with that requirement.

2.2.4. Within the San Juan Bautista Urban Area reliable and sustainable water supply shall be provided and maintained. The water supply and quality goals of the North San Benito Basin GSP (Groundwater Sustainability Program) for the San Benito County Portion of the Gilroy Hollister Groundwater Basin shall be used as the basis for all water and wastewater planning. Water Supply, treatment, transmission, storage (fire suppression, emergency and operational), and distribution facilities shall meet water industry and regulatory standards for service and reliability. The WSP shall include an evaluation of the current systems service and reliability levels, consistent with its Water Master Plan and Waste Water Master Plan adopted in November, 2020, and only consider delivery of treated drinking water up to the CITY's service area.

2.2.5. Urban water supply including the treatment of surface and management of groundwater for wholesale delivery shall be the responsibility of the SBCWD. Continued, managed use of groundwater is necessary to manage the available water supply for all DISTRICT Urban Customers.

2.2.6. Centralized wastewater treatment at the City of Hollister Regional wastewater treatment plant to meet the minimum State limits for domestic wastewater treatment. Specialized treatment as required to produce reclaimed water for agricultural purposes and disposal by means other than reclamation shall not be the responsibility of the CITY.

### 3. BUDGET AND FINANCIAL COMMITMENT

By execution of this MOU, each party agrees to an initial budget for the WSP as outlined below. The initial budget of \$XXXX is intended to cover the estimated costs for the Feasibility Phase of the Program. Additionally, the DISTRICT and the CITY agree that the DISTRICT will front the cost of the feasibility phase. Should the CITY decide to move forward to implementation, the cost of the feasibility phase shall be rolled into the final project cost. Should the CITY decide not to move forward to implementation, CITY shall reimburse DISTRICT for all monies expended on the WSP, and all obligations of the DISTRICT to provide a surface water solution to the CITY will have been satisfied.

4. PAYMENT

Each Party shall bear its' own policy (elected official), technical and management staff costs.

5. DATA, STUDIES AND RELATED INFORMATION

The Parties agree to all provide pertinent data, previous studies, and related information for the completion of the WSP. Specific data, previous studies and related information to be provided by the Parties is detailed in the WORK PLAN.

6. SEPARATE AGREEMENTS

No Party herein is obligated by this MOU to implement final design, financing, or construction of the WSP facilities. Any facilities proposed to implement the WSP shall be designed, financed, and constructed pursuant to separate agreements. Ownership and Operation, Maintenance, Repair and Replacement (OMR&R) responsibilities shall be subject to a separate agreement to be executed before any construction contract is awarded.

7. NOTICES

All notices relative to this MOU shall be given in writing and shall be personally served or sent by certified or registered mail and be effective upon actual personal service or depositing in the United States mail. The Parties shall be addressed as follows, or at any other address designated by notice:

SBCWD  
District Manager  
30 Mansfield Road  
Hollister, CA 95023  
Tel: 831.637.8218  
Fax: 831.637.7267

CITY  
City Manager  
311 Second Street  
PO Box 1420  
San Juan Bautista, CA 95045  
Tel: 831.623.4661  
Fax: 831.623.4093

8. ENTIRE AGREEMENT

This MOU sets forth the entire Agreement among the Parties and supersedes all other oral or written representations. This MOU may be modified only in writing, approved by the Parties.

9. INDEPENDENT CONTRACTORS

This MOU calls for the performance of the service of SBCWD and the CITY as independent contractors. No Party is an agent or employee of any other Party for

any purpose and is not entitled to any of the benefits provided by any Party to its employees. This MOU shall not be construed as forming a partnership or any other association or agency among SBCWD and the CITY other than of independent contractors.

10. LIMITATION OF LIABILITY

No party shall be liable to any other Party for any loss, damage, liability, claim or cause of action for damage to or destruction of property or for injury to or death of persons arising solely from any act or omission of the other Party's officers, agents, or employees.

11. CLAIMS

A Party against whom any claim arising from any subject matter of this MOU is filed shall give prompt written notice of the filing of the claim to all other Parties.

12. EFFECTIVE DATE

This MOU is effective upon duly authorized execution by all of the Parties. It is the product of negotiation and, therefore, shall not be construed against any Party.

13. TERMINATION

Any Party to this MOU may terminate its participation in the activities herein described upon:

1. Completion of the feasibility phase, or
2. Upon 90 days written notification to the other Party

IN WITNESS HEREOF, the Parties hereto have caused this MOU to be executed, the day and year first-above written.

CITY OF SAN JUAN BAUTISTA

SAN BENITO COUNTY WATER DISTRICT

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
BOARD PRESIDENT

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY

APPROVED AS TO FORM:  
DISTRICT COUNSEL

By:\_\_\_\_\_

By:\_\_\_\_\_



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:** Six Month Extension of the Third Street Parklet Program

**MEETING DATE:** February 16, 2021

**SUBMITTED BY:** Don Reynolds, City Manager

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### **RECOMMENDED ACTION(S):**

It is recommended that the City Council adopt a resolution supports the decision made by the Historic Resources Board and Planning Commission and;

1. Agrees that during this State of Emergency, that the term of the Transformation of Third Street and the parklets be extended for one hundred eighty days, or until September 30, 2021; and
2. Directs staff to prepare the policies and procedures necessary for a public debate of a City policy that governs all matters related to parklets going forward, after the current State of Emergency has ended.

### **BACKGROUND INFORMATION:**

The attached February 2, 2021 staff report to the Historic Resources Board and Planning Commission includes the one-year history of the City's response to the State of Emergency declared March 17, 2020 (Resolution 2020-17) for the City of San Juan Bautista, and the City's response to ward off impending economic disaster caused by the State and County Shelter in Place Orders.

The HRB and Planning Commission received public testimony on the topic of making Parklets permanent from business owners, property owners, Historic Society, and the general public. It was made clear that the majority of business owners on Third Street are fighting for their economic survival and have been for the last 10-months. The Planning Commission agreed to adopt Resolution 2021-3 and send a recommendation to the City Council to extend the term of the parklets 180 days or until September 30, 2021, while staff and the community discuss how to make parklets permanent after the pandemic ends.

On February 9, 2021, the Historic Resources Board, Planning Commission and City Council held a Town Hall meeting to discuss the issue of parklet policies now and after the State of Emergency is over. The City Planner provided compelling arguments describing the complexity of this matter as it pertains to environmental impacts, parking, and traffic safety and circulation. Future development on Third Street is made very complicated by a decision to remove public parking with parklets. One project approved in December 2019, is under plan-check for development this spring. A condition of approval requires this development to pay a "parking in lieu fee" to account for the lack of parking available to it before 14 spaces of parking were lost to parklet developments. The Zoning Code in Chapter 11 of the municipal code needs to be reviewed and modified, to help accommodate future development in the downtown in consideration of parklets. The MX District needs to be reconsidered in regards to parking, Floor Area Ratios and outdoor dining. This is in addition to the discussion about the Zoning Code with the Planning Commission in the attached staff report.

**DISCUSSION:**

The City is Council is being asked to adopt the attached Resolution supporting the recommendation from the Planning Commission. Discussions continue every week with the business community. This discussion February 16, 2021 will be the third discussion about parklets since February 2, 2021. Every discussion adds more detail to the policies that need to be drafted and considered by the Commission, Board and Council in the next few months.

In a separate report, staff is requesting a mid-year budget amendment to implement more parking and study traffic safety.

Attached-      Draft Resolution  
                 Planning Commission-HRB Staff Report from 02.02.21

**RESOLUTION 2021-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
EXTENDING THE TERM OF THE TEMPORARY PARKLETS ON THIRD STREET  
ONE HUNDRED EIGHTY DAYS OR UNTIL SEPTEMBER 30<sup>TH</sup> 2021**

**WHEREAS**, in an effort to control the pandemic caused by the COVID-19 Virus, City Council declared a State of Emergency March 17, 2020; and

**WHEREAS**, the shelter in place health orders that followed the state of emergency mandated a “shelter in place order” and 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, these parklets have to be built in compliance with the City historic design guidelines and, on June 18, 2020, the Historic Resources Board approved design guidelines for this purpose; and

**WHEREAS**, the parklet program was approved by the City Council for a period of six months ending December 31, 2020, and extended until March 30, 2021 on November 10, 2020, but many have asked the City to consider developing a parklet policy that governs the use of the City’s right-of-way for out-door dining and retail sales.

**WHEREAS**, developing a permanent parklet policy for the whole City to embrace takes time, but this could be accomplished in the next six months.

**WHEREAS**, the Historic Resources Board recommends and the Planning Commission discussed this matter at their February 2<sup>nd</sup> 2020 meeting, and the Planning Commission adopted Resolution 2021-3 recommending to the City Council that a one hundred eighty-day extension of the parklet program be approved, to allow for consideration of making parklets permanent; and

**WHEREAS**, at its Joint Town Hall meeting February 9, 2021, the City Council, Historic Resources Board, and Planning Commission received testimony from members of the business community and community-at-large in support of the six-month (180 day) extension of parklets, but clearly pointing out the need to further study a permanent solution for the transformation of Third Street; and



**WHEREAS**, at the regular meeting of the City Council February 16, 2021, the City considered additional public comments and agreed to the six-month (180-day) extension of the parklet program on Third Street until September 30, 2021.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA:**

1. Agrees with the descriptions and contents of the staff reports referenced above incorporating then by reference into this Resolution; and
2. Agrees with the recommendation from the Historic Resources Board and Planning Commission; and
3. Agrees that during this State of Emergency, that the term of the Transformation of Third Street and the parklets be extended for one hundred eighty days, or until September 30, 2021; and
4. Directs staff to prepare the policies and procedures necessary for a public debate of a City policy that governs all matters related to parklets going forward, after the current State of Emergency has ended.

**PASSED AND ADOPTED** by the Planning Commission of the City of San Juan Bautista on the 16<sup>nd</sup> day February, 2021 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Leslie Q. Jordan, Mayor

**ATTEST:**

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Shawna Freels, City Clerk



## CITY OF SAN JUAN BAUTISTA HISTORIC RESOURCES BOARD AND PLANNING COMMISSION STAFF REPORT

**AGENDA TITLE:** Six Month Extension of the Third Street Parklet Program

**MEETING DATE:** February 2, 2021

**SUBMITTED BY:** Don Reynolds, City Manager

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### **RECOMMENDED ACTION(S):**

City Staff is asking the Planning Commission to adopt a resolution extending the term of the encroachment permits allowing the temporary use of the public right of way to accommodate private, outdoor business activity ("Parklets") for 6-months from March 30, 2021, to September 30, and request staff during that time to develop draft policies and procedures, that would guide a decision of whether or not to make Parklets permanent.

### **BACKGROUND INFORMATION:**

In April the City started meeting with its downtown businesses, and has since held 34 meetings of the "Business Forum." From the Business Forum came a plan to help businesses re-open. In support of this plan, the City Council adopted Resolution 2020-24 on May 19, 2020, to assist businesses that could remain open, to re-open outdoors onto the public right of way (Third Street) during the Emergency. This was originally approved for a three-month period ending December 31, 2020. On November 10, 2020, the City Council agreed to extend the parklets another 90-days until March 30, 2021, to evaluate if or how a "permanent" parklet program could be established.

The Business Forum acted to establish a "Permanent Parklet Sub-Committee" and they have met four times. The Historic Society is represented and an active contributor. At the January 21<sup>st</sup> meeting, it was agreed that a six-month extension be considered while a "permanent" policy was discussed. A "permanent" policy may replace the temporary policies initiated during the State of Emergency.

### **DISCUSSION:**

Staff reviewed City Municipal Code Chapter 11, and reported back to the Sub-Committee regarding how the codes would have to be updated. Outdoor dining is covered under the commercial zoning but not mixed use. The use of temporary power, signs and noise are

considerations. Building a parklet is certainly new construction, but not directly impacting a historic structure. The City wish to require an HRB public hearing to receive a Major Alteration Approval by the HRB (11-06-120 et al). Typically in a case where a temporary pilot program exists and these practices become City policy, and the Code is updated, those activities that occur before adoption are deemed to be compliant with the new codes ("Grandfathered," and not subject to new scrutiny or approvals).

Recent policies from surrounding cities were also shared. San Jose allows parklets only for the duration of the current State of Emergency. Morgan Hill is using annual renewal of an encroachment permit to manage their exiting parklets. The definition of "permanent" is the one issue that is difficult to wrestle with.

A literal interpretation of "Permanent" Parklets would require an extensive rethinking of the historic Third Street district. The City Attorney and City Planner explained that a comprehensive plan for Third Street would have to be created, that speaks specifically to every stakeholder. This would include residents, the Mission, State Parks, School District, Historical Society, business and property owners. Before the City abandons its right-of-way on Third Street, the whole community has to be on-board, because the concerns is that once it is gone, the City could not change back. If or when right-of-way is abandoned, the utilities will need to be relocated, and the major construction will trigger new storm-water treatments that may include planters and bio-swales. As mentioned last November, a full CEQA review will be required that includes traffic and parking impacts.

Salinas is implementing its Downtown Vibrancy Plan now. The Vibrancy Plan started in 2013 with stakeholder conversations and was approved by the City Council in March 2015. Its four chapters include an extensive traffic flow analysis, parking study and plan to consolidate surface parking into parking structures, attracting housing developments to buildout second and third floors, and the building of the heart of the City through public art, and other amenities. I wrote this plan for Salinas and shared it with the Business Forum's Sub-Committee. It seems like a lot to grasp for our little downtown.

If "Permanent" is considered a policy for parklets that is permanent, not parklets themselves, much more can be creatively considered. Like Morgan Hill, they could be put on a one-year review cycle. Still, a new parklet under-non-emergency conditions, is new construction, and may be subject to the HRB's approval as a "Major Design Review." A building permit will also be required.

Saturation is another consideration. When are there too many parklets? Currently there are 14 parklets, (a few of them are double), with 2-more approved and not built, and 2 applications pending. If 18 is enough, maybe a moratorium should be considered to slow down the process. This will help preserve parking, allow time to develop additional parking alternatives, including new angle parking at the entrance and exit of the Third Street, and possibly leasing the school's parking lot on weekends.

The focus of the parklet policy has shifted away from making parklets permanent, to creating instead a permanent policy for parklets that are renewed on an annual basis, combining design review/alteration, building permit and encroachment permits into a new "Parklet Permit."

If the parklets are extended for another 6-months, many of them will be year old by the time the policy considerations are fully vetted. Attached is a resolution for the Planning Commission to consider, asking the City Council to approve the parklet extension.

Attached- Draft Resolution

**RESOLUTION 2021-XX**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SAN JUAN  
BAUTISTA RECOMMENDING THAT THE CITY COUNCIL EXTEND THE  
TERM OF THE TEMPORARY PARKLETS ON THIRD STREET  
ONE HUNDRED EIGHTY DAYS OR UNTIL SEPTEMBER 30<sup>TH</sup> 2021**

**WHEREAS**, in an effort to control the pandemic caused by the COVID-19 Virus, 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, these parklets have to be built in compliance with the City historic design guidelines and, on June 18, 2020, the Historic Resources Board approved design guidelines for this purpose; and

**WHEREAS**, the parklet program was approved by the City Council for a period of six months ending December 31, 2020, and extended until March 30, 2021 on November 10, 2020, but many have asked the City to consider developing a parklet policy that governs the use of the City's right-of-way for out-door dining and retail sales.

**WHEREAS**, developing a permanent parklet policy for the whole City to embrace takes time, but this could be accomplished in the next six months.

**WHEREAS**, the Historic Resources Board recommends to the Planning Commission that it adopt a Resolution recommending a one hundred eighty day extension of the parklet program to the City Council for approval to allow for consideration of making parklets permanent.

**NOW THEREFORE, BE IT RESOLVED THAT THE PLANNING COMMISSION:**

1. Agrees with the recommendation from the Historic Resources Board;
2. Recommends to the City Council that the term of the Transformation of Third Street and the parklets be extended for one hundred eighty days, or until September 30, 2021.

3. That staff prepare the policies and procedures necessary for a public debate of a City policy that governs all matters related to parklets going forward, after the current State of Emergency has ended.

**PASSED AND ADOPTED** by the Planning Commission of the City of San Juan Bautista on the 2<sup>nd</sup> day February, 2021 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Chairperson

**ATTEST:**

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Trish Paetz, Deputy City Clerk



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL

**AGENDA TITLE:** **PRELIMINARY INTENTION TO PROCEED WITH THE  
ISSUANCE OF SERIES 2021 BOND ANTICIPATION  
NOTES TO FINANCE THE CITY'S SEWER COMPLIANCE  
PROJECT SENDING THE WASTE WATER TO THE  
REGIONAL PLANT IN HOLLISTER, AND APPOINTING  
THE NECESSARY CONSULTANTS IN CONNECTION  
THEREWITH**

**MEETING DATE:** February 16, 2021

**SUBMITTED BY:** Don Reynolds, City Manager

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### **RECOMMENDED ACTION:**

Adopt a Resolution that makes the following findings and determinations relative to the City's sewer compliance project ("Project") sending its domestic waste water to the regional plant in Hollister:

1. It is necessary and desirable to proceed with the Financing of the Project, subject to final authorization thereof by resolution of the City at a subsequent meeting held for such purpose. This Resolution does not bind the City to ultimately provide for the Financing; and
2. The Mayor, Vice Mayor, City Manager and any other person authorized by the City Manager to act on behalf of the City shall each be an "Authorized Representative" of the City for the purposes of structuring the Notes and providing for the matter to be brought back to the Council for further consideration at a subsequent Council Meeting, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Council has approved in this Resolution; and
3. Appoints California Municipal Advisors LLC, as Financial Advisor, and The Weist Law Firm, as Bond Counsel, in connection with the Financing of the Project described in this Resolution; and
4. Authorize and direct the City Manager to execute agreements with these firms in the respective forms on file with the City Clerk.

### **BACKGROUND**

In 2016, the City refinanced its water and sewer debt relying on the expertise of The Weist Law Firm. When the Environmental Protection Agency ("EPA") Administrative Order on Consent

("AOC") was approved last August, the City Manager began a new conversation with the proprietor Cameron Weist, ("Weist") about consolidating the old debt with the new anticipated debt to pay for the EPA's two compliance projects, otherwise known as the "City's Regionalization" of its water. Weist described the structure of the old debt to be restricted as tax free bonds. So it has limitations. This consolidation cannot occur for another four years,

But other opportunities revealed themselves. There are approximately \$400,000 of the old bond proceeds set aside to install the pellet plant. It is possible with the correct approvals, to re-program these funds to help pay for the EPA's two new compliance projects.

In a conversation with the United States Department of Agriculture ("USDA") after submitting the application to them in September 2020, it was confirmed that by their staff that Weist is a qualified bond counsel, that he has a unique understanding of the City's finances and debt, and that he knows the USDA programs very well. The San Benito Water District ("SBCWD") also relies on Weist occasionally for advice on their capital improvement projects.

Knowing that the City will be looking for a large financial solution, Weist described the need for a Municipal Advisor last fall. At its last meeting on January 19, 2021, the City Council approved Resolution 2021-03 and retained the services of California Municipal Advisors. The SBCWD thinks highly of both parties working together ("Finance Team") with the City to help structure the financing of the EPA's compliance projects.

Currently, interest rates are very favorable either from the government financing or private lenders. It is in the City's best interest to build these compliance projects as soon as possible, to avoid increasing interest rates in future years, and to avoid the cost of inflation. The EPA also placed the City in a tight time frame with a deadline of December 2023 to complete the projects. The City needs to look now at how it may pay for this work.

## **DISCUSSION**

The City approached Cal Muni a few weeks ago after learning that it had received two excellent proposals to design the Force Main Sewer Line to the Regional Plant in Hollister (the Project). The EPA approves of the City's selection of either Engineering firm, and staff's recommendation is before the Council in a separate report on this same Agenda. Both estimate the cost of design not to exceed \$1 million. The City was seeking a line of credit to initiate the design until the USDA and other funds will be made available. That way if the project is deemed to not be feasible after it has completed the 30% of the design, it can end the relationship, use its current reserves to pay for the work done, and seek another compliance option. With interest rates low, the cost of borrowing only what is needed is also beneficial and cost effective.

But last week, the USDA explained to the City that in this region, the Acting Director does not have the authority to loan money for projects not built. The City learned that it suddenly needed closer to \$10 million, (not \$1 million). The new information was confirmed by the Finance Team, and the best and most practical response is before the Council in this report for consideration.

This proposed Resolution presents a second agreement with Cal Muni, and an Agreement with Weist Law firm to work on this financing and debt structure together. This Resolution is not



binding the City to incur debt. It merely retains the experts to explore if debt is feasible, and at what cost. It is proposed that the Finance Team after analyzing the City's current financial position, issue a request for proposals ("RFP") to potential lending institutions.

These responses from the lending institutions will be presented to the City Council for consideration. The City Council can refuse to do business with any of them. But if approved by the City Council, that decision will be binding, and the Team will initiate the debt issuance. As proposed, the debt would not exceed actual costs, similar to the "line of credit" concept. So, if after the design work has completed 30% of its work, and cost estimates and easements have all been clearly identified, and the Project is not determined to be feasible, it can stop. That would be an exposure of 30% of the \$1 million design Agreement, plus legal costs of which the City has sufficient reserves to pay this out of pocket without impact rate payers

The City is close to completing its five-year rate study. The anticipated cost of the EPA's compliance projects has been factored into the formulas. The sewer rates will increase, but it is not clear when and by how much. The City can use its Enterprise Fund reserves as a down payment, to postpone and moderate a rate increase that is harsh and immediate. The rate study will be presented to the City Council in March.

### **FISCAL IMPACT**

Entering into these two proposed Agreements and initiating the financing of the two Compliance projects will not cost more than \$10,000. If the RFP results in favorable replies and the debt is issued, the debt will pay of the cost of the legal and financial advice received, as part of the "cost of issuance."

### **ATTACHMENTS:**

Resolution

**RESOLUTION NO. 2021-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN  
BAUTISTA OF PRELIMINARY INTENTION TO PROCEED WITH THE  
ISSUANCE OF SERIES 2021 BOND ANTICIPATION NOTES, AND  
APPOINTING THE NECESSARY CONSULTANTS IN CONNECTION  
THEREWITH**

**WHEREAS**, for decades the City has relied upon source water from wells, that is notoriously “hard,” high in minerals, and includes a high level of salt; and

**WHEREAS**, these wells are often subject to high nitrate levels causing them to be closed prematurely; and

**WHEREAS**, high salt levels being discharged into the creek currently exceed the National Pollution Discharge Elimination System (“NPDES”) permit levels, causing a violation of the Permit; and

**WHEREAS**, following a June 2019 EPA inspection of the City’s Treatment Plant, and for the past year, the City has been working towards re-gaining compliance with its NPDES Permit enforced by the Environmental Protection Agency (“EPA”) and the Regional Water Quality Board; and

**WHEREAS**, in October 2019, the City hired a project manager to assist with the development of a Water and Waste Water Master Plan, and during the process of completing these plans, it was determined that the high levels of salt being discharged into the creek at the Waste Water Treatment Plant are introduced from its source of ground water and passed through the Plant to the creek; and

**WHEREAS**, on April 20, 2020, the City Council (the “Council”) appointed its Water Subcommittee consisting of Council Members Leslie Q. Jordan and John Freeman; and

**WHEREAS**, on August 8, 2020, the Council adopted Resolution 2020-42, and the City and EPA executed an Administrative Order on Consent (“AOC”), agreeing to resolve the City’s NPDES violations by December 2023, setting forth a schedule by which certain milestones will be reached; and

**WHEREAS**, on October 6, 2020, the Council held a Town Hall meeting to discuss its options for solving the City’s source water and waste water compliance issues; and

**WHEREAS**, on October 15, 2020, the Council approved Resolution 2020-51, and agreed to two compliance projects from the analysis provided in the Preliminary Engineers Report (“PER”): “Alternative 3: Regionalization with Hollister WWTP and Off-Site Source Control (Hollister Water Treatment Plant operated by the City of Hollister, and West Hills Water Treatment Plant operated by the San Benito County Water District);” and

**WHEREAS**, the EPA AOC requires that the City develop a finance plan for these projects and on January 19, 2021 adopted Resolution 2021-02 agreeing to work with specialist in municipal financing California Municipal Advisors to develop this comprehensive finance plan; and

**WHEREAS**, the City has received two responsible proposals to initiate the design of this project, and is ready to award one of these engineering firms an agreement to design the Sewer Force Main to the Hollister Regional Treatment Plant, ("Project"); and

**WHEREAS**, the City will have to acquire a bridge-loan to temporarily finance the design and construction of the Project knowing that potential funding resources from rate payers, the State, and Federal government will provide permanent long-term financing; and

**WHEREAS**, the Council, after due investigation and deliberation, has determined that it is in the public interests of the City at this time to provide for the financing for the design and construction of the Project, as well as all necessary work and appurtenances thereto in accordance with the applicable plans and specifications there to for; and

**WHEREAS**, the City is working with closely with USDA and the State Regional Water Quality Control Board on the long-term bond financing solution for the Project; and

**WHEREAS**, it is a requirement of USDA that the City must obtain interim financing for acquisition and construction of the Project, and that USDA will provide the 40-year long-term take-out financing once the Project has been completed; and

**WHEREAS**, the Council, after due investigation and deliberation, has determined that it is in the public interests of the City at this time to consider issuing its Series 2021 Bond Anticipation Notes (the "Notes") for the purpose of financing the Project (the "Financing"); 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**, in order to efficiently accomplish the Financing, the City desires to appoint California Municipal Advisors LLC as Financial Advisor and The Weist Law Firm as Bond Counsel to provide the necessary professional services in connection therewith; and

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL 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 and accompanying staff report are true and correct and that the Financing will result in public benefits to the City and its ratepayers.

**Section 2. Preliminary Intention to Proceed.** The Council hereby determines that it is necessary and desirable to proceed with the Financing, subject to final authorization thereof by

resolution of the City at a subsequent meeting held for such purpose. This Resolution does not bind the City to ultimately provide for the Financing.

**Section 3. Authorized Representatives.** The Mayor, Vice Mayor, City Manager and any other person authorized by the City Manager to act on behalf of the City shall each be an "Authorized Representative" of the City for the purposes of structuring the Notes and providing for the matter to be brought back to the Council for further consideration at a subsequent Council Meeting, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Council has approved in this Resolution.

**Section 4. Professional Services.** The Council hereby appoints California Municipal Advisors LLC, as Financial Advisor, and The Weist Law Firm, as Bond Counsel, in connection with the Financing described in this Resolution. The City Manager is authorized and directed to execute agreements with these firms in the respective forms on file with the City Clerk.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED, APPROVED AND ADOPTED** this 16<sup>th</sup> day of February, 2021, by the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Leslie Q. Jordan, Mayor

**ATTESTED:**

\_\_\_\_\_  
Shawna Freels, City Clerk

## AGREEMENT FOR BOND COUNSEL SERVICES

**THIS AGREEMENT** is made and entered into this \_\_\_th day of February, 2021 by and between the City of San Juan Bautista (the "City"), whose address is 311 Second Street, San Juan Bautista, California 95045, and The Weist Law Firm (the "Bond Counsel"), whose address is 20 South Santa Cruz Avenue, Suite 300, Los Gatos, California 95030.

### WITNESSETH:

**WHEREAS**, the City desires to cause the issuance of certain municipal bond obligations (the "Bonds") to be purchased by the United States Department of Agriculture Rural Development Department (the "USDA"), as necessary to provide financing for the City of San Juan Bautista Water Project (the "Project"); and

**WHEREAS**, as a prerequisite to USDA's commitment to provide long-term Bond financing for the Project, the District is required to procure interim financing in the form of Bond Anticipation Notes (the "Notes"); and

**WHEREAS**, Bond Counsel has provided services to the City on past debt issuances and has gained detailed knowledge and understanding of City's finances and current debt obligations; and

**WHEREAS**, the City desires to retain Bond Counsel to do the necessary legal work hereinafter outlined, upon the terms and conditions hereinafter set forth, to cause the issuance and delivery of Notes for the interim financing of the Project; and

**WHEREAS**, Bond Counsel is specifically trained and experienced in the conduct of proceedings for the issuance of municipal securities such as the proposed Notes, and hereby represents that it is ready, willing and able to perform said work; and

**NOW, THEREFORE**, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

#### **Section 1. Scope of Services.**

**Bond Counsel Services:** Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents, certificates and regulatory forms necessary for the sale and delivery of the Notes. Such services shall include the following:

1. Consult with representatives of USDA and the City, as well as the City's financing and accounting staff, engineers, advisors, and others, with respect to the timing, terms and legal structure of each proposed issuance of Notes.
2. Prepare all resolutions, ordinances, notices, affidavits, Internal Revenue Service forms, indentures, installment sale agreements, lease or loan agreements, and other legal documents customarily prepared by Bond Counsel, as required for the issuance of each series of Notes (the "Principle Documents").

3. Review relevant documents prepared by City staff, USDA representatives, financial advisors, or consulting engineers, related to or having a direct bearing on the issuance of the Notes.
4. Review documentation with respect to any bond provisions, parity debt provisions and reserve fund provisions provided or required by USDA having a bearing on the issuance of the Notes.
5. Review the various financing structures that may be available to the City for the securing of the Notes. Our analysis will examine the range of capital borrowing methods available to the City, including, but not limited to, revenue bonds and certificates of participation.
6. Attend such meetings or hearings of the City Council, as well as working group meetings or conference calls as the City may request, and as Bond Counsel deems prudent and necessary.
7. Prepare final closing papers to be executed by the City required to effect delivery of the Notes and coordination of the closing of the Notes.
8. Render Bond Counsel's customary final legal opinion on the validity of each series of Notes and the respective exemption from gross income for federal income tax purposes and from California personal income tax of interest thereon.
9. Prepare the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the Notes and Form 8038-G to the Internal Revenue Service (pursuant to Section 149 of the Internal Revenue Code of 1986).
10. Prepare transcripts of the legal proceedings, containing originally signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Two copies shall be provided to the City, and every other member of the financing team shall be provided with one copy each.

**Excluded Services** Bond Counsel's services are limited to those specifically set forth above. Bond Counsel's services do not include representation of the City or any other party to the transaction in any litigation or other legal or administrative proceeding involving any of the Notes, the Project or any other matter. Bond Counsel's services also do not include legal services relating to the Project, including but not limited to compliance with the California Environmental Quality Act, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the Porter-Cologne Water Quality Control Act, the Safe Drinking Water and Toxic Enforcement Act of 1986, the Hazardous Substance Account Act, the Hazardous Waste Control Act, or any determinations pertaining to completion and readiness for acceptance.

Bond Counsel's services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property, including the acquisition of interests in real property, whether through gift, negotiation or the exercise of the power of eminent domain. Bond Counsel's services also do not include any responsibility the negotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant.

Also, Bond Counsel's services relating to a series of Notes will not extend past the date of issuance of such corresponding series of Notes and will not, for example, include services related to on-going administration, annexation, rebate compliance or continuing disclosure or otherwise related to the Notes, proceeds of the Notes or a refunding after issuance of the Notes.

Bond Counsel may be willing to perform such excluded services on such terms as might be mutually agreed to at the time of need. The performance by Bond Counsel of services excluded by the above paragraph, if required by the City, shall be under separate written agreement.

## **Section 2. Compensation.**

(a) Legal Fees for Bond Counsel Services in Connection with the Project. For each series of Notes issued by the City in connection with the Project, Bond Counsel shall be paid a flat fee of \$29,500.

(b) Out-of-Pocket Expenses. In addition to the legal fees, Bond Counsel shall be reimbursed its normal and customary out-of-pocket expenses, including travel (including at of office fee of \$650 per day of travel) and customary mileage rates; parking charges and bridge tolls as incurred, photocopies at thirty-five cents per page, transcript preparation (which are expensed at \$400 per transcript) and distribution; telephone and facsimile charges as incurred, and postage and express delivery charges as incurred for each series of Notes issued.

(c) Miscellaneous Legal Services. If and to the extent Bond Counsel is requested in writing (with a return written acknowledgment by Bond Counsel) by the City Manager to perform legal services that are outside the scope of services set forth in Section 1, Bond Counsel shall be paid at the Hourly Rate.

## **Section 3. Termination of Agreement and Legal Services.**

This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by the City, shall, at the option of the City, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by the City, Bond Counsel shall be paid for all services rendered (it being hereby agreed that not less than 80% of legal fees are deemed earned upon Bond Counsel's distribution of the Principal Documents), unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. This continuing right to receive compensation shall survive the term of this Agreement. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of the final series of Notes contemplated in this Agreement. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect to the Project, the Notes or the City.

## **Section 4. Insurance.**

Bond Counsel specifically represents that it maintains errors and omissions insurance applicable to the Bond Counsel services to be rendered under this Agreement.

## **Section 5. Nature of Engagement.**

The City acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Notes or the Project or that may be involved with or adverse to the City in this or some other matter. Bond Counsel agrees not to represent any such entity in connection with the Notes during the term of this Agreement, without the consent of the City.

Given the special, limited role of Bond Counsel described above, the City hereby waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that Bond Counsel may have had, have or enter into, and except where Bond Counsel subsequently represents another client in the same or a substantially related matter in which the prospective client's interests are materially adverse to City's interests, the City specifically consents to any and all such relationships.

## **Section 6. Standards of Professional Conduct.**

Bond Counsel and every employee thereof shall provide their services, advice and any reports in full compliance with all applicable law and professional standards. Bond Counsel represents that it is specially trained, experienced, expert and competent to perform the services required under this Agreement, and that each individual providing legal services is a member in good standing of the State Bar and is licensed to practice in California. Bond Counsel certifies that it will not accept representation in any matters, including litigation, under this Agreement if it or any employee thereof has any personal or financial interest therein.

Bond Counsel certifies that it accepts this retention because it has the time, energy, skills and ability necessary to perform the duties required in an efficient, trustworthy, professional and businesslike manner. It is understood that the services under this Agreement must be provided immediately, and that they are time-critical. Bond Counsel is engaged by City for its unique qualifications and skills. Bond Counsel shall not subcontract, delegate or assign the services to be provided under this Agreement, in whole or in part, to any other person or entity not employed in Bond Counsel's firm without consent of City.

Bond Counsel agrees that it will comply with all ethical duties, will maintain the integrity of the Bond Counsel-client relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure; however, where it is contended by third parties the Bond Counsel's work product or attorney-client privileged communications are subject to disclosure, and City directs Bond Counsel to not disclose the records, City agrees to indemnify Bond Counsel from any cost or expense related to protecting said records from disclosure.

## **Section 7. No Guarantee of Outcome.**

City hereby acknowledges and agrees that this is a best efforts undertaking, and that no guarantee of success or outcome has been, or can be, made by Bond Counsel.



## **Section 8. Arbitration.**

Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in San Jose, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such party. Each party shall bear its own attorneys fees and expenses.

The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided however, that nothing in this Section shall be construed as precluding the bringing an action for injunctive relief or other equitable relief. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law. If for any reason this arbitration clause becomes not applicable, then each party submits to the ongoing jurisdiction of the state of California and/or the United States City Court for the enforcement hereof.

## **Section 9. Indemnification.**

City agrees that it will indemnify and hold harmless Bond Counsel and its affiliates, and its and their respective directors, officers, employees, agents and controlling persons (Bond Counsel and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, as incurred, to which such Indemnified Party may become subject under any applicable United States, federal or state law, or any applicable foreign law, or otherwise, and related to or arising out of any untrue statement or alleged untrue statement of a material fact contained in any information, including without limitation the due diligence disclosure relating to the Project or the Notes (the "Disclosure"), furnished or made available by City, to Bond Counsel or otherwise, to the offeree of the Notes or any of its representatives or the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein not misleading, in the light of the circumstances under which they were made; provided, however, that City will not be liable to the extent that any loss, claim, damage or liability is found in a final judgment by a court to have resulted from Bond Counsel's bad faith or negligence in performing the services described above.

## **Section 10. Entire Agreement.**

This Agreement contains the entire understanding between Bond Counsel and City. All previous proposals, offers and communications relative to the Project, the Notes and this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement. No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by both Bond Counsel and City. No oral agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors or assigns as may be permitted pursuant to the provisions of this Agreement.

**Section 11. Insurance.**

Bond Counsel specifically represents that it maintains errors and omissions insurance of a minimum of \$1,000,000/\$2,000,000 aggregate applicable to the Bond Counsel services to be rendered under this Agreement.

**Section 12. Modification.**

Both City and Bond Counsel understand that it may be desirable or necessary during the execution of this Agreement for Bond Counsel or City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with City and all changes and their cost shall be memorialized in a written amendment to this original Agreement prior to the performance of the additional work.

Until a written change order is so executed, City shall not be responsible to pay any charges Bond Counsel may incur in performing such additional services, and correspondingly Bond Counsel shall not be required to perform any such additional services.

**Section 13. Severability.**

All sections and subsections of this Agreement are severable, and the unenforceability or invalidity of any of the sections or subsections of this Agreement shall not affect the validity or enforceability of the remaining sections or subsections of this Agreement, but such remaining sections or subsections shall be interpreted and construed in such a manner as to carry out fully the intention of the parties. Therefore, if any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected by such holding and shall nevertheless continue in full force without being impaired or invalidated in any way.

**Section 14. Waiver.**

The waiver by either party of a default or breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent default or breach of the same or of a different provision of that party. No waiver or modification of this Agreement or of any covenant condition, or limitation contained in this Agreement shall be valid unless in writing and duly executed by the party or parties to be charged therewith.

**Section 15. Counterparts.**

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

*[Signature Page to Follow on Next Page]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

**CITY OF SAN JUAN BAUTISTA**

By: \_\_\_\_\_  
Don Reynolds, City Manager

**THE WEIST LAW FIRM**

By: \_\_\_\_\_  
Cameron A. Weist, Esq.

**CALIFORNIA MUNICIPAL ADVISORS LLC**  
**AGREEMENT FOR CONSULTING SERVICES**

**THIS AGREEMENT** (the “Agreement”), made and entered into this \_\_\_th day of \_\_\_\_\_ 2021, by and between the City of San Juan Bautista, a California general law city, with its principal place of business at 311 2nd Street, San Juan Bautista, CA 95045 (the “Client”), and California Municipal Advisors LLC, a California Limited Liability Company, with its principal place of business at 20 South Santa Cruz Avenue, Suite 300, Los Gatos, CA 95030 (“CalMuni”), sets forth the terms and conditions under which CalMuni shall provide consulting services to the Client.

**WHEREAS**, the Client wishes to obtain the services of a financial advisor on an exclusive basis to assist in obtaining of a bank line of credit (the “Project”) for interim financing of the Wastewater Systems’ Compliance Project (the “Compliance Project”); and

**WHEREAS**, CalMuni is duly licensed and has the necessary qualifications, experience, and personnel necessary to properly provide the Scope of Services;

**WHEREAS**, the Client desires to retain CalMuni to provide the Scope of Services; and

**WHEREAS**, the City Manager is authorized to enter into this Agreement on behalf of the Client; and

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, and intending to be legally bound hereby, the Client and CalMuni agree as follows:

**SECTION I. SCOPE OF SERVICES**

A. CalMuni shall provide the services described in Exhibit A to this Agreement (hereinafter referred to interchangeably as the “Services” or “Scope of Services”). Any material changes in or additions to the Scope of Services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by CalMuni which are not specifically referenced in the Scope of Services shall be completed as agreed in writing in advance between the Client and CalMuni. Upon request of the Client, CalMuni or an affiliate of CalMuni may agree to additional services to be provided by CalMuni or an affiliate of CalMuni, by a separate agreement between the Client and CalMuni or its respective affiliate.

B. CalMuni shall perform all such work with skill and diligence and pursuant to generally accepted standards of practice in effect at the time of performance. CalMuni shall provide corrective services without charge to the Client for work which fails to meet these standards and which is reported to CalMuni in writing within sixty (60) days of discovery.

C. The Client shall cooperate with CalMuni and will furnish all information, data, records, and reports existing and available to the Client to enable CalMuni to carry out work outlined in the Scope of Services. CalMuni shall be entitled to reasonably rely on information, data, records, and reports furnished by the Client, however, the Client makes no warranty as to the

accuracy or completeness of any such information, data, records, or reports available to it and provided to CalMuni which were furnished to the Client by a third party. CalMuni shall have a duty to bring to the Client's attention any deficiency or error it may discover in any information provided to CalMuni by the Client or a third party.

## **SECTION II. WORK SCHEDULE**

The services of CalMuni are to commence as soon as practicable after the execution of this Agreement. CalMuni shall thereafter diligently perform the Services through to completion unless otherwise directed by the Client or unless earlier terminated.

## **SECTION III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES**

A. CalMuni is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. This Agreement designates CalMuni as the Client's independent registered municipal advisor ("IRMA") with regard to the attached Scope of Services for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA Exemption"). CalMuni shall not be responsible for, or have any liability in connection with, verifying that CalMuni is independent from any other party seeking to rely on the IRMA Exemption (as such independent status is required pursuant to the IRMA Exemption, as interpreted from time to time by the SEC). The Client acknowledges and agrees that any reference to CalMuni, its personnel, and its role as IRMA, including in the written representation of the Client required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by CalMuni. The Client further agrees not to represent that CalMuni is the Client's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the attached Scope of Services or without CalMuni's prior written consent.

B. MSRB Rule G-42 requires that municipal advisors make written disclosures to its Clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in CalMuni's Disclosure Statement delivered to the Client together with this Agreement as Exhibit C.

## **SECTION IV. COMPENSATION**

A. For the Services provided under this Agreement, CalMuni's professional fees shall be paid as provided in Exhibit B to this Agreement. Any services which are not included in the Scope of Services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

B. Invoice(s) in a format and on a schedule acceptable to the Client shall be submitted to and be reviewed and verified by the Client. The Client shall notify CalMuni of exceptions or disputed items and their dollar value within fifteen (15) days of receipt. Payment of the undisputed amount of the invoice will typically be made approximately thirty (30) days after the invoice is received by the Client.

C. CalMuni will maintain clearly identifiable, complete and accurate records with respect to all costs incurred under this Agreement on an industry recognized accounting basis. CalMuni shall make available to the representative of the Client all such books and records related to this Agreement, and the right to examine, copy and audit the same during regular business hours upon three (3) business days' notice for a period of two (2) years from the date of final payment under this Agreement.

## **SECTION V. TERMS AND TERMINATION**

A. Unless otherwise provided, the term of this Agreement shall begin on the date of its full execution and shall expire on December 31, 2021, unless extended by amendment or terminated earlier as provided herein.

B. The Client may suspend this Agreement and CalMuni's performance of the Services, wholly or in part, for such period as it deems necessary in the Client's sole discretion. CalMuni will be paid for satisfactory services performed through the date of suspension.

C. If CalMuni at any time refuses or neglects to perform its Services in a timely fashion or in accordance with the schedule identified in Exhibit A, or is declared bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without Client's consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently perform its Services, or otherwise fails to perform fully any and all of the Agreements herein contained, this Agreement shall be terminated.

D. If CalMuni fails to cure the default within seven (7) days after written notice from the Client, the Client may, at its sole option, demand possession of any documents or other materials (in paper and electronic form) prepared or used by CalMuni in connection with the provision of Services and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to CalMuni under this Agreement; or (2) terminate this Agreement.

E. This Agreement and all Services to be rendered under it may be terminated upon fifteen (15) days written notice from either party, with or without cause. In the event Client elects to terminate this Agreement, CalMuni shall be paid for all services rendered, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. This continuing right to receive full compensation shall survive the term of this Agreement.

## **SECTION VI. ASSIGNMENT**

CalMuni shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client.

## **SECTION VII. INFORMATION TO BE FURNISHED TO AND BY CALMUNI**

All information, data, reports, and records ("Data") in the possession of the Client or any third party agent to the Client necessary for carrying out any services to be performed under this Agreement shall be furnished to CalMuni, and the Client shall cause its agent(s) to cooperate with CalMuni in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the Client in connection with a municipal securities transaction or municipal financial product and/or relevant to the Client's determination whether to proceed with a course of action.

To the extent the Client requests that CalMuni provide advice with regard to any recommendation made by a third party, the Client will provide to CalMuni written direction to do so as well as any Data it has received from such third party relating to its recommendation. The Client acknowledges and agrees that while CalMuni is relying on the Data in connection with its provision of the services under this Agreement, CalMuni makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

In the course of performing services under this Agreement CalMuni may obtain, receive, and review confidential or proprietary documents, information or materials that are and shall remain the exclusive property of the Client. Should CalMuni undertake the work on behalf of other agencies, entities, firms or persons relating to the matters described in the Scope of Services, it is expressly agreed by CalMuni that any such confidential or proprietary information or materials shall not be provided or disclosed in any manner to any of the Client's other clients, or to any other third party, without the Client's prior express written consent.

#### **SECTION VIII. NOTICES**

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

**CITY OF SAN JUAN BAUTISTA**

311 2nd Street  
San Juan Bautista, CA 95045  
Attention: City Manager

**CALIFORNIA MUNICIPAL ADVISORS LLC**

3212 Burlwood Court  
Rocklin, CA 95765  
Attention: Dmitry Semenov

#### **SECTION IX. LIMITATION OF LIABILITY**

Except to the extent caused by willful misconduct, bad faith, gross negligence, or reckless disregard of obligations or duties under this Agreement on the part of CalMuni or any of its associated persons, neither CalMuni nor any of its associated persons shall have liability to any person for any act or omission in connection with performance of its services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal

securities, any municipal financial product or any other financial product or investment, or for any financial or other damages resulting from the Client's election to act or not to act, as the case may be, contrary to or, absent negligence on the part of CalMuni or any of its associated persons, upon any advice or recommendation provided by CalMuni to the Client.

#### **SECTION X. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY**

CalMuni, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the Client by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy, or claim under or in respect of this Agreement or any provisions contained herein.

#### **SECTION XI. DISPUTE RESOLUTION**

A. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter shall be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be binding, unless within thirty (30) days after issuance of the arbitrator's written decision, any party files an action in court. Venue and jurisdiction for any such action between the parties shall lie in the Superior Court for the County of Monterey.

B. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

#### **SECTION XII. APPLICABLE LAW**

This Agreement shall be construed, enforced, and administered according to the laws of the State of California. CalMuni and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

#### **SECTION XIII. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement represents the entire agreement between the Client and CalMuni and may not be amended or modified except in writing signed by both parties. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.



#### **SECTION XIV. EXECUTION; COUNTERPARTS**

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

*[Signature Page to Follow on Next Page]*

IN WITNESS THEREOF, the Client and CalMuni have executed this Agreement as of the day and year herein above written.

**CITY OF SAN JUAN BAUTISTA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CALIFORNIA MUNICIPAL ADVISORS LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**SCOPE OF SERVICES**

**A. Financial Planning and Financing Management.**

- *Refinancing Alternatives and Plan.* Explore various interim financing alternatives available to the Client pertaining to the Compliance Project and develop a financing plan, including recommendations as to the method of sale, timing, sizing and structure of the Debt Obligations to be transacted based on optimized total financing costs, projected cash flow requirements, debt capacity, and targeted revenue / rate threshold.

**B. Issuance of Debt Obligations.**

- *Financing Schedule.* Manage the financing process and coordinate activities of financing team members. Prepare a schedule of activities and ensure the financing is completed in a timely manner.
- *Method of Sale, Timing, Sizing and Structure of Debt Obligations.* Assist the Client in creating the financing plan for the Debt Obligations including timing, sizing, and structure.
  - a. *Method of Sale.* Advise as to the appropriate method of sale for the Debt Obligations.
  - b. *Preparation of Lender Request for Proposals.* Assist the Client with the preparation and distribution of Request for Proposals to banks and assist the Client with analysis the responses of the responding banks.
  - c. *Timing of Issues.* Advise as to the timing for each series of Debt Obligations to be sold based upon the Client's historical and projected revenues and expenses, market interest rate environment, and other factors.
  - d. *Sizing of Issues.* Advise as to the sizing of the Debt Obligations to be sold based on the nature of the financing, federal tax law limitations, state regulatory restrictions, targeted tax rates, goals of the financing program, and other matters.
  - e. *Structure of Debt Obligations.* Advise as to the repayment structure of the Debt Obligations to be sold based on targeted tax rates, impact on interest costs, prudent debt management practices, and other considerations.
- *Lender Due Diligence Assistance.* Assist the Client in providing due diligence information requested by lenders, if applicable.
- *Authorizing Documentation.* Provide bond counsel with information necessary for the preparation of authorizing documentation. Review authorizing documentation prior to their approval.

- *Pricing Strategy.* CalMuni will assist the Client throughout the sale negotiation process.
  - a. Negotiate to provide the lowest available rates and costs to the Client;
  - b. Provide the Client with a pricing analysis of proposed financing alternatives; and
  - c. Provide quantitative schedules showing the results of the final pricing.
- *Closing Documentation.* Review closing documents and otherwise assist in the closing of the transaction.

**C. Non-Contingent Services.**

- *Ongoing Program Management.* Provide ongoing support for the Client's debt management program as mutually agreed upon between the Client and CalMuni including, but not limited to, investment of debt obligation proceeds and reserve fund moneys, continuing disclosure compliance management, assistance with the levy and collection of taxes/revenues, and the repayment of the debt obligations.
- *Ongoing Responsibilities.* Review certain ongoing responsibilities of the Client as an issuer of debt obligations, including responsibilities with regard to state law obligations, federal tax law obligations, and other, and assist in the arrangement of certain ongoing services at the written request of the Client.

**COST IS THE RESPONSIBILITY OF THE AGENCY**

The Client understands that there are several program costs that are required for completion of the Debt Obligations that shall be the responsibility of the Client. These may include the cost of printing and distributing the Official Statements, notices, accountants, insurance, title reports, rating services, bond insurance, bond counsel, trustees, disclosure counsel, and of any other experts required for completion of the Debt Obligations.

**EXHIBIT B**  
**COMPENSATION FOR SERVICES**

For the Services described in Exhibit A (paragraphs A&B), CalMuni will be compensated a flat fee of \$27,500 to be paid at the time of issuance from Debt Obligation proceeds unless otherwise determined by mutual agreement of the two parties. If there are material changes to the complexity of the financing or other unanticipated circumstances, a different fee may be negotiated by mutual written agreement between CalMuni and the Client. Such transaction fees are to be paid from the proceeds of the financing and are contingent upon the closing of the issue.

For non-contingent services described in Exhibit A (paragraph C), CalMuni shall be compensated at the following hourly rates:

<u>Title</u>	<u>Rate</u>
Principal	\$325
Associate	\$225
Analyst	\$175

CalMuni shall invoice the Client upon the successful issuance of the Debt Obligations.

**EXHIBIT C**  
**DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION**  
**CALIFORNIA MUNICIPAL ADVISORS LLC**

**I. Introduction**

California Municipal Advisors LLC (hereinafter, referred to as “CalMuni”) is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). CalMuni employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

***How We Identify and Manage Conflicts of Interest***

**Code of Ethics.** CalMuni requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee’s independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

**Policies and Procedures.** CalMuni has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

**Supervisory Structure.** CalMuni has both a compliance and supervisory structure in place that enables us to identify and monitor employees’ activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client’s interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

**Disclosures.** CalMuni will disclose to clients those situations that it believes would create a material conflict of interest, such as:

- 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of CalMuni;
- 2) any payment made to obtain or retain a municipal advisory engagement with a client;

- 3) any fee-splitting arrangement with any provider of an investment or services to a client;
- 4) any conflict that may arise from the type of compensation arrangement we may have with a client; and
- 5) any other actual or potential situation that CalMuni is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If CalMuni identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. CalMuni will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. CalMuni will provide this disclosure (or a means to access this information) in writing prior to starting our proposed engagement, and will provide such additional information or clarification as the client may request. CalMuni will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

## **II. General Conflict of Interest Disclosures**

### ***Disclosure of Conflicts Concerning the Firm's Affiliates***

CalMuni's affiliates offer a wide variety of financial and legal services, and our clients may be interested in pursuing an affiliate's services separately. The affiliate's business with the client could create an incentive for CalMuni to recommend a course of action designed to increase the level of the client's business activities with the affiliate or to recommend against a course of action that would reduce the client's business activities with the affiliate. In either instance, CalMuni may be perceived as recommending services for a client that are not in the best interests of our clients, but rather are in our interests or the interests of our affiliates. Accordingly, CalMuni mitigates any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, CalMuni receives no compensation from its affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, we require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

### ***Disclosure of Conflicts Related to the Firm's Compensation***

From time to time, CalMuni may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, CalMuni may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is

customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, CalMuni may contract with clients on an hourly fee basis. If CalMuni and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. CalMuni manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

#### ***Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients***

CalMuni regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes a "firewall" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

#### ***Disclosure Related to Legal and Disciplinary Events***

As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access CalMuni filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed.

### **III. Specific Conflicts of Interest Disclosures – Client**

The principal of The Weist Law Firm ("WeistLaw"), Cameron Weist, is also a principal of CalMuni. While this may appear to present a potential conflict of interest, we do not believe that it does because the California Rules of Professional Conduct governing the ethical standards imposed on lawyers are aligned with and equal or exceed the fiduciary duties imposed on municipal advisors, and also because CalMuni receives no compensation from WeistLaw, or vice



versa, and both firms are independently engaged under separate contracts which have been vetted in light of various factors, including the client's needs, objectives and legal and financial circumstances, to ensure that each such client has made an independent, informed, evaluation of the type and quality of services offered by each entity.

To our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42.



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

**AGENDA TITLE:** SETTLEMENT WITH MERITAGE HOMES FOR  
DOUBLE PAYMENT OF WATER  
IMPACT/IMPROVEMENT FEES

**MEETING DATE:** February 16, 2021

**SUBMITTED BY:** Don Reynolds, City Manager

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### **RECOMMENDED ACTION:**

Approve the City Manager's execution of a settlement agreement with Meritage Homes to refund the developer for double payment to the City for water impact/improvement fees.

### **BACKGROUND**

The City agreed in 2018 to allow the developer of Ranch Vista (Meritage Homes), to sell bonds in lieu of paying cash for various development fees, including a special fee to help the City resolve its nitrate problem in Well 3. Approximately one year ago, Meritage the project manager tried to explain that the fees were paid in cash, and then borrowed in the form of bonds. This would essentially be a double payment, and that we owned Meritage approximately \$400,000. The City disagreed.

Approximately three months ago, the Vice President of Meritage insisted the fees belonged to them, and the City should refund them. The City disagreed and retained bond counsel to defend it. Meritage threatened to sue the City.

The City's attorney immediately pointed out that the double payment may have occurred before the fees were increased in 2019. Staff confirmed that the City only received \$316,000. The City Council authorized the City's attorney to negotiate with Meritage. Meritage refuses to receive less than \$316,000 minus the cost of the City's defense. The City's attorney negotiated 6 payments to Meritage, at \$45,000 each, one per month for 6-monhs, then a final payment of \$43,000 for a total of \$313,000. The \$3,000 pays for the City's defense costs.

With the City Council's approval, the Attorney and City Manager will implement this settlement agreement and make this happen.



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

**AGENDA TITLE:**        **APPROVE A LETTER OF AGREEMENT, AND  
ACCEPT LAND DEDICATION FROM ROSA AND  
EDWARD LOAYZA, OWNERS OF THE  
SUBDIVISION AT 957 FIRST STREET, FOR  
RIGHT-OF-WAY TO BE USED TO CONSTRUCT  
THE FIRST STREET ROUNDABOUT**

**MEETING DATE:**        February 16, 2021

**SUBMITTED BY:**        Don Reynolds, City Manager  
Julie Behzad, City Engineer

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### **RECOMMENDED ACTION:**

Adopt a Resolution approving a letter of agreement concerning the development of a sub-division at Rosa and Edward Loayza's property at 957 First Street, and approving the Plat Map and legal description dedicating approximately 5,443 square feet of property to the City for public right of way to build a roundabout at the intersection of First Street and Lavagnino Drive.

### **BACKGROUND**

The Loayzas own the 16-acre parcel on the city's north eastern boundary on First Street and have been working towards a subdivision and development of the property for the past 10-years. During the long, drawn-out development process, Meritage Homes bought the subdivision across the street known as Rancho Vista. This subdivision requires as a condition of approval the construction of a roundabout at Lavagnino Street and First Street adjacent to the Loayza's property. Several different renditions of drafted terms and conditions have been considered since 2016, that describe the role of the two developers and the City required to bring all three pieces together (Rancho Vista, Loayzas development, and the Roundabout). But none were ever approved. What was approved by the Planning Commission June 4, 2019, was Resolution 2019-14, a subdivision map (a vesting tentative tract map mistakenly referred to as a Parcel Map) for the Loayzas, describing the creation of

four parcels to be developed into single family homes, and a small parcel/easement to be dedicated to the City for use as right-of-way to build a roundabout on First Street. This “map” was approved with no development conditions associated with it.

During the summer of 2019, Meritage Homes and the City agreed to retain a new civil engineer, an expert designing roundabouts, to design a safe and acceptable roundabout for Meritage. The initial conceptual drawings proved that this was possible with the land dedicated by the Loayzas. In January 2020, the City Engineer and Building Official approved the construction drawings to build the roundabout, but the Loayzas had not dedicated the right-of-way to the City. In fact, their civil engineer required the completed drawings from Meritage to finalize the Plat Map and Legal description for the right-of-way to be dedicated. That has now been completed in an acceptable format to the City Engineer.

In exchange for their dedication of approximately 5,443 square feet of their property, previous city managers apparently agreed to process the subdivision map waiving the fees and processing costs for the map and the related CEQA work. Meritage is constructing the entrance to their property and portion of the sidewalks fronting their property along First Street. “Just” the details needed to be worked out.

## **DISCUSSION**

The City retained the services of CSG (City Engineer) and the City Manager June 18, 2019. They were both made aware of the urgency of making certain Meritage built the roundabout on First Street. Last summer, the Loayzas approached the City Engineer and City Manager with a different approach to their development.

After months of discussion, the original plan was reestablished as the path forward. The subdivision will include an entrance from the roundabout, and a cul-de-sac for use by the four new residential lots. The cost of bringing the sewer line from First Street through the roundabout was approximately \$80,000. The Loayzas instead are opting to create a new non-buildable/ancillary parcel to act as an easement, between two of the lots, allowing access from First Street without interfering with the roundabout. This allows bike and pedestrian access to the new subdivision, and the engineers agree that this is good compromise.

At question is the “quid-pro-quo.” The easement for the roundabout is not being donated to the City. It is being exchanged for permit and CEQA processing fees. So what is the value of 5,443 square feet of property? Has the City spent a sufficient

amount of its resources to equal its value? What is the value of the improvements built by Meritage that front their property? Originally (2019), Meritage refused to add the fourth entrance for the Loayzas from the roundabout. Up until November 2020, Meritage refused to build sidewalks on Loayzas frontage. If not for Meritage, the Loayzas would be required to construct these improvements.

If 5,443 square feet is valued at \$16 dollars per square foot, the value would be approximately \$87,000 according to the Loayzas. Typically the developer (Meritage) would pay for acquiring the right-away to construct the roundabout, but that was not negotiated years ago.

Since the City and not Meritage is negotiating the dedicated right of way, typically the City would hire an unbiased appraiser to render an opinion of value. The negotiation would start there and could go all the way to condemnation. Since 2018, it is clear that City staff and contract engineer and planner support have spent close to \$20,000 processing and completing this map. If the development proceeds to build four single family homes, the impact fees are estimated to be approximately \$50,000.

The City amended the attached letter of agreement to include a future consideration of credit for the Loayzas, when the fees are due. It could be justified that the traffic impact fees for example, be paid from this credit for the easement needed to build the roundabout. A paragraph has been inserted along the lines of establishing an agreed upon value of the right-of-way within 60-days of signing the letter of agreement. That City costs from the date the Resolution 2019-14 to date be gathered and that the net difference would result in a future credit towards development fees. By adding this clause into the letter, the roundabout construction can begin.

### FISCAL IMPACT

The City has incurred expenses estimated to be close to \$20,000 to process the subdivision map for this project. If the right-of way is valued at \$87,000, and the cost of the right-of-way was not required by the City to be paid by the developer Meritage. The City is being asked to consider an additional credit towards future development fees in order to receive the right-of-way for the roundabout.

Attachment: Resolution and Draft Letter of Agreement

## **RESOLUTION NO. 2021-XX**

### **A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA APPROVING THE TERMS OF A LETTER OF AGREEMENT, AND ACCEPTING LAND DEDICATION FROM ROSA AND EDWARD LOAYZA, OWNERS OF THE SUBDIVISION AT 957 FIRST STREET, FOR RIGHT-OF-WAY TO BE USED TO CONSTRUCT A ROUNDABOUT ADJACENT TO THEIR PROPERTY**

**WHEREAS**, Rosa and Edward Loayza (“Loayzas”) own the property at 957 First Street APN 002-230-001, consisting of approximately 16 acres, and wish to subdivide it for development purposes; and

**WHEREAS**, On June 4, 2019, the Planning Commission adopted Resolution 2019-14, approving a subdivision map creating four parcels intended for four single family homes, and a fifth parcel to be dedicated to the City for the purpose of right-of-way to be used to build a roundabout adjacent to their property; and

**WHEREAS**, Resolution 2019-14 failed to clearly define the roles and responsibilities and expectations of the Loayzas, the City or Meritage Homes, the developer responsible for constructing the roundabout; and

**WHEREAS**, Meritage Homes completed its design for the new roundabout, the City has approved this design and construction drawings, and Meritage Homes is ready to construct it; and

**WHEREAS**, the Loayzas and the City have negotiated a letter of agreement that includes terms and expectations dating back to 2016, acknowledging the facts as they are today, describing the path forward to include the City’s acceptance of the property dedication for the roundabout, and are presenting it to the City Council for approval by attaching it to this Resolution; and

**WHEREAS**, consistent with Article 3, Chapter 4 and Article 5, Chapter 3 of the State Subdivision Map Act and Chapter 10, Section 2 Article 9 subsection 925 of the City Municipal Code, acceptance of offers of dedication on a parcel map shall requires Council approval; and

**WHEREAS**, the City Engineer has reviewed the legal descriptions and plat maps for this approximately 5,443 square feet of real property to be used by the City as public right-of-way and is prepared to recommend the acceptance of this land by the City Council to be used as part of a roundabout, and to be owned and controlled by the City.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the City Council approves the attached letter of agreement, and approves and accepts the dedication of real property and the attached legal description and plat map of the 5,443 square feet of right-of-way

to be used by the City as public right-of-way for the purpose of constructing a roundabout adjacent to this subdivision at 957 First Street, in the city of San Juan Bautista.

**PASSED AND ADOPTED** by the City Council of the City of San Juan Bautista on this 16<sup>th</sup> day of February, 2021 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

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Leslie Q. Jordan, Mayor

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Shawna Freels, City Clerk

## **RESOLUTION NO. 2021-XX**

### **A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA APPROVING THE TERMS OF A LETTER OF AGREEMENT, AND ACCEPTING LAND DEDICATION FROM ROSA AND EDWARD LOAYZA, OWNERS OF THE SUBDIVISION AT 957 FIRST STREET, FOR RIGHT-OF-WAY TO BE USED TO CONSTRUCT A ROUNDABOUT ADJACENT TO THEIR PROPERTY**

**WHEREAS**, Rosa and Edward Loayza (“Loayzas”) own the property at 957 First Street APN 002-230-001, consisting of approximately 16 acres, and wish to subdivide it for development purposes; and

**WHEREAS**, On June 4, 2019, the Planning Commission adopted Resolution 2019-14, approving a subdivision map creating four parcels intended for four single family homes, and a fifth parcel to be dedicated to the City for the purpose of right-of-way to be used to build a roundabout adjacent to their property; and

**WHEREAS**, Resolution 2019-14 failed to clearly define the roles and responsibilities and expectations of the Loayzas, the City or Meritage Homes, the developer responsible for constructing the roundabout; and

**WHEREAS**, Meritage Homes completed its design for the new roundabout, the City has approved this design and construction drawings, and Meritage Homes is ready to construct it; and

**WHEREAS**, the Loayzas and the City have negotiated a letter of agreement that includes terms and expectations dating back to 2016, acknowledging the facts as they are today, describing the path forward to include the City’s acceptance of the property dedication for the roundabout, and are presenting it to the City Council for approval by attaching it to this Resolution; and

**WHEREAS**, consistent with Article 3, Chapter 4 and Article 5, Chapter 3 of the State Subdivision Map Act and Chapter 10, Section 2 Article 9 subsection 925 of the City Municipal Code, acceptance of offers of dedication on a parcel map shall requires Council approval; and

**WHEREAS**, the City Engineer has reviewed the legal descriptions and plat maps for this approximately 5,443 square feet of real property to be used by the City as public right-of-way and is prepared to recommend the acceptance of this land by the City Council to be used as part of a roundabout, and to be owned and controlled by the City.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the City Council approves the attached letter of agreement, and approves and accepts the dedication of real property and the attached legal description and plat map of the 5,443 square feet of right-of-way





# City of San Juan Bautista

*The "City of History"*

Office of the City Manager

February 16, 2021

Rosa and Edward Loayza  
957 First Street  
San Juan Bautista CA 95045

**SUBJECT:** Subdivision at 957 First Street and the First Street Roundabout; Clarification and Confirmation of the City and Loayza's Expectations, Roles and Responsibilities

The following letter will set forth a common understanding of the roles and responsibilities of the City and the Loayzas pertaining to the development of a roundabout at First Street and Lavagnino Street, and the future development of the Loayza's property at 957 First Street, (APN # 002-230-001) adjacent to this public improvement in San Juan Bautista. The private developer Meritage Homes, is required and committed to building a roundabout on the western border of the Loayza property that when accepted by the City, will be a public right-of-way and public asset. This roundabout requires the Loayzas to dedicate to the City approximately 5,500 square feet of their property in exchange for certain improvements and development permit fee-exemptions that are herein described and mutually agreed upon.

On June 4, 2019, Planning Commission adopted Resolution 2019-14 approving a subdivision of the Loayza's property at 957 First Street providing four lots intended to be developed into four single family homes. Since then, the Loayzas and the City have been working to get the Parcel Map approved, negotiating several adjustments and details to help the Loayza's develop their site so it fits with the Meritage Roundabout. Also, during this time, the City has been working with Meritage to make certain the roundabout design meets City's public improvement standards, and meets the expectations of the Loayzas.

Upon acceptance of the terms and conditions set forth in this letter by both the San Juan Bautista City Council and the Loayzas, it is agreed that the Loayzas will immediately dedicate the right-of-way, to the City so that Meritage Homes can commence construction. The cost of the legal description and Plat Map is estimated to be \$2,000, and will be paid for equally between the parties.

## Background

Notes provided from the Loayzas from 2017 indicate that Meritage Homes would complete the following:

- a. Pay the cost of extending the sewer line to Loayzas property line; and
- b. Pay the cost of extending the storm drain; and
- c. Pay the cost of extending the water line to the Loayzas property line



# City of San Juan Bautista

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- d. Pay the cost to underground power lines; and
- e. Construct the roundabout.

These notes are not too specific. An agreement was proposed to Meritage in 2017, but never executed. In the past twelve months, the City Engineer has worked closely with both Meritage and Loayzas. As a result, the building plans for the Roundabout are completed and approved by the City. The City has renegotiated the sewer line to not interfere with the roundabout, creating a new parcel between two of the parcels from their property's First Street border. This parcel has to be dedicated to the City. It will also serve as a walking path to downtown from the new neighborhood. The completed and approved plans indicate the water line and storm drain to be extended to the Loayza property line. A recent review of the site indicates that overhead utility lines no longer exist. Meritage has hired a contractor to begin construction of the roundabout.

## Terms

By agreeing to the terms of this letter, and to expedite the construction of the Roundabout, the Loayzas agree to:

- a. Accept the 100% construction drawings dated 12/07/2020 of the roundabout as presented;
- b. Dedicate the approximately 5,500 square feet of right-of-way to the City within 7 days of signing this letter;
- c. To not interfere with or cause to slow down the construction of the Roundabout in anyway;
- d. Add as a condition of approval on future development plans the dedication of the sewer parcel to the City.
- e. After credits from the City meet the value of the dedicated right-of-way, agree to pay additional processing fees required to Develop their property per the fee schedule that is applicable when fees are paid, and current consulting rates when approved by City Council.
- f. The value of the parcel being dedicated and the value of City's directly incurred expenses since the approval of Resolution 2019-14 (June 4, 2019) and anticipated fees to be paid will be determined within 60-days of the signing of this Letter.
- g. Agree to pay for the anticipated public improvements indicated in the improvement plans not limited to but including a cul-de-sac, street lights, storm drains, sidewalks and fencing on First Street as needed, and the sewer easement from First Street making it open for public access and use.

By agreeing to the terms of this letter, the City agrees to the following:

- a. Agree to pay for the processing of the vesting tentative tract map approved by Resolution 2019-14 (estimated to cost \$4,000) including the CEQA documentation and related studies and approvals; and
- b. Credit future development costs for the net difference between the City's direct expenses already incurred since the approval of Resolution 2019-14 (June 4, 2019), and the agreed upon value of the approximately 5,500 square feet of dedicated right-of-way.



# City of San Juan Bautista

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- c. Accept and record the approximately 5,500 square feet of dedicated property for the purpose of right-of-way; and
- d. Inspect and manage the construction of the Roundabout making certain that its construction meets the design specifications set forth in the approved construction drawings; and
- e. Limit the impact of construction on the Loayza property and return property to the same condition as it was prior to construction; and
- f. Require Meritage to provide temporary fencing at the construction site between the Loayza's property and the roundabout construction area before work begins; and
- g. Agree to mitigate any unforeseen extraneous details anticipated or not understood at this time to the best of its ability on property lines between the City's First Street and the Loayzas.

It is further agreed by both parties that no further compensation or exceptions will be provided by the City, above and beyond the agreed upon value of the approximately 5,500 square feet of right-of-way, in exchange for the right-of-way dedication. The value of the dedicated right away will be resolved within 60-days of the execution of this Letter. That in the event the development of the attached Master Plan or any portion of it is pursued, it will be processed under then applicable development processes defined by the City's municipal code, related resolutions, the same as any other private development, subject to the State Subdivision Map Act, City's standard conditions for development, subject to the processing and impact fees, except as credited by the City and potentially executing a new and subsequent development agreement for that purpose. If or when these costs and fees exceed the value of the dedicated right-away, the Loayzas will be responsible for the cost from that date forward.

The City Engineer has established certain requirements of Meritage Homes during construction including an approved traffic plan, work hours, noise and dust abatement, erosion control and storm water erosion control, temporary fencing and equipment staging area. Meritage Homes at the request of the City Engineer, will initiate construction within the next 90-days. The Loayzas (or their delegate) are invited to participate in the pre-construction meeting, where details like temporary fencing, security and access to their property will be considered. The Loayzas will have cell-phone access to the City Engineer and City inspector during construction of the roundabout to help mitigate any and all construction related concerns that may arise.

Both the City and Loayzas have read and understand the terms and conditions as set forth in this Letter. By signing below, the both parties agree to move forward with their interests following this path forward to the mutual benefits of each.

## SUMMARY

Upon execution of this Letter of Agreement, the City will accept the dedication of approximately 5,500 square right-of-way from the Loayzas and record it. Within 60-days the City will tabulate its direct



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expenses for the processing of the tentative tract map since June 4, 2019. Also, within 60-days, the City and Loayzas will agree to the value of the property being dedicated as right of way. Assuming the value of the land exceeds the City costs, the City agrees to credit the Loayzas for the difference between the current costs and future costs and fees until 100% of the agreed upon value has been reached. This will end the City's credit to the Loayzas. All other processing fees and expenses attributable to the phased development plan will be paid in full by the Loayzas.

CITY:

LOAYZAS:

\_\_\_\_\_  
Don Reynolds, City Manager

\_\_\_\_\_  
Rosa Loayza, Owner

Date: \_\_\_\_\_

\_\_\_\_\_  
Edward Loayza, Owner

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Trish Paetz, Deputy City Clerk

\_\_\_\_\_  
Date

Attached: Proposed Development Phasing and Master Plan



## CITY OF SAN JUAN BAUTISTA CITY COUNCIL

**AGENDA TITLE:**        **TRAFFIC CALMING OPTIONS FOR FIRST STREET AND OTHER CITY STREETS**

**MEETING DATE:**        February 16, 2021

**SUBMITTED BY:**        Don Reynolds, City Manager

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### **RECOMMENDED ACTION:**

Receive this report, explore the links provided, receive public testimony, and provide feedback to the staff regarding traffic calming on First Street and other parts of the City.

### **BACKGROUND**

The first capital improvement project implemented by the City's new City Engineer, is the installation of speed humps in Fourth Street. This project went through a convoluted design and community approval evolution before it became a reality. While it was being installed, residents from Fourth Street complained that the "humps" are insufficient. Other residents complained that other street need Speed Humps too.

Traffic speeds in this City are a constant concern and have been for years. This is especially true before COVID 19 reduced freeway traffic, but now with two new housing developments completed, the concerns have increased. San Juan Hollister Road is a common victim to speeders that ignore stop signs. Monterey Street is a victim of vehicles by-passing the 101/156 intersection. Controlling traffic speeds by design is preferred over controlling by enforcement, but usually a combination is needed. Larger cities dedicate an entire police division to traffic safety and there is Federal Office of Traffic Safety that offers grants to local government to help.

The City's response is more than the Fourth Street improvements. But the best response will always involve the traffic engineer and specific traffic studies to verify the speeds and volume of traffic.

- *Causes development to be more spread out, ironically making it harder for residents to reach their daily destinations without driving long distances*
- *By generating more vehicle travel, LOS leads to an array of environmental impacts and impacts to human health.*

In addition to speed humps and stop signs, the City is adding three new roundabouts. One will soon be under construction on First Street. Feedback from many including the Sheriff, agree that this will calm traffic on First Street. The second roundabout is at the intersection of Donner and Third Street. This roundabout is not fully funded yet, and has not been designed. There is a third roundabout that is partially funded at the intersection of The Alameda and San Juan Hollister Road.

## **DISCUSSION**

The City has the skill-set to provide better analysis before a development starts, and a better team to make changes in existing neighborhoods. There are a wide variety of tools that can be considered.

The most popular tool kit for calming traffic was inspired by Dan Burden, known as the Johnny Appleseed of walkers and bicyclists. <https://americawalks.org/about-us/leadership/dan-burden/>

He invented the “Complete Streets Tool Kit.” Many familiar ideas are in this tool kit including features built into the recent Third Street project that include “bulb outs” and narrowing the street. The goal, that is consistent with the current general plan, is to re-design our streets to accommodate people before vehicles. Reversing the 50-year history of “cars first.”



Here is a good link for those who like the details: <https://catsip.berkeley.edu/news/what-are-complete-streets>

# CITY OF SEASIDE TRAFFIC CALMING PROCESS

