



City of San Juan Bautista

The "City of History"

www.san-juan-bautista.ca.us

AGENDA

CITY COUNCIL SPECIAL MEETING

TUESDAY ~ MAY 31, 2022 ~ 6:00 P.M.

~PUBLIC PARTICIPATION BY ZOOM ONLY~

Join Zoom Webinar <https://zoom.us/j/88114937403>

or call 1 (669) 900-6833

Webinar ID: 881 1493 7403

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

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

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

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

If you are unable to join the meeting, written comments may be mailed to the Deputy City Clerk at City Hall (P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to deputycityclerk@san-juan-bautista.ca.us not later than 5:00 p.m. on May 31, 2022, and will be read into the record during public comment on the item.

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

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

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

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

- 1. Call to Order**
 - Pledge of Allegiance**
 - Roll Call**
 - Public Comment – Only on Items on the Agenda**
- 2. Discussion Items**
 - A. Review of the Draft Budget and Capital Improvement Plan for Fiscal Year 2022-2023 and Provide Direction to Staff Prior to Adoption at the June 14, 2022 Regular Meeting**
 - B. Proposed Water Rate Increase**
- 3. Action Items**
 - A. Approve the Affidavit of Posting Agenda**
- 4. Adjournment**



COPY

Item# 2B
City Council
May 17, 2022- Revised May 24th 2022

CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: **PROPOSED WATER RATE INCREASE, ACCEPTING THE RATE STUDY AND INITIATING THE PUBLIC NOTICING PROCESS REQUIRED BY PROPOSITION 218**

MEETING DATE: MAY 17, 2022 (Updated May 24, 2022)

DEPARTMENT HEAD: Don Reynolds, City Manager

RECOMMENDED ACTIONS:

It is recommended that the City Council adopt the attached Resolution proposing a water rate increase, that sets six actions into motion:

1. Accept the attached Bartell Wells (BWA) Water Rate Study, dated May 21, 2022.
2. Propose that the water rates set forth in the BWA Study and the Rate Table be the increase in rates proposed by this action.
3. That at 6:00 PM on July 19, 2022 in the City Council Chambers located at 311 Second Street, San Juan Batista, CA 95045 and virtually by web conference, is set at the time and place for a public hearing on the proposed rates (the "Public Hearing").
4. That at the Public Hearing the City Council will hear testimony from all interested persons regarding the proposed water rates.
5. That staff is directed to mail notice of the Public Hearing to water customers in the manner set forth in Section 53755(a)(1) of the California Government Code.
6. That staff is directed to accept written protests as set forth in Exhibit "B" to this Resolution, which is hereby approved and is attached hereto and incorporated herein.

BACKGROUND INFORMATION:

To be certain the City's utility rates are understood, and before the details of the current rate study are considered, these are the definitions of the City's utility rates.

- A) Sewer rates. There is one flat fee for residential sewer use applied monthly to each bill. This rate increased was approved last fall and went into effect February 1, 2022. It will increase the first of July through 2026. Volumetric rates apply only to industrial users.
- B) Water rates. There are two water rates for residential customers:
 - a. Flat fee also known as the "Base Rate;"

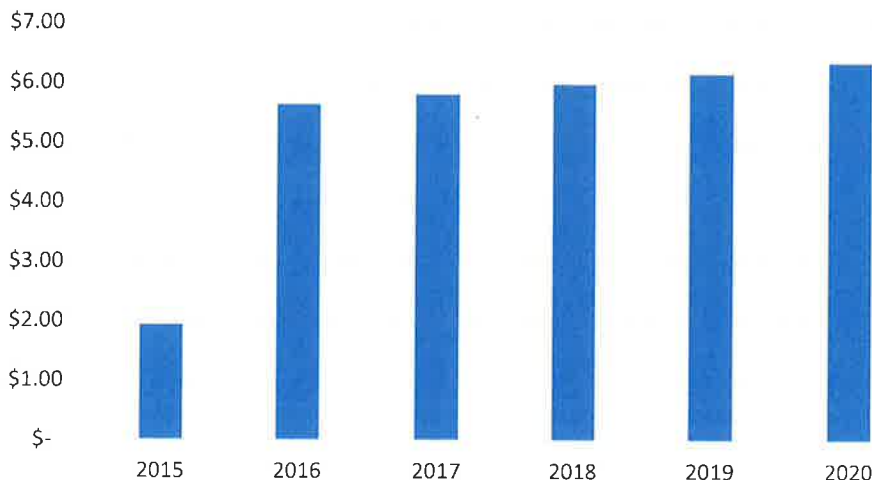
b. Volumetric rate based on consumption.

Since 2012 the City has been diligent about increasing the water rates. The increases between 2012 and 2015 averaged about 2% per year equal to the cost-of-living increases. When the last water rate study was completed in 2015, both the Base Rate and the Volumetric rates increased by about 3%.

In 2015, the City ended its use of a three-tier volumetric rate, and instead changed to having one volumetric rate. The three-tiered rate structure applied different volumetric rates to those who use less than 3,000 gallons per day, between 3,001 and 8,000 gallons per day, and more than 8,000 gallons. The change occurred in 2015 because of a recent court decision “Capistrano Taxpayers Association v. City of San Juan Capistrano. This opinion struck-down San Juan Capistrano’s use of a three-tier rate system, because it had not proven that the cost for each tier of service increased as the volume of water consumed increase. The court concluded that the three tiers were arbitrary in their nature and implementation. So, San Juan Bautista decided that rather than study the matter and prove the cost differences between tiers, that it was more equitable to revert back to just charging one rate for all volumes of consumption. For a small water utility this makes sense. It is easier to administer, rates are stable making budgeting easier, and the cost of the study did not necessarily justify the outcomes. Bartell Wells in 2015 recommended this change for San Juan Bautista with the conclusion that the single tier for volumetric rates was sufficient to encourage water conservation. The City currently charges a base rate, then in 1,000-gallon increments, applies the volumetric rate. (\$6.35 per gallon for 0-1000 gallons, \$12.70 per gallon for 1001-1999 gallons, \$19.05 per gallon for 2000-2999 gallons, etc.).

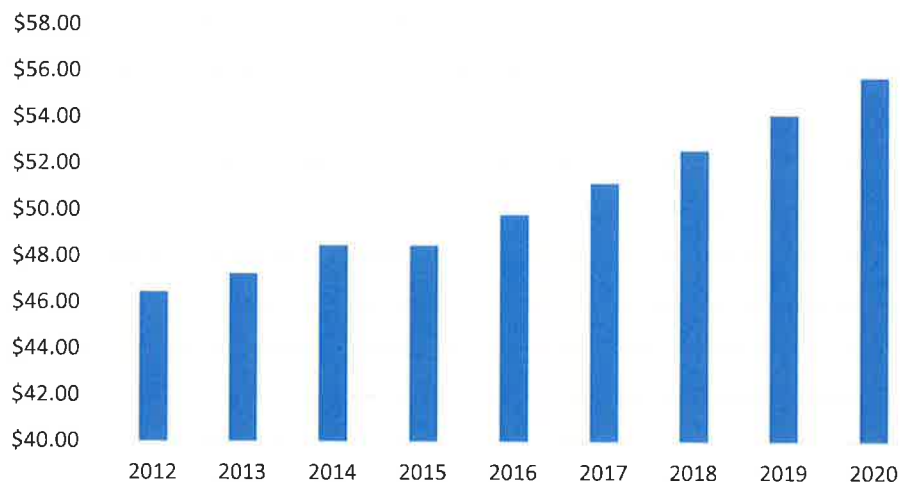
The rates approved in 2015, were for a five-year period ending 2019. Since 2012, the water rates increased 2% and starting in 20-15, they increased 2.6%. They were not changed in 2021 and the volumetric rate remains at \$6.35 per gallon.

Volumetric Water Rate Increases since 2015



The Base Rate also changed in 2015, increasing the annual increase from 2% per year (from 2012) to 2.6%. The residential Base Rate is currently set at \$55.76.

Base Rate Water Increases Since 2012



The residents of San Juan Bautista pay as little as \$75 per month for water, to as high as \$125 per month for water, and the average cost is \$104.04. The “Water Bill” includes the sewer flat rate of \$95.62. So, each Residential “Water and Sewer Bill” will range from \$155.62 to \$220.62, and average \$199.66.

In the summer of 2020, the City completed its Water Master Plan and Wastewater Master Plan. These two Plans assess the current conditions of the collection of drinking water from 3-different ground-water wells, its treatment, storage and delivery to residents and businesses, its wastewater collection, and wastewater treatment. It projects the demands of these four systems against the City’s General Plan and projected growth rate through 2035. It applied a reduced modified growth rate of 1.9% per year until the General Plan and sphere of influence can be amended. It provides a capital improvement program needed to keep up and maintain the systems. These are all key elements for establishing a data driven, factual a rate study.

In August 2020, the City executed the Administrative Order on Consent, agreeing to bring the wastewater treatment plant into compliance with EPA National Pollution Discharge Permit requirements. It has been estimated to have been out of compliance since at least 2007, having high content of chlorides, sodium and “total dissolved solids.” On October 15, 2020, the City committed to three actions to resolve the issue: 1) send the wastewater to Hollister for treatment and decommission the current plant; 2) eliminate brine producing water softeners that add salt to the system, and 3) import drinking water and blend it with the ground water to reduce the salts form entering the system in the first place. Refer to the attached EPA approval letter. Implementing the water softener program has been postponed until the water solution has been completed, because the water will be 65% better quality (less hardness, less salt) than it is today. In February 2021, a Memorandum of Understanding was executed with the San Benito County

Water District agreeing to provide the City with treated surface water from the West Hills Treatment Plant to blend with its ground water. The City has also executed an MOU with the City of Hollister to accept the City's wastewater.

Below is an analysis comparing today's water volumes, in relation to the Master Plans and need to import surface water. The 2015 Rate study assumes average resident consumes 111 gallons per day. The current consumption is closer to 93 gallons per day. (using 177-acre feet but applying the cost to 200-acre feet). The Base Rate is determined by this average.

Demand Flow from Transmission Main

Some stats related to the transmission main.

Existing						Demands	
Minimum	Month	–	110	gym	(0.16	mgs)	
Average	Day	–	183	gym	(0.26	mgs)	
Maximum	Day	–	411	gym	(0.59	mgs)	
Supplied by West Hills WTP (65% of Maximum Day) – 267 gym (0.38 mgs)							
2035 Demands (based on population projections from 1.9% AMBAG + General Plan Hybrid Growth)						Rate)	
Minimum	Month	–	146	gym	(0.21	mgs)	
Average	Day	–	244	gym	(0.35	mgs)	
Maximum	Day	–	549	gym	(0.79	mgs)	
Supplied by West Hills WTP (65% of Maximum Day) - 357 gym (0.51 mgs)							
Buildout						Demands	
Minimum	Month	–	236	gym	(0.34	mgs)	
Average	Day	–	393	gym	(0.57	mgs)	
Maximum	Day	–	884	gym	(1.27	mgs)	
Supplied by West Hills WTP – To Be Determined							

The Water Master Plan and Wastewater Master Plans have been amended to incorporate the EPA Compliance projects.

In December 2020, the City initiated a new rate study for sewer and water. A draft was received in February, but the costs of the new compliance projects had not yet been determined. The SBCWD retained HDR Engineering to design the water line needed to import surface water. The City contracted with Stantec to design the force main for the sewer project. The sewer project design moved faster than the surface water project, so in the fall of 2021, the City brought forward just a sewer rate increase. This \$18 million dollar project was included in the sewer rate increase, with \$12 million payable as debt services, and \$6 million to funded through various grants. The annual debt service to be paid by increased sewer rates is approximately \$400,000 per year. By adding this capital improvement project to the rate increase, the typical 2-3% increase became a 15% increase for the next three years, tapering towards a 5% increase annual over the long-term. Below are the sewer rates approved December 14, 2021, that went into effect February 1, 2022.

Table A
City of San Juan Bautista
Recommended Sewer Rates
Sewer Rate Study - Revised Project Cost Assumptions

Proposed Rates	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Residential Sewer Rates						
Monthly Fixed Rate	\$83.61	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Commercial Sewer Rates						
Min. Monthly Base Charge	\$84.03	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Volumetric Rates						
Standard Strength \$/1,000 gal	\$9.10	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57
Moderate Strength \$/1000 gal	\$13.35	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57
High Strength \$/1,000 gal	\$18.18	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57

In order to meet its commitment to the EPA, the City must now move forward with a water rate study that takes into consideration not just the cost of the \$8 million capital improvement project to build the 6-mile water line from West Hills Treatment Plant, but the cost of buying water from SBCWD.

DISCUSSION:

The third attachment is the May 10, 2022 Water Rate Study. Because the City agreed to build a pipeline from the SBCWD's West Hills Treatment plant to the City, and become a regional partner in the County's water system, this makes this water rate increase unique, when compared to the usual cost-of-living increases that occurred since 2012.

The cost analysis has two components: the cost of the CIP, and the cost to the District to buy and treat and the water. These are described in the last table in the rate study, Table 6. The assumption includes a consumption of 93 gallons per day, and the City's need for 200 acre-feet of water daily. By becoming a regional partner, the current Hollister Urban Area Water and Waste Water Plan ("HUAP") has to be updated and expanded. The original agreement was executed as the West Hills Treatment Plant was being completed, allowing for the City of Hollister and Sunnyslope Water District to buy water from the SBCWD. The San Juan Bautista has to buy its way into this agreement, and between November and February 2022, the City and SBCWD negotiated the cost. The City's Municipal Finance Advisors Ridgeline Consulting, (Dmitry Semenov) partnered with the City's author of its Master Plans Tony Akel, to make certain that the City's costs were correctly

allocated under the right circumstances. The Master Plan defines the scope of the CIP, as well as future demands for surface water from the SBCWD.

The cost estimates for the CIP for surface water is based on drawings that are 30% complete. It is estimated to cost \$7.9 million dollars. Currently, the SBCWD plans to finance these costs at an interest rate to the City of 4.5%. Listed as “Project Financing Repayment” in the Table 6 of the Rate Study, this cost we be approximately \$461,673 annually. The HUAP Buy-in is estimated to cost \$229,525 annually and includes a portion of the fixed assets needed for the SBCWD to treat the water it receives from the San Luis Reservoir. The City’s portion of the SBCWD operational expenses begins at \$337,670 annually in 2025. It is established in the Proposition 218 Notice as a “pass-through” amount, due to the nature of the changing costs to buy water from the state and federal water resources, being passed-through to the City.

To arrive at these costs, the City extended the deadline for this project both with the EPA and Hollister. The estimated completion time is now December 2024. This means that during the first year of services, the City will only pay 6-months (January-June) of the costs described above, and starting in FY 25/26 it will begin to pay the full burden.

It is also important to understand that the City’s current Water Enterprise Fund takes in approximately \$100,000 more than it spends with a healthy reserve (compared to the sewer enterprise fund barely breaking event). This will off-set 25% of the costs described above.

The Water Enterprise Fund anticipates costs and revenues as summarized in Table 1 of the Rate Study. This cost per year starts at \$337,670 in 2026. While the City will work hard to find favorable interest rates through the Water Board Revolving Loan Fund, and hopefully grant opportunities from State and Federal resources, the rates do not take this into consideration. Below are the estimated rates from attached the May 21, 2022 from the Bartle Wells and Associates Rate Study with the necessary changes anticipated over the next 5-years. They present increases of 14% for four years, and 5% increase the 5th year.

1.3 Summary of Water Rate Recommendations

Table 1 shows a summary of proposed water rate recommendations.

Table 1 - Proposed Water Rates

Water Rates	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Volumetric Rate \$/1000 gallons	\$6.35	\$7.05	\$8.04	\$9.17	\$9.63	\$10.12
Monthly Base Rate	\$55.76	\$65.91	\$75.15	\$85.68	\$89.97	\$94.47

Base Rate

	2022	2023	2024	2025	2026	2027
\$	55.76	\$ 65.91	\$ 75.15	\$ 85.68	\$ 89.97	\$ 94.47
		18%	14%	14%	5%	5%

Volumetric Rates

	2021	2022	2023	2024	2025	2026	2027
\$	6.35	\$ 7.05	\$ 8.04	\$ 9.17	\$ 9.63	\$ 10.13	\$ 10.40
			14%	14%	5%	5%	3%

The overall impact to a resident's water bill when combined with the sewer flat rate increases through fiscal year 2026/27 will look like this:

OVERALL IMPACT TO AVG. RESIDENT

Monthly	FY ending 2022	FY ending 2027
Base rate	\$ 55.76	\$ 94.47
Avg. Volumetric	\$ 48.28	\$ 85.62
Sewer	\$ 95.62	\$ 148.75
	\$ 199.66	\$ 328.84

This is increase over 5-years is approximately \$125. This is a lot of money. But this giant step for the city to "regionalize its water." Taking this step is no-doubt expensive, but the benefits are worth it. These investments will truly increase the quality of water and therefore the quality of life in the City.

While completing the addition of Well 6 into the City's water inventory, the water quality deteriorated and by March 2019, the level of nitrates exceeds the Water Board thresholds and the well had to be taken off-line. This \$750,000 investment did not last twelve months. It has been off-line since then, though staff is experimenting with a new technology to remove nitrates. The expansion of the City's water portfolio adds great stability to its reliability and cost. With no more urgent capital expenses in its future, the focus can shift to replacing water-lines throughout the City. This system will grow to become drought-tolerant due to its varied resources of good clean drinking water. The water quality will improve 65% from the quality received today. Water softeners will become obsolete.

ATTACHMENTS:

Resolution
EPA Letter
Water Rate Study, May 21, 2022

3A Water Rate Study- Proposed Rate Increase

“The Water System”

Ground water is extracted from 3-different wells

Serves 2,100 residents with 830 business and commercial customers

Water consumption has varied from 1.70 mgpd (2017), to 1.04 mgpd

2 of the 3 wells require Iron and Manganese Treatment

1 of the 2 wells is not being used due to Nitrates

Technology is being explored to place it back on-line

Water is then distributed by pumps through 10-miles of pipe

It is stored in a 1.25 million gallon tank installed in the 2005-2007

Debt continues to be paid for the Tank project (2008)

3A Water Rate Study-

Proposed Rate Increase

The Water Enterprise Fund is used to isolate and protect water fees from being co-mingled with other financial resources.

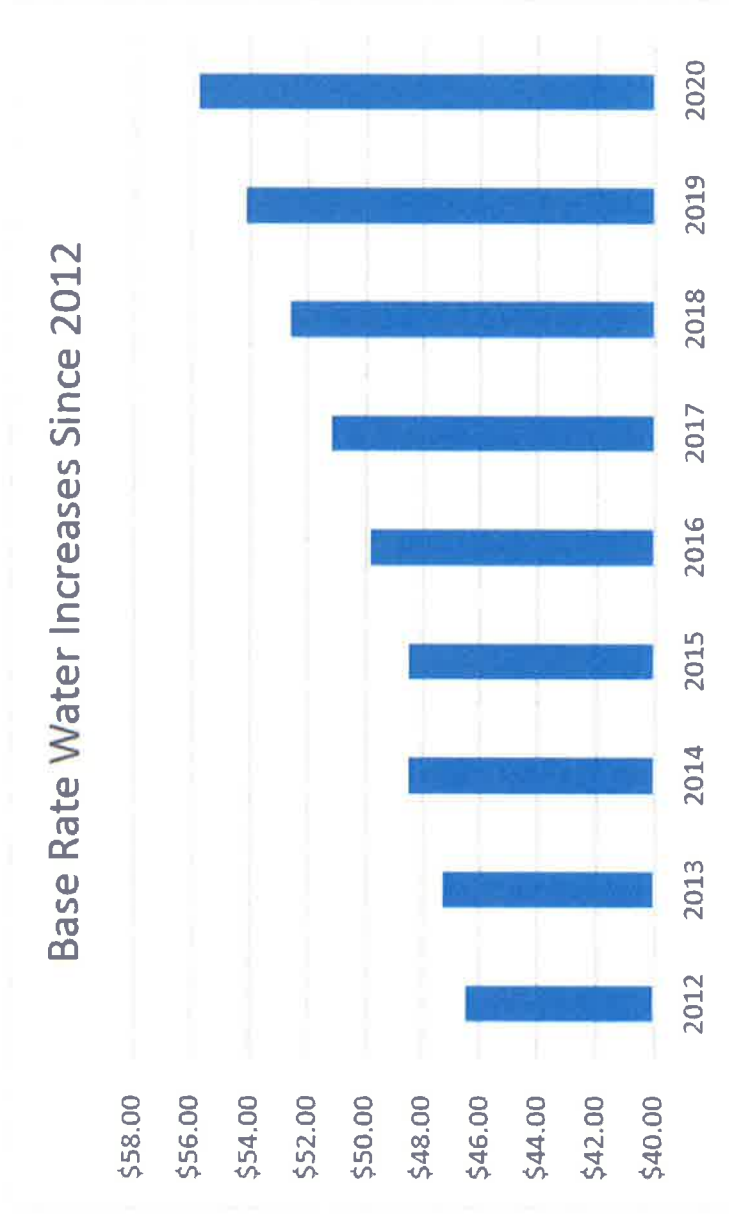
Each monthly payment for water pays for the water system

Base Rate and Volumetric Rate (\$/1000 gallons)

When revenues exceed expenditures, the funds are placed in a reserve account, and can only be used to repair or expand the water system

Water connection fees collected from development and all new connections, are also used to pay to increase the systems capacity (aka “capacity fee”)

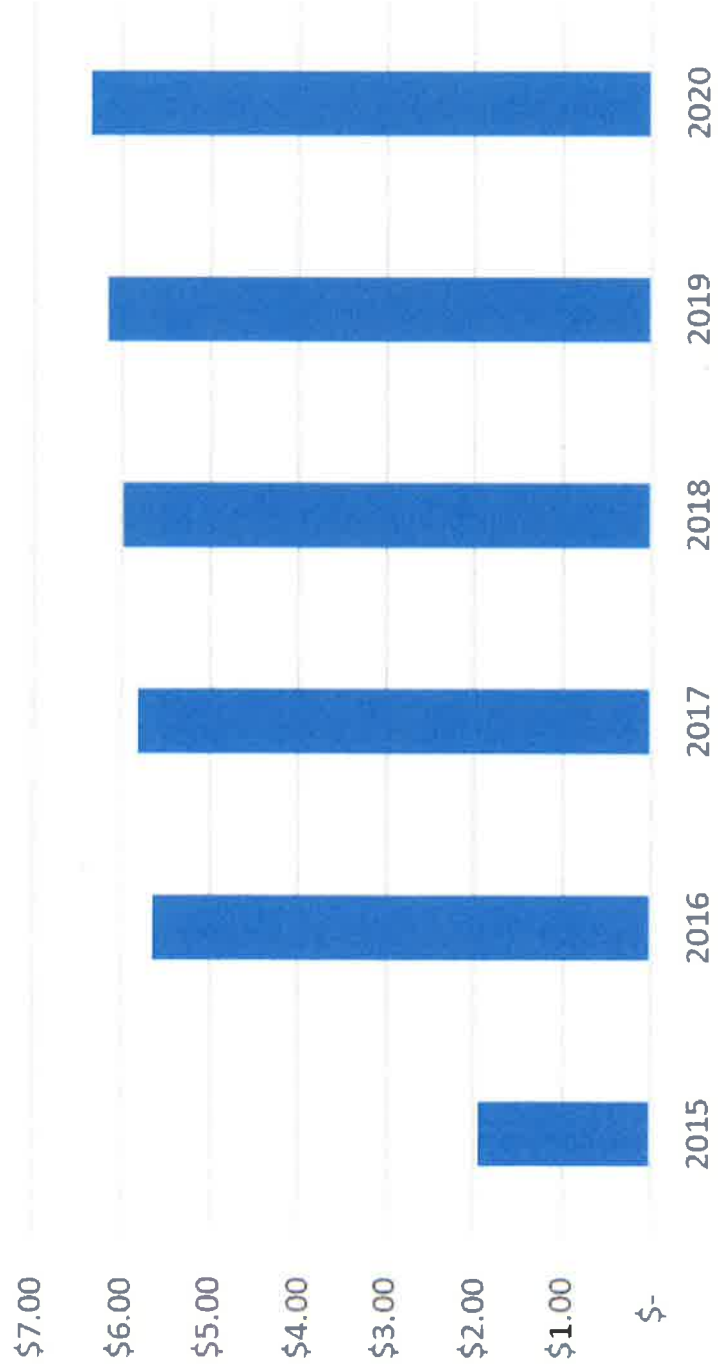
The Base Rate also changed in 2015, increasing the annual increase from 2% per year (from 2012) to 2.6%. The residential Base Rate is currently set at \$55.76.



The residents of San Juan Bautista pay as little as \$75 per month for water, to as high as \$125 per month for water, and the average cost is \$104.04. The “Water Bill” includes the sewer flat rate of \$95.62. So, each Residential “Water and Sewer Bill” will range from \$155.62 to \$220.62, and average \$199.66.

The rates approved in 2015, were for a five-year period ending 2019. Since 2012, the water rates increased 2% and starting in 20-15, they increased 2.6%. They were not changed in 2021 and the volumetric rate remains at \$6.35 per 1,000 gallons

Volumetric Water Rate Increases since 2015



3A Water Rate Study- Proposed Rate Increase

IN FY 2021/2022

Water Revenues are budgeted at \$1,240,000

Water System Expenses are estimated to cost \$1,088,000

In FY 2021/22, Revenues will exceed expenses by \$152,000

WATER ENTERPRISE FUND		(ESTIMATED)	
	FY20/21		FY 21/22
REVENUES	\$ 1,406,447	\$	1,240,000
EXPENSES	\$ 910,005	\$	1,088,000
NET	\$ 496,442	\$	152,000
NET POSITION	\$ 2,492,241	\$	2,644,241

3A Water Rate Study- Proposed Rate Increase

In summary,

Only 2 of the 3 City wells are in operation

The water system is vulnerable to nitrate contamination

Current costs pay for local ground water to be extracted and distributed

The enterprise fund revenues exceed expenses and have for the past several years

The Water Enterprise Fund is currently in a healthy fiscal position

3A Water Rate Study- Proposed Rate Increase

City Executed an EPA Administrative Order On Consent in August 2020

Violating its WTPP Permit by sending too much salt to a creek

Committed to removing salts from the water

3 projects approved by the EPA to correct the system;

- 1-Send wastewater to Hollister,
 - 2-End the use of brine producing water softeners,
 - 3-Committed to blending surface water with its well water.
- Water Enterprise fund is tasked to pay for the import of surface drinking water from the San Benito County Water District (SBCWD)

3A Water Rate Study- Proposed Rate Increase

Staff report outlines the progress made to-date

MOU Executed with the City of Hollister

Force-main is 99% designed

Permits are being competed

Securing \$6 million in grants and low interest loans (SRF is 1.5% now)

Fall of 2021- sewer rates approved to pay for the debt service on the loans-
to Pay the capital improvements needed to send wastewater to
Hollister &

Hollister costs for treating the City's wastewater

Adopted the Ordinance to ban the use of brine producing water softeners

Postponed removal until the import of surface is completed

3A Water Rate Study- Proposed Rate Increase

Progress (continued)

Adopted MOU with the SBCWD

Design is 30% completed

Capital Improvement Budget received in the fall of 2021

Costs of providing water negotiated December - February

These costs are integral piece of the Water Rate Study

Water Rate Study completed May 21, 2022

3A Water Rate Study- Proposed Rate Increase

Appendix B-

Completed by Municipal Advisor Ridgeline Consulting (Dmitry Semenov) working with Tony Akel who completed the Master Plan

Table 1 in Appendix B summarizes the details that follow

Table 2 lists each cost component

3A Water Rate Study- Proposed Rate Increase

New Cost Components to Consider

Appendix B in the Rate Study

CIP cost estimates, and buying in to 8% of the SBCDW

Essentially becoming a “Share Holder” with Hollister and Sunnyslope Water District

2018 Hollister Urban Agreement will be amended to include the City

All of the District Costs have to be considered

3A Water Rate Study-

Proposed Rate Increase

SBCWCD- why 8%?

City's Water Master Plan adopted in the fall of 2020

Detailed assessment of the City's Water System

Amended to integrate the import of water from SBCWCD

Projects the City's needs from now until 2040

based upon the General Plan

Amended growth rate to 1.9% per year

City consumes 1.04-1.70 mill. gallons per day;

System to import water is designed for 2.25 million. gallons per day

65% of that is needed to size the pipe correctly



Table 1
City of San Juan Bautista
Water Compliance Project
Annual Cost Projection

Decription	Annual Amount	Monthly Amount	Details
On-Going Costs			
Cost of Raw Water and Power	\$130,999	\$10,917	Table B-1
Treatment Cost	\$79,636	\$6,636	Table B-2
Fixed O&M Cost	\$108,881	\$9,073	Table B-2
Capital Reserve Contribution	\$41,821	\$3,485	Table B-3
Subtotal: On-Going Costs	\$361,339	\$30,112	
Amortized Costs			
HUAP Buy-In to SBCWD	\$229,525	\$19,127	Table A-1
Project Financing Repayment	\$461,673	\$38,473	Table 4
Subtotal: Amortized Costs	\$691,198	\$57,600	
Total Costs	\$1,052,537	\$87,711	
No. of Connections	800	800	
Cost per Connection	\$1,316	\$110	



Table 2
City of San Juan Bautista
Water Compliance Project
Project Cost Summary - Construction

Item	Description	Amount	Details
1	Hollister Urban Area Project Buy-In	\$2,992,000	Table A-1
2	Construction Costs	\$7,691,000	Table A-2
3	SBCWD Non-Reimbursable Contribution	(\$869,565)	Table A-3
4	WTP Capital Reserve Contribution	\$352,246	Table A-4
5	Water Blending Equipment	\$100,000	Per HDR
6	Water Softeners Buy-Back	\$193,000	Per Stantec
7	ROW Acquisition	\$15,000	Per Stantec
8	Soft Costs	\$1,580,000	Table A-5
9	Financing Fees	\$235,000	Table 4
10	Construction Interest	\$366,267	Table 4
	TOTAL PROJECT COST	\$12,654,948	

3A Water Rate Study- Proposed Rate Increase

The Water Enterprise Fund has to finance approximately \$12 million almost the same as the Sewer Fund, but not assuming or applying any grants or low interest loans
Need \$7.6 million in capital
Assumes long-term financing by the District @ 4.5%
“Buying in” to its share of the fixed assets, and CIP reserves
Paying the pass-through costs for raw water
Paying the cost of treating and sending the water, M & O

3A Water Rate Study- Proposed Rate Increase

Bartle Wells' Erik Helgeson, MBA, Assistant Vice President

Worked with Doug Dove who completed the City's 2015 Rate Study

- Completed the City's Sewer Rate Study

Completed this draft working with Dmitry Semenov and Tony Ake

Here to review the Study and Answer Questions

3A Water Rate Study- Proposed Rate Increase

Rate Study

- Relies on the Ridgeline Consulting Data from the District

- Relies on recent Audits and the Financial position of the Enterprise Fund

- Analyzes savings in the current operations

 - only applying 35% of the drinking water; reduced City M & O in FY 25/26 when the new system comes on-line

ITEM 3A WATER RATE STUDY

- May 17, 2022 Regular City Council meeting postponed a discussion of Water Rate Study and the need to increase water rates until the Legal team could review the draft Rate Study
- In 2015, the City last adopted new rates, and eliminated the tiered Volumetric fee schedule – the Legal team asked for a detailed analysis of this change in methods cause by court case in San Juan Capistrano

May 23, 2022 updated Rate Study

1.3 Summary of Water Rate Recommendations

Table 1 shows a summary of proposed water rate recommendations.

Table 1 - Proposed Water Rates

Water Rates	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	Existing	Proposed	Proposed	Proposed	Proposed	Proposed
Volumetric Rate \$/1000 gallons	\$6.35	\$7.05	\$8.04	\$9.17	\$9.63	\$10.12
Monthly Base Rate	\$55.76	\$65.91	\$75.15	\$85.68	\$89.97	\$94.47

ITEM 1A WATER RATE STUDY

May 31st Meeting- a hybrid meeting at the Library;

June 28? A second meeting TBD?

Questions?



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: CITY MANAGER BUDGET MESSAGE FOR FISCAL
YEAR 2022/23

MEETING DATE: May 17, 2022 (continued to May 24)

DEPARTMENT HEAD: Don Reynolds, City Manager

SUMMARY

Last year the City adopted a budget of “recovery.” Financially, the City has recovered. What was treated as a one-time general fund surplus of \$300,000 last year, has evolved into a sustainable growth and a sustainable operational surplus moving forward. That \$300,000 was committed to three critical initiatives that are summarized in the budget narrative attached “Priorities and Issues for Fiscal Year 22/33.” The status of the City’s various revenue sources (or “funds”) is described in the second attachment “Fund Summaries.”

After accounting for inflation in the City’s operational costs of between 6% (salaries and benefits) and 10% increases (major contracts- public safety, water and wastewater), the City’s General Fund still has room to grow. The City successfully changed its law enforcement service methodology last year reestablishing the dedicated Deputy. The City can afford two dedicated officers working 80-hours per week. This budget recommends the addition of a second dedicated Sheriff Deputy at an annual cost of \$150,000 per year. Private security can be reduced in patrol, but increased to support parking enforcement and writing administrative citations. A part-time community services coordinator position is in the budget as well. This position will help the City more fully utilize its assets and newly to be formed joint-use of San Juan school facilities. These ideas are described in more detail in the attached “Priorities and Issues” narrative.

Capital Improvement budget is still being refined, but it will for the most part, bring forward the unfinished work of the last year, plus the two water and wastewater compliance projects.

The City is able to maintain a General Fund Reserve of more the \$2 million. The City’s Reserve Policy requires 3-months of operational expenses, and this is equal to 9-months.

RECOMMENDED ACTION(S):

It is recommended that the City Council receive this draft Budget for Fiscal Year 2022/23, staff’s summary and narratives of the policies behind it, and take public comment and concerns, and schedule a public workshop May 24, and possibly May 31st, with a scheduled adoption June 14, 2022.

BACKGROUND INFORMATION:

Municipal Code Chapter 2, Section 2-115 describes the duties of the City Manager, and subsection “G” states this position will provide an “Annual Budget and Capital Program for each ensuing fiscal year, based upon estimates of financial needs and resources of the City.”

The Budget cadence continues on schedule. The Audit was approved as presented without cause for concern in December 2021. In January the Mid-Year budget reported a strong positive balance with an influx of federal assistance for COVID relief. The City allocated \$250,000 of the American Rescue Plan funds for business and non-profit relief efforts, homeless, COVID tests, and one large project that will open the school playground to the public during off-hours; while the Aromas-San Juan Bautista Unified School District prepares a joint use agreement. The City explored the possibility of buying fencing to protect school buildings while providing access to the public to the recreational assets. Of the \$175,000 budgeted only \$100,000 will be needed to install 1,000 linear feet of fencing and 6 gates to make this happen.

In February, the City considered its third Strategic Plan, updating the original approved in 2020. Quality of life was again an important piece of the five strategies. To that end, a lot of progress has been made by the newly hired Assistant City Manager, moving the sphere of influence and “urban growth committee” forward. The City is invested in the preservation of its historic, small-town environment. A lot of work has been done by the Public Safety Ad-Hoc Committee. The recommendation to hire a dedicated Deputy, research camera security systems, and strengthening the relationship between the various safety agencies are examples. Most recently, the City’s Economic Development Citizen’s Advisory Committee has started moving forward with its discussion of the future of Third Street. The attached “Priorities and Issues” document describes all of these efforts in detail.

The City’s capital improvements suffered a bit this year with turn-over in the City Engineer position. In the fall the City Engineer took an extended leave, returned in December to retire in March. The City was able to start the Community Park at Franklin Circle, and the Verutti Park restrooms this year. And although it is not a City project, completing the round-about at First and Lavagnino was a huge accomplishment. The money for street projects remains in the bank, and these projects will be top on this list in July. Before the May 24 budget Town Hall meeting, the City will have a draft CIP to consider.

DISCUSSION:

At the April 19, 2022 City Council meeting, staff presented a preview of the City’s Budget to the Council. Since then, the second installment of property taxes was received – and this is very good news. In the attached “Fund Summaries” the City’s General Fund is analyzed in detail.

GENERAL FUND REVENUE

The heart of the City's \$2.7 million General Fund is Property Tax, Sales Tax and Transient Occupancy Tax (TOT). Sales tax is half of the General Fund. It is projected to be 10% higher this next year than it was before the pandemic. The City was able to recover a large debt owed to its TOT last fall. Property values increased in FY 21/22, helping this revenue source to grow. In 2021, the General Fund had grown 13%, and this year it is estimated in the General Fund to grow 20%. All of the details are in the attached "Fund Summaries" narrative.

WATER AND SEWER ENTERPRISE FUNDS

The Water Enterprise Fund revenues are budgeted at \$1.24 million this year. Expenses are being held in check at \$911,660. The difference helps reduce the need to raise rates by 25%. Sewer Revenues are up following the rate increase in February and are budgeted at \$1.185 million. Operational costs next year are estimated to be \$575,000. This surplus is paying down the cost of the Hollister Force Main design that is nearly 100% complete.

EXPENDITURES

As previously shared with the City Council, the 2023 expenditure budget is accounting for inflation. The salaries and health care benefits have been increased by 6% after the "Engineering News Record" statistics for calendar year 2021 showed a 5.2% increase with an 8% inflation increase in March 2022. The City's major contracts for Sheriff, Private Security, Water and Wastewater were all increased by 10%. The Fire Department contract is limited to a 3% increase through 2027. (An analysis of the public safety contracts and costs was shared with the Public Safety Ad Hoc Committee April 26th and copied to the City Council.) These tables do not include the additional \$150,000 proposed for a second dedicated Sheriff Deputy.

PUBLIC SAFETY CONTRACTS

Major Safety Contracts	FY 22 Budget	FY 22 Projected		FY 23 Budget	
		Year End			
Fire Dept	\$ 245,500	\$ 227,628.00	\$ 234,456.84	7-YR TERM (2019)	
County 911	\$ 65,000	\$ 65,000.00	\$ 65,000.00	Year to Year	
Sheriff	\$ 150,000	\$ 158,052.00	\$ 165,000.00	Up for Renewal	
Private Security	\$ 102,500	\$ 128,252.00	\$ 112,750.00	Up for Renewal	
Animal Control	\$ 10,000	\$ 10,000.00	\$ 10,000.00	No Change	
	\$ 573,000	\$ 588,932	\$ 587,207		

PUBLIC SAFETY EXPENSES							
Department	Dept #	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23	FY22- FY23 % Change	
Fire and EMS	20	\$ 280,626	\$ 309,709	\$ 286,000	\$ 310,550	8.6%	
Code Enf	25	\$ 6,698	\$ 76,424	\$ 69,690	\$ 76,470	9.70%	
Law Enf	30	\$ 307,725	\$ 342,305	\$ 311,230	\$ 337,813	8.5%	
Animal Contr	36	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	0%	
		\$ 605,049	\$ 738,438	\$ 676,920	\$ 734,833		
% General Fund		30%	39%	32%	20%		

Most cities spend approximately 65% of their budget on public safety. It is time to strengthen the Sheriff contract and move our safety programs forward. Adding a second Deputy increases the percentage from 20% to 33%.

HAZARD PAY

Payroll during COVID became an equity issue for many cities as emergency responders and front-line employees were not allowed to work “remotely.” Many cities in the State answered that concern with COVID “hazard pay,” and one-time payment to employees that worked on-site between March 2020 and June 2021. The Salinas Human Resources Director shared with me that “hazard pay ranged from \$400 to \$10,000 per employee among the dozen or so cities she surveyed. On April 22, 2022, Salinas agreed to pay \$2,000 per employee, more than \$1 million total.

The City has ten such employees and, if offered \$2,000 per employee, the total cost is \$22,950. Staff is recommending this cost be added to the budget.

ARP BUDGET

Described in the attached “Priorities and Issues” attachment are the details of the budget request and changes recommended for the use of the \$500,000 American Rescue Plan budget FY 22/23. Two requests have been received to assist with funding for the school track, and to help with historic resources and landscaping at the Jim Jack Cabin in Luck Park. Some of the \$75,000 savings from the Mid-Year allocation for the joint-use school project is recommended for these projects.

AMERICAN RESCUE PLAN BUDGET		FY 21/22	Spent by 6.30.22	Balance
MID YEAR BUDGET FY 21/22				
COVID Tests	\$	5,000	\$ -	\$ 5,000
Business Grants	\$	25,000	\$ 25,000	\$ -
New start-up Businesses	\$	20,000	\$ 20,000	\$ -
Homeless programs	\$	10,000	\$ -	\$ 10,000
Non-Profits Grants	\$	15,000	\$ 15,000	\$ -
School/Facility Joint Use Program	\$	175,000	\$ 100,000	\$ 75,000
	\$	250,000	\$ 160,000	\$ 90,000
		FY 21/22	FY 22/23	Total
BUDGET FOR FY 22/23				
COVID Tests	\$	-	\$ -	\$ -
Business Grants	\$	25,000	\$ 25,000	\$ 50,000
New start-up Businesses	\$	20,000	\$ 15,000	\$ 35,000
Homeless programs	\$	10,000	\$ -	\$ 10,000
Non-Profit Grants	\$	15,000	\$ 10,000	\$ 25,000
School/Facility Joint Use Program	\$	175,000	\$ (75,000)	\$ 100,000
Third Street Transformation	\$	-	\$ 115,000	\$ 115,000
Public Safety Initiative	\$	-	\$ 100,000	\$ 100,000
Track and Field Contribution	\$	-	\$ 50,000	\$ 50,000
Luck Park Historic Improvements	\$	-	\$ 15,000	\$ 15,000
	\$	245,000	\$ 255,000	\$ 500,000

CAPITAL IMPROVEMENT PROJECTS

New Capital Improvements being considered include:

Force Main to Hollister Construction (\$18 million)

New park tables and benches

\$100,000 for sidewalk repairs

Telemetric monitoring system for the wells and lift stations known as "SCADA"

Adding five additional streets to this list from the CIP 21-22 in FY 21/22.

Below is the list of streets budgeted for \$200,000 in repairs last year. This year, the balance has grown to more than \$500,000.

<u>Street Name</u>	<u>Beg Loc</u>	<u>End Loc</u>	<u>Treatment</u>	<u>Cost</u>
Franklin St	6 th St	4 th St	Overlay	\$39,000
North St	3 rd St	1 st St	Overlay	\$42,500
Second St	Monterey St	San Jose St	Overlay	\$58,500
Via Padre	1 st ST	Cul-De-Sac North	Overlay	\$22,000
The Alameda	Hwy 156	Lang St	Slurry Seal	\$ 2,500
Monterey St	Church St	4 th St	Slurry Seal	\$11,600
The Alameda	Pearce St	Hwy 156	Cr. Sealing	\$ 250
Total:				<u>\$176,350</u>

The City Engineer is looking at sewer and water pipe video before recommending any superficial improvements to the streets.

The 21/22 CIP is provided on the next page with the status of each of the 36 projects. This list needs to be updated to include the School Joint Use project approved at Mid-Year.

Out of 36 projects, 7 will be completed by June 30, 2022 and 15 are underway. These 15 plus the 14 projects not begun yet, will be carried forward to next year. As of March 30th, the City has spent \$831,000, and of that amount, \$546,000 went toward the design of the Force Main to Hollister (a million-dollar contract.) By year-end, we will have spent more than \$1 million on this CIP. Next year's CIP will include construction of the Sewer Compliance project. The Force Main is estimated to cost \$18 million.

CAPITAL IMPROVEMENT BUDGET FY 21/22		FY 21/22		CARRY FORWARD TO FY 22/23	
2-Jul-21	Projects	Project #	FY 20/21 Total	Budget	Status June 30, 2022
Street Projects					
	Hwy 156 RTL	20.03	615,015	611,625	90% designed
	PMP- Slurry Seal (7 streets)	21.22	200,000	275,000	RFP draft- add streets
	Landscape for Third Street Imps	22.06	-	40,500	No progress
Utility projects					
	Rancho Vista Lift Station	20.05	50,000	125,000	No progress
	Transfer Switches for Wells 1 + 5	21.07	15,000	20,500	Well 1 complete
	Design Force Main to Hollister	21.20	1,066,410	1,004,410	99% comp. design
	Dias Lift Station Pump Upgrades	22.03		50,000	need to add new pump
	Telemetry	22.04		50,000	seeking proposal
*	Lift Station Pump- Emergency Repl	22.05		15,000	emergency reserve
Parks Projects					
	Verutti Park Restroom	19-42	164,340	161,039	contract
	Luck Park Masterplan	20-10	48,565	12,584	done
	Franklin Park	21-01	172,690	164,394	done
	Trail Plan (ATP)	21-02	250,000	250,000	contract
Community Facilities Projects					
	City Hall & Council Chamber	20-13	100,000	55,000	contract/done
	Community Hall Acoustics	21.24		45,000	RFP Drafted
	Corporation Yard	20-15	20,000	20,000	No progress
	Library AC Unit	21.03	20,000	20,000	done
	Fire Station-City Hall Emerg Gen	21.15	125,000	125,000	No progress
	File Storage	20-04	15,000	15,000	No progress
	Fire Station Ap Bay Improvements	21.23	-	50,000	No progress
Equipment					
	Power Inverter 6K watts	20.20	2,000	2,000	No progress
	Pipe Locator	20.22	2,750	7,750	No progress
	Projector (library)	20.23	1,500	1,500	No progress
	Smart Screen (library)	20.24	2,000	2,000	No progress
	Tow behind Valve Exerciser	21.16	7,500	7,500	No progress
	Pipe Threader	21.18	2,500	2,500	done
	Dump Truck Bed	21.19	18,500	18,500	done
	Steel Trench Plates	21.25	2,500	6,500	done
Studies					
	Water/Sewer Rate Study (Prop 218)	21.09	23,465	4,640	done
	Impact Fee Nexus Study	21.10	35,000	35,000	No progress
	SB 2 Grant HCD	21.12	160,000	159,087	contract
	LEAP Grant HCD	21.13	60,000	58,180	contract
	REAP Grant HCD	21.14	23,450	23,450	contract
Special Initiatives					
	Urban Growth/Sphere of Infl	21.11	50,000	103,619	see budget detail
	Third Street Master Plan	22.01		100,000	see budget detail
	Public Safety Committee Initiative	22.02		100,000	see budget detail
TOTAL			3,203,185	3,742,278	

ATTACHMENTS:

Priorities and Issues for FY 22/23
Fund Summaries for FY 22/23

PRIORITIES AND ISSUES FOR FISCAL YEAR 22/23

The City's budget is based on its evolving Strategic Plan, adopted March 17, 2022, and now in its third and final year. Consistent with election cycles, a new Strategic Plan will be considered for FY 23/24 after the 2022 election this November. Pushing ahead, the City is in great financial position to reach many of its long-term goals in FY 22/23.

In December, the City approved new sewer rates that include the capital cost to send its wastewater to Hollister. The design of the Force Main is 90% completed. It is scheduled to break ground this fall. If the water rates are approved in July 2022, the City will be poised to complete its new drinking water program. This project will break ground next fiscal year, and is scheduled for completion before December 2024. It consists of a 7-mile pipeline from the West Hills Treatment Plant, importing 65% of its water and blending it with City well-water.

A year ago, the City hired its Assistant City Manager Community Development Director and has re-built its short-term and long-term planning capacity. This opens the door for growth in all City programs, but especially in two of its three "Special Initiatives;" Third Street Master Plan and Sphere of Influence/urban Growth Boundary Committee. Other priorities including public safety are addressed in both the Strategic Plan and the budget in FY 21-22 are scheduled to move into high-gear in 2022/23. The City has the capacity to make these aspirations a reality.

SUMMARY

At the Mid-Year Budget review, the City budgeted for several new initiatives in relying on the American Rescue Plan to re-charge its General Fund. These one-time expenses covered COVID test, business and non-profit loans, and the focus was the joint use of the San Juan School facilities.

The City attempted to buy testing kits for its employees, and they became backordered. The order was never filled, but the Fire Department has come through with ample supply. The use of this \$5,000 can be reconsidered. Business loan applications have exceeded expectations. It needs more budget to accommodate the number of applications at \$2,500 each. The project to install fencing at the school to allow for afterhours use by the public, is less than budgeted. This frees up \$75,000.

Budgeting the second installment of \$250,000, staff has the following recommendations that reinforce existing priorities. The track-and field project reports raising 2/3 of their goal. They have written seeking \$50,000 from the City. The Luck Park master plan is complete, and the Historic Society has requested funding to enhance the preservation of Jim Jack Cabin, and landscaping for it (recommending \$15,000 as "Luck Park Improvements").

The majority of the funds are targeted to the Third Street Master Plan and Public Safety initiative. All of the policy focus areas are described in detail, with a new policy area focused on community services and recreation.

AMERICAN RESCUE PLAN BUDGET		FY 21/22		
			Spent by 6.30.22	Balance
MID YEAR BUDGET FY 21/22				
COVID Tests	\$	5,000	\$ -	\$ 5,000
Business Grants	\$	25,000	\$ 25,000	\$ -
New start-up Businesses	\$	20,000	\$ 20,000	\$ -
Homeless programs	\$	10,000	\$ -	\$ 10,000
Non-Profits Grants	\$	15,000	\$ 15,000	\$ -
School/Facility Joint Use Program	\$	175,000	\$ 100,000	\$ 75,000
	\$	250,000	\$ 160,000	\$ 90,000
		FY 21/22	FY 22/23	Total
BUDGET FOR FY 22/23				
COVID Tests	\$	-	\$ -	\$ -
Business Grants	\$	25,000	\$ 25,000	\$ 50,000
New start-up Businesses	\$	20,000	\$ 15,000	\$ 35,000
Homeless programs	\$	10,000	\$ -	\$ 10,000
Non-Profit Grants	\$	15,000	\$ 10,000	\$ 25,000
School/Facility Joint Use Program	\$	175,000	\$ (75,000)	\$ 100,000
Third Street Transformation	\$	-	\$ 115,000	\$ 115,000
Public Safety Initiative	\$	-	\$ 100,000	\$ 100,000
Track and Field Contribution	\$	-	\$ 50,000	\$ 50,000
Luck Park Historic Improvements	\$	-	\$ 15,000	\$ 15,000
	\$	245,000	\$ 255,000	\$ 500,000

Sphere of Influence/General Plan Amendment (FY 21-22 \$260,000)

The City is able to combine its SB2 Grant of \$160,000 with the \$100,000 from the General Fund set aside last year to work on a new sphere of influence. The week of May 3rd the City conducted several stake-holder meetings, a design charette, and convened a special meeting of the City Council to receive public input on a new sphere of influence, and the possibility of amending the General Plan to include a "planning area" and "growth boundary." The consultant team is scheduled to return at a joint City Council/Planning Commission meeting to consider the results of this intense data collection effort.

The work for SB2 Grant is time sensitive and has to be completed in September 2022. But work will continue after that. Assuming a sphere of influence is approved, it needs to be negotiated with the County. A property

tax-sharing agreement will be needed, based upon a newly drafted Municipal Services Report. CEQA work will be required, and then submit an application to the Local Agency Formation Commission for approval.

Third Street Master Plan, (increase from \$100,000 to \$215,000)

A Master Plan takes into consideration the strengths and weaknesses of the current designs and infrastructure, works closely with the community and stakeholders to determine the best path forward, and then establishes a vision for the future of Third Street within a 5-10-year window. This year, the City is considering adding \$115,000 to the current \$100,000 budget from one-time funds available in the General Fund as a result of American Rescue Plan ("ARP") assistance. Until this visioning process is completed, it is presumed that the Parklets would remain with annual permitting process to assure compliance with aesthetic and safety concerns. It may be that the Parklets evolve to become part of the permanent Third Street fabric, or evolve into 5-foot-wide sidewalks, allowing two-way traffic, with tables and chairs, and retail displays to use the additional space. The future of special events and other diverse uses of the public space on Third Street will be fully vetted over an 18-month study.

The newly formed Economic Development Citizens Advisory Committee is the voice of this project. It has been growing quickly. The EDCAC has a goal to form a formal business district downtown, and add structure to its policy decisions. The extension of parklets is one example of a sound policy decision coming from this new standing committee.

Public Safety Initiative, (increase from \$100,000 to \$200,000)

Since August 2021, the Public Safety Ad-Hoc Committee consisting of Chair Mayor Jordon, Councilmember Freels, Planning Commissioner David Medeiros, Planning Commissioner Yolanda Delgado, and Committee Member (Vide Chair) At Large Rachel Ponce have met 8-times. The Committee began with an assessment of public safety components consisting of three major contracts; Sheriff, Fire, and Private Security. The role of the code enforcement functions was also reviewed.

A lot of attention was given to security cameras. The City of King City Police Chief and City Manager reported to the Committee regarding the success of their program. Staff researched King City, Soledad and Hollister. All three cities are equipped with their own police department and technical staff. Discussions with the Sheriff's department about implementing a security system in San Juan Bautista have been positive, but their current use of video is limited to vehicles and body-cameras. In February they hired a new dedicated IT person and the City hopes to benefit by expanding the technical capacity of both agencies to not just purchase but monitor and take full

advantage of a solid security cameras system in the City. At its April 2022 meeting, the Public Safety Ad-Hoc Committee recommends that another \$100,000 of the American Rescue Plan dollars be allocated to double this budget from last fiscal year.

At its October 18, 2021 the Committee approved a recommendation to the City Council, and the Council adopted Resolution 2021-58 requesting the Sheriff Department to change its service delivery from random coverage to one relying on a dedicated deputy. The Sheriff implemented that request just before the Arts and Crafts Festival in March 2022 at no additional cost to the City. We are developing a "coffee with a cop" program, as well as other community-based policing ideas.

Following a review of the Code Enforcement program, the City is working to improve the tools of code enforcement for nuisance properties and parking enforcement. The City tags 3-6 vehicles per month, and has towed 4 in the past 9-months. In 2020, the City wrote 15 citations and in 2021/22 it has written 65 citations.

The City code is being improved to allow easier and more assertive enforcement for properties that are neglected and deteriorating or dilapidated. This Ordinance will come forward in the next 60-days. Seven different parking laws are being considered as well. Three new violations concerning sidewalks and crosswalks, and improvement to parking laws for RV and boat storage and other legislative clean-up efforts.

Parking enforcement and administrative citation capabilities are being extended to private security. A new request for proposals was issued in April, and a new private security company is being considered with parking enforcement tools and experience. Bringing this skill-set to the City will greatly improve parking enforcement to the extent that a parking district can be established for the downtown.

To support this effort, the City has reviewed and doubled its capacity to enforce the payment of parking and administrative citations. "Data Ticket" was only monitoring parking tickets, and there was no follow-through on Administrative Citations. This has all been changed and upgraded now, to balance the whole enforcement matter. When needed collection agencies can intervene.

The biggest question before the City Council is the possibility of having two dedicated deputies. The General Fund revenues can support this increased expense, especially if the private security services are reduced. This would increase having a deputy in the City from 4 ten-hour shifts, to 7 ten-hour

shifts per week, with one overlap on Saturdays or as otherwise needed. The cost is estimated to be \$150,000 annually. The cost of private security in FY 21/22 is \$120,000. The City could reduce private security 50% (\$60,000) and bear the burden of the extra \$90,000. Staff and the Sheriff both support this move. It will be discussed by the Public Safety Ad Hoc Committee in May and June.

COMMUNITY SERVICES INITIATIVE (NEW IN 2022)

Staff has presented on several occasions the concept of adding at least a part-time community services coordinator position. The City is actively expanding recreation and community service facilities. These include the improving the acoustics in the Community Hall and opening it during the week for senior citizen services and other opportunities. It also includes the work started at Mid-Year budget towards the joint use of the San Juan School, its basketball courts and future track-and-field. Within the next few months, staff will receive a joint use agreement from the School District. Once executed, fencing will be quickly installed that will allow the school facilities to be open when the school is not. Maintenance staff will be on-board for the weekend coverage to help open and secure the facility. The use of Luck Park can also be expanded.

In addition to recreational concerns, the position can help with several other needs. It can bring back the Youth Commission. This Commission has been shut-down since COVID and staff does not currently have the capacity to oversee it. It can take the lead in helping coordinate community events. And very importantly, it can help organize community volunteers to serve the community by helping with City and community activities. It takes a reliable person to staff this position and consistently provide time and energy to these efforts to make this work. This part-time position is currently in the budget.

FUND SUMMARIES

The City has ten different funds that it tracks. The creation and maintenance of a fund is generally mandated by its source. This is known as "fund accounting" and is the cause of the "silo" effect in government. A bureaucratic silo is created when funds for one use cannot be used for another. The City's Utility Enterprise funds are a good example of specific revenues from rate payers, that must be used to pay for utility costs only.

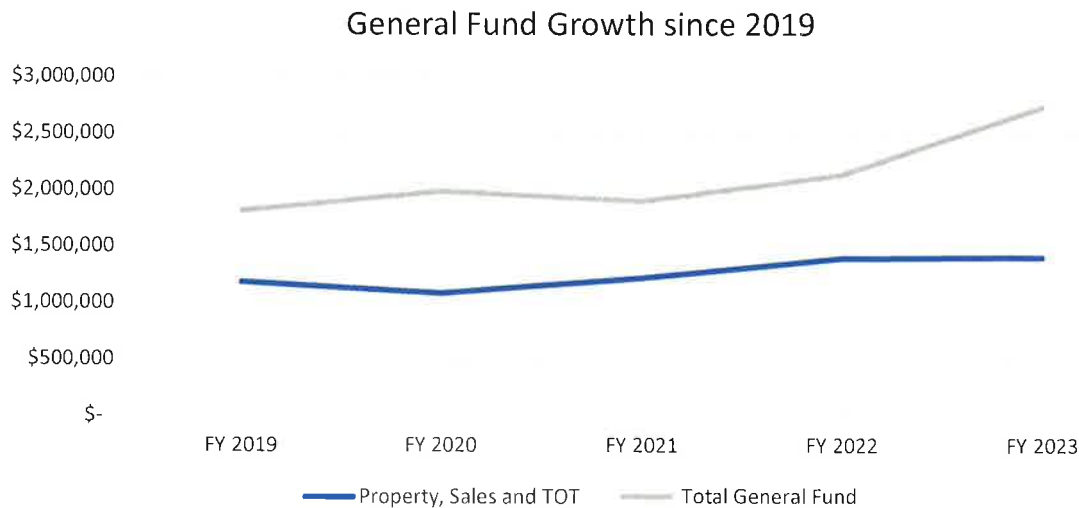
GENERAL FUND

The one fund that is capable of crossing these vertical lines is the General Fund. The City Council has the most discretion in budgeting the General Fund then the special use funds. The fund commonly used to fill gaps in financing where insufficient funds can stop a project. Approximately one-third of the City's General Fund pays for Public Safety, and most cities spend two-thirds of their General Fund on these services.

The City's General Fund is actually a collection various smaller funds that all have one thing in common: no strings attached. The three principal sources of General Fund Revenues are the City share of Property Tax, Sales Tax and Transit Occupancy Tax. They equal half of the \$2.7 million General Fund. Below is a table describing how these revenues have performed over the past three years.

General Fund	FY 2019	FY 2020	FY 2021	budget FY 2022	Proj Year End FY 2022	budget FY 2023
Property Tax	\$ 389,752	\$ 459,805	\$ 506,103	\$ 522,398	\$ 543,991	\$ 556,328
Sales Tax	\$ 639,571	\$ 529,724	\$ 661,537	\$ 533,000	\$ 696,114	\$ 696,114
TOT	\$ 154,570	\$ 96,508	\$ 54,214	\$ 150,000	\$ 157,523	\$ 157,523
	\$ 1,183,893	\$ 1,086,037	\$ 1,221,854	\$ 1,205,398	\$ 1,397,628	\$ 1,409,965

Overall, last year, the City saw a 13% growth in the General Fund between 2019 and 2021. That has increased 7% to a growth rate of 20%. Due to an influx in COVID relief funds targeted at the general Fund's recovery from the downturn in 2020, the City is projecting the highest General Fund revenue budget ever \$2.7 million dollars. The City is not budgeting the 50% increase this presents, but rather being conservative with a 20% increase in revenues.



The growth from property tax will plateau as the development of new properties has slowed. But the cost of housing has increased, and the total assessed valuation has increased the property tax revenues. The budget for the General Fund revenues reflects a slight increase in Property tax, but a conservative flat projection for the sales and transit occupancy taxes.

COMMUNITY DEVELOPMENT REVENUES

This source of revenue is market driven. When the economy is strong, these revenues are high, and when it is weak, the demand decreases and the revenues decrease. Many of the functions described in the Community Development Organizational Chart are paid by these revenues.

The Assistant City Manager/Community Development Director is paid with these funds to oversee the various disciplines. This has reduced the cost of the contract services the City relied upon in 2021. The organization requires the flexibility to expand and contract with the economy, so the use of contract planners (Harris and Associates, Four Leaf and CSG) will remain as a critical component of the program.

Community Development revenue is established to be certain that a private developer is responsible for the cost of paying to process their development. The first schedule of fees relates to a land use and entitlement. If a proposed land use matches the zoning code, the cost is less to the City to process the application, and less cost to the developer. Special situations arise in the City's historic downtown, causing a more thorough design review to assure compliance with the historic preservation policies of the City. If a project requires a Conditional Use Permit because it does not exactly fit the zoning code, then the costs are generally

higher, with a public hearing attached to it. Deposits are generally collected rather than flat fees to assure costs are fully recovered.

The second set of fees are the impact fees. If a project proposes a large-scale change, impact fees are assessed. This may range from a sewer and or water connection fee, to traffic impact, park impact, public safety impact fees etc. These fees are to be used for capital improvements to the City's infrastructure to support an increase in demand caused by the development. The City's impact fees were established in 2013, and a new study is needed to re-fresh and to confirm the nexus between the fee amounts and the cost of providing the infrastructure.

Most common fees are for building permits, and encroachment permits, that require a "plan-check" or other review by the City Engineer, Building Official, Fire Marshall and the Planning Department. This process assures that the final plans match the land use designation and that the energy efficiency, health, storm water control, safety and accessibility codes are met as defined by the Municipal Code, Uniform Building Code and other regulatory agencies.

It is common that the General Fund subsidizes this work, because the whole community benefits when a great project comes forward and meets the community's needs and expectations. The goal is to keep the subsidy to a minimum. In the past, the General Fund has subsidized approximately half of the cost for this work, (\$400,000).

GAS TAX REVENUES

These funds are collected by the sale of gasoline and distributed by the State to cities on a per-capita basis for street and road maintenance. They have taken different forms over the years because of the traditional user-pay method of road maintenance has changed. Fuel efficiency and electric vehicles has caused a decrease in the revenue, so a few years back SB1 was passed to replenish the State's road maintenance fund.

The City combines Gas Tax funds with Measure G and other dedicated road maintenance funds. The City's Capital Improvement budget will use \$500,000 of these two revenue sources for street improvements next fiscal year.

COPS- COMMUNITY ORIENTED POLICING SERVICES (Fund 50)

The Office of Community Oriented Policing Services (COPS Office) is the component of the U.S. Department of Justice responsible for advancing the practice of community policing by the nation's state, local, territorial, and tribal law enforcement agencies through information and grant resources.

These are federal grant funds used to off-set General Fund expenses related to the Public Safety Contract with the Sheriff's Department.

PARKING AND RESTROOM FUND (Fund 55)

This revenue is generated to help promote sustainable tourism in the City by supporting clean public restrooms and provide safe plentiful parking. The City's Transit Occupancy tax (aka - hotel tax) dedicates 16.678 cents of every dollar to this purpose. If the City begins a paid parking program, these revenues would be added to the District.

The TOT has rebounded with the collection of \$150,000 in past due taxes from operators this last fiscal year. The trends related to the TOA are discussed as part of the General Fund description.

The current balance in this fund is limited, and are contributing to install new restrooms at Verutti Park.

VALLE VISTA LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT (FUND 60)

The twenty-year-old Valle Vista residential development has been collecting assessment payments from property owners since its inception. Each homeowner pays its fair share to maintain the District. The budget and assessment rates are reviewed annually, and are subject to cost-of-living increases (2% this year). Any major changes to the rates are subject to a vote by the homeowners.

The City receives these payments from the County Assessor and keeps them in a special fund. It uses these funds to maintain the common areas of the neighborhood above and beyond the standard City responsibilities. This work includes the park, trails, benches, retention basin, sidewalks, street trees, streetlights, and common area landscaping. It does not pay for the major systems that include streets, storm drains and the sewer lift station. The Engineer's Report provides more details about the District, and is available at City Hall for review. The continuation of the collection of these fees is subject to an annual renewal.

Following an October meeting with the community, the City budgeted \$30,000 from its reserve to make significant repairs to the neighborhood. The gazebo was repainted, trees trimmed and light poles fixed and re-painted.

WATER OPERATIONS REVENUES (FUND 47)

The City collects monthly water and waste water payments from 800 residents and businesses. These monthly payments are kept separate from the other City funds in a special fund referred to as the Water Enterprise Fund and Waste Water Enterprise Fund. Water bill payments are invoiced based on the rate of consumption. Water conservation reduces water bills, and can also reduce the water revenue needed to maintain the system. Currently, there are 41 counties in California in a serious state of drought. Water conservation is very critical for all residents to follow.

The City has not increased its rates since July 1, 2019. The City is embarking on a project with the San Benito Water District to import water from its West Hills Treatment Plant, that will improve the City's quality of water, reduce and eliminate the need for water softeners, and improve its water security. A rate increase of 14% is proposed for this year, to go into effect August 1, 2022. The cost of the water project described above will cause rates to increase 14% for the next three years, then 5% for the two years after that. Raising rates requires the citizens and users of the system to vote in favor of the increase. Public meetings are scheduled to discuss these changes in May and June. This is the proposed rate increase for water.

Table A
City of San Juan Bautista
Draft Water Rates
Water Rate Study

Water Rates	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Volumetric Rate \$/1000 gallons	\$6.35	\$7.24	\$8.26	\$9.34	\$9.81	\$10.31
Monthly Base Rate	\$55.76	\$63.57	\$72.47	\$81.90	\$86.00	\$90.30

The fees charged for the Water Enterprise Fund to its subscribers are for one purpose: to pay the cost of sourcing the water from wells, (and in 2024, the San Benito County Water District) filtering and treating the water, and distributing it to its citizens and businesses. These funds pay to clean the maintain the City's water wells, pumps, pipes and valves. The new Water Master Plan guides the work to address the oldest infrastructure so it is prioritized and address first. The maintenance of wells and payment of the licensed operator are also paid through these fees.

SEWER OPERATING REVENUES (FUND 48)

The City collects monthly waste water (sewer) payments from 830 residents and businesses on a flat rate per month. These monthly payments are kept separate from the other City funds in a special fund referred to as the Sewer Enterprise Fund.

The City increased these rates February 1st 2022, and will continue to increase rates at approximately 14% a year for the next four years, (on July 1) then 5% the fifth year. since July 1, 2019. A press release was published January 26 with this table in it:

New Schedule of Sewer Rates

	Effective 2/1/2022	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025
Residential (was \$83.61)					
Monthly Fixed Rate	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Commercial					
Min. Monthly Rate	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Volumetric Rates (\$/1,000 Gal)	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57

These costs include the new force man to Hollister scheduled to be completed in December 2023. This project was approved by the Environmental Protection Agency and subsequently by the City Council as the best solution to solve the City's ongoing discharge of salts into a creek. "Regionalizing" waste water is also supported by the County, Water District, and the City of Hollister as the best solution. By ending the treatment processes in San Juan Bautista, the future cost increases will be avoided. The City is exploring several grants and low interest loans from the federal and State government to reduce the cost of the project to rate payers. The rates assume the City will off-set the \$18 million cost with \$6 million in grants funds. It is well on its way to achieve this goal.

The fees charged for the Waste Water Enterprise Fund to its subscribers are for one purpose: to pay the cost of collecting the waste water and processing it. These funds currently pay to clean the waste water pipes, lift station that pump the waste water to the Treatment Plant. They pay for the licensed Treatment Plant Operator. As proposed, the cost of the treatment plant would end in late 2023, and the City will begin sending its waste water to Hollister.

VALLEY VISTA ASSESSMENT DISTRICT (FUND 60)

Since 2003, 35 homeowners have paid approximately a total of \$45,000 per year to maintain the common areas in and around the neighborhood. Last year the City engaged the community in a productive discussion about how these funds were being used. There was sufficient balance in the reserves to augment the operational budget with \$30,000 to paint the street lights, trim the trees, paint the gazebo and other special maintenance work.

A cost-of-living increase of 2% was added to the annual assessment last year. The City's contracts with a landscaping company to provide weekly maintenance. These services comprise the majority of cost. They are being bid currently, and when the bids are awarded, the costs will be verified. Staff is planning to meet with the residents before the June 14 budget is considered for adoption. If a Cost-Of-Living Increase is required, it may be as high as 5.2%.

COPPER LEAF COMMUNITY FACILITIES DISTRICT (FUND 65)

Each of the 45 homeowners in the Copper Leaf community pay equally into an assessment district (Community Facilities District). The budget and assessment rates are reviewed annually, and are subject to cost-of-living increases (2% last year). Any major changes to the rates are subject to a vote by the homeowners.

The City receives these payments from the County Assessor and keeps them in a special fund. It uses these funds to maintain the common areas of the neighborhood above and beyond the standard City responsibilities. This work includes the park, trails, benches, retention basin, sidewalks, street trees, streetlights, and common area landscaping

In 2020, the City accepted the improvements at the Copperleaf CFD. The park, retention basin, sidewalks, street trees and street lights, and common area landscaping are all maintained by the CFD. The City's contracts with a landscaping company to provide weekly maintenance. These services comprise the majority of cost. They are being bid currently, and when the bids are awarded, the costs will be verified. Staff is planning to meet with the residents before the June 14 budget is considered for adoption. If a Cost-Of-Living Increase is required, it may be as high as 5.2%.

RANCHO VISTA COMMUNITY FACILITIES DISTRICT (FUND 66)

Each of the 87 homeowners in the Rancho Vista community pay equally into an assessment district (Community Facilities District). The budget and assessment rates are reviewed annually, and are subject to cost-of-living increases (2% last year). Any major changes to the rates are subject to a vote by the homeowners.

The City receives these payments from the County Assessor and keeps them in a special fund. It uses these funds to maintain the common areas of the neighborhood above and beyond the standard City responsibilities. This work includes the park, trails, benches, retention basin, sidewalks, street trees, streetlights, and common area landscaping

The City has agreed to bring its landscape maintenance contractor to maintain the District but has not formally accepted the improvements yet. Once the City inspects and accepts the improvement as being built in compliance with the City Engineer's standards, the City, a warranty period of one year begins. This will happen soon after the round-about is completed, unless the City agrees to partial acceptance and begins the landscape maintenance sooner. The round-about is expected to complete its construction before the end of the June 2022.

The City's contracts with a landscaping company to provide weekly maintenance. These services comprise the majority of cost. They are being bid currently, and when the bids are awarded, the costs will be verified. Staff is planning to meet with the residents before the June 14 budget is considered for adoption. If a Cost-Of-Living Increase is required, it may be as high as 5.2%.

4.A. FY 22/23 Draft City Budget

City Manager is required to submit a balanced budget to the City Council each Year

General Fund (\$2.7 million) is looking towards 20% growth since 2019

Sales Tax growing the fastest at more than \$500,000

General Fund Revenues exceed Expenditures by close to \$500,000

Expenditures include 5.2% COLA for salaries and
10% increase to Major Contracts

Public Safety = 20% of the GF expenses; could grow

Employee Hazard Pay (\$2,000 each, total cost is \$22,900)

Water Revenue of \$1.24 million will exceed expenses \$.911 million

Sewer Revenue of \$1.185 million will exceed expenses \$575,000 – almost 2:1 to pay
for the force-main to Hollister

4.A. FY 22/23 Draft City Budget

Personnel Changes

- \$30,000 to add a Community Coordinator

- Better Utilize Shared Recreation Resources

- Better use of improved local facilities

- Establish new Senior and Teen Recreation Programs

- Youth Commission

- Volunteer Coordinator

- Special Events and City Participation

Public Safety

- New Private Security Services

- \$150,000 Adding a Second Dedicated Deputy

- Re-structure Law Enforcement

CIP is under construction- more to follow at the May 31 meeting, but here is where we stand....

**CAPITAL IMPROVEMENT
BUDGET FY 21/22**

2-Jul-21	Project #	FY 20/21 Total	FY 21/22 Budget	Status June 30, 2022	CARRY FORWARD TO FY 22/23
Street Projects					
Hwy 156 RTL	20.03	615,015	611,625	90% designed	xxxxxxxxxxxx
PMP - Slurry Seal (7 streets)	21.22	200,000	275,000	RFP draft- add streets	xxxxxxxxxxxx
Landscape for Third Street Imps	22.06		40,500	No progress	xxxxxxxxxxxx
Utility Projects					
Rancho Vista Lift Station	20.05	50,000	125,000	No progress	xxxxxxxxxxxx
Transfer Switches for Wells 1 + 5	21.07	15,000	20,500	Well 1 complete	xxxxxxxxxxxx
Design Force Main to Hollister	21.20	1,066,410	1,004,410	99% comp. design	xxxxxxxxxxxx
Dias Lift Station Pump Upgrades	22.03		50,000	need to add new pump	xxxxxxxxxxxx
Telemetry	22.04		50,000	seeking proposal	xxxxxxxxxxxx
Lift Station Pump- Emergency Repl	22.05		15,000	emergency reserve	xxxxxxxxxxxx
Parks Projects					
Veruti Park Restroom	19.42	164,340	161,039	contract	xxxxxxxxxxxx
Luck Park Masterplan	20.10	48,565	12,584	done	xxxxxxxxxxxx
Franklin Park	21.01	172,690	164,394	done	xxxxxxxxxxxx
Trail Plan (ATP)	21.02	250,000	250,000	contract	xxxxxxxxxxxx
Community Facilities Projects					
City Hall & Council Chamber	20.13	100,000	55,000	contract/done	xxxxxxxxxxxx
Community Hall Acoustics	21.24		45,000	RFP Drafted	xxxxxxxxxxxx
Cooperation Yard	20.15	20,000	20,000	No progress	xxxxxxxxxxxx
Library AC Unit	21.03	20,000	20,000	done	xxxxxxxxxxxx
Fire Station-City Hall Emerg Gen	21.15	125,000	125,000	No progress	xxxxxxxxxxxx
File Storage	20.04	15,000	15,000	No progress	xxxxxxxxxxxx
Fire Station Ap Bay Improvements	21.23		50,000	No progress	xxxxxxxxxxxx
Equipment					
Power Inverter 6K watts	20.20	2,000	2,000	No progress	xxxxxxxxxxxx
Pipe Locator	20.22	2,750	7,750	No progress	xxxxxxxxxxxx
Projector (library)	20.23	1,500	1,500	No progress	xxxxxxxxxxxx
SmartScreen (library)	20.24	2,000	2,000	No progress	xxxxxxxxxxxx
Tow behind Valve Exerciser	21.16	7,500	7,500	No progress	xxxxxxxxxxxx
Pipe Threader	21.18	2,500	2,500	done	xxxxxxxxxxxx
Dump Truck Bed	21.19	18,500	18,500	done	xxxxxxxxxxxx
Steel Trench Plates	21.25	2,500	6,500	done	xxxxxxxxxxxx
Studies					
Water/Sewer Rate Study (Prop 218)	21.09	23,465	4,640	done	xxxxxxxxxxxx
Impact Fee Nexus Study	21.10	35,000	35,000	No progress	xxxxxxxxxxxx
S8 2 Grant HCD	21.12	160,000	159,087	contract	xxxxxxxxxxxx
LEAP Grant HCD	21.13	60,000	58,180	contract	xxxxxxxxxxxx
REAP Grant HCD	21.14	23,450	23,450	contract	xxxxxxxxxxxx
Special Initiatives					
Urban Growth/Sphere of Infl	21.11	50,000	103,619	see budget detail	xxxxxxxxxxxx
Third Street Master Plan	22.01		100,000	see budget detail	xxxxxxxxxxxx
Public Safety Committee Initiative	22.02		100,000	see budget detail	xxxxxxxxxxxx
TOTAL		3,203,185	3,742,278		

21/22 CIP

36 Projects

7 Completed

15 Underway

Carry-over 14

4.A. BUDGET-CIP

New Capital Improvements being considered include:

Force Main to Hollister Construction (\$18 million)

New park tables and benches

\$100,000 for sidewalk repairs

Telemetric monitoring system for the wells and lift stations known as "SCADA"

Adding five additional streets to this list from the CIP 21-22 in FY 21/22.

Below is the list of streets budgeted for \$200,000 in repairs last year. This year, the balance has grown to more than \$500,000.

<u>Street Name</u>	<u>Beg Loc</u>	<u>End Loc</u>	<u>Treatment</u>	<u>Cost</u>
Franklin St	6 th St	4 th St	Overlay	\$39,000
North St	3 rd St	1 st St	Overlay	\$42,500
Second St	Monterey St	San Jose St	Overlay	\$58,500
Via Padre	1 st ST	Cul-De-Sac North	Overlay	\$22,000
The Alameda	Hwy 156	Lang St	Slurry Seal	\$ 2,500
Monterey St	Church St	4 th St	Slurry Seal	\$11,600
The Alameda	Pearce St	Hwy 156	Cr. Sealing	\$ 250
Total:				\$176,350

4.A. Draft City Budget

Proposed Use of
American Rescue Plan Funds
(2 installments @ \$250,000 ea.)

AMERICAN RESCUE PLAN BUDGET			FY 21/22	Spent by 6.30.22	Balance
MID YEAR BUDGET FY 21/22					
COVID Tests			\$ 5,000	\$ -	\$ 5,000
Business Grants			\$ 25,000	\$ 25,000	\$ -
New start-up Businesses			\$ 20,000	\$ 20,000	\$ -
Homeless programs			\$ 10,000	\$ -	\$ 10,000
Non-Profits Grants			\$ 15,000	\$ 15,000	\$ -
School/Facility Joint Use Program			\$ 175,000	\$ 100,000	\$ 75,000
			\$ 250,000	\$ 160,000	\$ 90,000
BUDGET FOR FY 22/23					
COVID Tests			\$ -	\$ -	\$ -
Business Grants			\$ 25,000	\$ 25,000	\$ 50,000
New start-up Businesses			\$ 20,000	\$ 15,000	\$ 35,000
Homeless programs			\$ 10,000	\$ -	\$ 10,000
Non-Profit Grants			\$ 15,000	\$ 10,000	\$ 25,000
School/Facility Joint Use Program			\$ 175,000	\$ (75,000)	\$ 100,000
Third Street Transformation			\$ -	\$ 115,000	\$ 115,000
Public Safety Initiative			\$ -	\$ 100,000	\$ 100,000
Track and Field Contribution			\$ -	\$ 50,000	\$ 50,000
Luck Park Historic Improvements			\$ -	\$ 15,000	\$ 15,000
			\$ 245,000	\$ 255,000	\$ 500,000

4.A. Draft City Budget

The City is able to maintain a General Fund Reserve of more the \$2 million. The City's Reserve Policy requires 3-months of operational expenses, and this is equal to 9-months.

The Budget document is Virtual- and is available at this link:

<https://city-san-juan-bautista-ca-budget-book.cleargov.com/5627/introduction/transmittal-letter>

AFFIDAVIT OF POSTING

I, VERONICA MUNOZ NORIEGA, DO NOW DECLARE, UNDER THE PENALTIES OF PERJURY THAT I AM THE OFFICE ASSISTANT 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 27th DAY OF MAY 2022, 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 27th DAY OF MAY 2022.



VERONICA MUNOZ NORIEGA, OFFICE ASSISTANT