

City of San Juan Bautista
Municipal Service Review

PUBLIC REVIEW DRAFT
JUNE 2026

Prepared for San Benito LAFCO
Submitted by Policy Consulting Associates, LLC

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ACRONYMS AND DEFINITIONS

AAGR:	Average Annual Growth Rate
ADA:	Americans with Disabilities Act
CDP:	Census Designated Place
CEQA:	California Environmental Quality Act
CIP:	Capital Improvement Project
CKH:	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CWA:	Clean Water Act
DAC:	Disadvantaged Community
DDW:	Division of Drinking Water
DOF:	California Department of Finance
DU:	Dwelling Unit
DUC:	Disadvantaged Unincorporated Communities
DWR:	California Department of Water Resources
EIR:	Environmental Impact Report
EMS:	Emergency Medical Services
EPA:	U.S. Environmental Protection Agency
FBI:	Federal Bureau of Investigation
FFPC:	The State of California Fair Political Practices Commission
FY:	Fiscal year
GC:	Government Code
GP:	General Plan
GPM:	Gallons Per Minute
GSA:	Groundwater Sustainability Agencies
GSP:	Groundwater Sustainability Plans
HCD:	The State Department of Housing and Community Development
HFD:	Hollister Fire Department
IIG:	Infill Infrastructure Grant
LAFCo:	Local Agency Formation Commission
MCL:	Maximum Contaminant Level
MG:	Million Gallons
MHI:	Median Household Income
MOU:	Memorandum of Understanding
MSR:	Municipal Service Review
NA:	Not applicable
NFPA:	National Fire Protection Association
NRPA:	National Recreation and Park Association
PLHA:	Permanent Local Housing Allocation
psi:	per square inch
RFP:	Request for Proposals
RHNA:	Regional Housing Needs Allocation
RWQCB:	Regional Water Quality Control Board
SB:	Senate Bill
SBCOG:	the San Benito Council of Governments
SBCWD:	San Benito County Water District
SBUA:	San Benito Urban Areas
SCO:	State Controller's Office

SDWA: Safe Drinking Water Act
SGMA: Sustainable Groundwater Management Act
SJB: San Juan Bautista
SOI: Sphere of Influence
SWRCB: State Water Resources Control Board
TMDL: Total Maximum Daily Load
UCR: Uniform Crime Reporting
UGB: Urban Growth Boundary
WTP: Water Treatment Plant

PREFACE

Prepared for the San Benito Local Agency Formation Commission (LAFCO), this report is a Municipal Services Review (MSR) and Sphere of Influence (SOI) Update covering the City of San Juan Bautista. An MSR is a state-required comprehensive study of services within a designated geographic area. This MSR focuses on one city in San Benito County that provides water, fire, law enforcement, and parks and recreation services.

CONTEXT

San Benito LAFCO is required to prepare this MSR by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR examines water, fire, law enforcement, and parks and recreation services, which are either provided by contract or directly by the City of San Juan Bautista, whose boundaries and governance are subject to LAFCO.

CREDITS

The authors extend their appreciation to the individuals at the City of San Juan Bautista who provided the information and documents for this report and took the time for interviews and document review to ensure its accuracy.

Policy Consulting Associates conducted this MSR with the direction of San Benito LAFCO Executive Officer, Jennifer Stephenson. Melat Assefa was the primary author and analyst.

1. EXECUTIVE SUMMARY

This report is a municipal service review (MSR) covering the City of San Juan Bautista in San Benito County, prepared for the San Benito Local Agency Formation Commission (LAFCO). An MSR is a State-required comprehensive study of services that special districts or cities provide. The MSR requirement is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.). The City of San Juan Bautista was last included in the countywide MSR conducted in 2007.

OVERVIEW

The City of San Juan Bautista (SJB), located in northwest San Benito County near the borders of Monterey and Santa Clara Counties, lies approximately eight miles west of Hollister and 11 miles south of Gilroy. Originally inhabited by the Mutsun people of the Ohlone Nation, the area became a key site in Spanish colonial history with the founding of Mission San Juan Bautista in 1797. The City, incorporated in 1869, developed around the Mission and is one of two incorporated cities in San Benito County, playing a significant role in the County's agricultural industry.

The City's major operations include sewer and water services, parks and recreation, building inspection, public improvements, planning and zoning, and general administrative functions. Public safety services are provided through contracts with the Hollister Fire Department for fire protection and the County Sheriff's Office for law enforcement.

FINANCIAL ABILITY TO PROVIDE SERVICES

The City of San Juan Bautista's ability to provide services is supported by its General Fund, which covers core governmental functions, including police, fire, planning, and administration, as well as by enterprise funds for water and sewer operations. Major revenue sources include Property Tax, Sales Tax, and Transit Occupancy Tax. In Fiscal Year (FY) 23–24, governmental fund expenses exceeded revenues by approximately 19 percent, while enterprise fund revenues exceeded expenses by about 35 percent.

The City's budget priorities for FY 25–26 include managing public safety contracts, exploring new revenue opportunities such as a potential sales tax measure and development fee adjustments, and implementing over \$5.7 million in capital improvements for streets, utilities,

stormwater, and Americans with Disabilities Act (ADA) compliant facility upgrades across the City.

The City maintains prudent reserves, including a 20 percent minimum General Fund balance and self-supporting enterprise fund reserves, to ensure financial stability, respond to emergencies, and support long-term capital needs. Overall, the City has the financial ability to continue providing adequate services.

GOVERNANCE STRUCTURE OPTIONS

The City relies on contracts for public safety services, which represent a significant recurring expense that poses fiscal instability during contract renewals due to rising costs associated with service delivery. Enhancing contract management by formalizing periodic review practices and incorporating performance and cost benchmarking is recommended to improve fiscal sustainability and accountability.

An additional long-term option identified is for the City to continue working with San Benito County to assess the feasibility of a regional fire district through shared resources and improved capacity to increase efficiency in fire service delivery and facilitate fiscal stability prior to the expiration of the current contract with the City of Hollister.

RECOMMENDATIONS

Below are the various recommendations for the City of San Juan Bautista's consideration to address challenges, improve service delivery, and enhance transparency:

- To enhance transparency, it is recommended that the City add Annual Compensation Reports and the State Controller's Office (SCO) Financial Transaction Reports to its website.
- It is also recommended that the City make up-to-date Ethics Training Certificates and completed Form 700s available online to ensure transparency and accountability.
- The City faces potential cost increases when renewing its fire and Emergency Medical Services (EMS) contract, with limited local alternatives available. To avoid future negotiation challenges, it is recommended that the City proactively explore alternative service options prior to the expiration of the current contract in 2029.
- The City's existing contract with the Sheriff's Office for law enforcement services was last updated in 2017 and has not been revised since. If the City determines that specific

improvements are necessary to enhance service levels, including assigning additional sworn officers or addressing infrastructure needs, it is recommended that these updates be incorporated into the contract's terms and conditions.

2. BACKGROUND

LAFCO OVERVIEW

LAFCO regulates boundary changes proposed by public agencies or individuals through approval, denial, conditions, and modification. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCO is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, the establishment of subsidiary districts, and any reorganization, including such actions. Otherwise, LAFCO actions must originate as petitions or resolutions from affected voters, landowners, cities, or districts.

MUNICIPAL SERVICES REVIEW LEGISLATION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCO to review and update SOIs every five years, or as necessary, and to review municipal services before updating SOIs. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCO with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently. Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region, or other designated geographic area, or by type of service, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- Growth and population projections for the affected area,
- The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI,
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the sphere of influence),
- Financial ability of agencies to provide services,
- Status of and opportunities for shared facilities,

- Accountability for community service needs, including governmental structure and operational efficiencies, and
- Any other matter related to effective or efficient service delivery, as required by commission policy.

MUNICIPAL SERVICES REVIEW PROCESS

The MSR process does not require LAFCO to initiate changes in an organization based on service review findings, only that LAFCO identifies potential government structure options. However, LAFCO, other local agencies, and the public may subsequently use the determinations to analyze prospective changes in organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCO may act with respect to a recommended change of organization or reorganization on its initiative (e.g., certain types of consolidations) or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters). MSRs are exempt from the California Environmental Quality Act (CEQA) pursuant to §15306 (information collection) of the CEQA Guidelines. LAFCO's actions to adopt MSR determinations are not considered "projects" subject to CEQA.

SPHERE OF INFLUENCE UPDATES

The Commission is charged with developing and updating the SOI for each city and special district within the county. SOIs must be updated every five years or as necessary. In determining the SOI, LAFCO is required to complete an MSR and adopt the seven determinations previously discussed.

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage the efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or a district unless it is within that agency's sphere.

The purposes of the SOI include the following: ensuring the efficient provision of services, discouraging urban sprawl and the premature conversion of agricultural and open space lands, and preventing overlapping jurisdictions and duplication of services.

LAFCO cannot regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCO is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCO promotes the logical and orderly development of

communities as it considers and decides individual proposals. LAFCO has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

The Cortese-Knox-Hertzberg (CKH) Act requires the development and determination of the SOI of each local governmental agency within the county and that the SOI be reviewed and updated every five years. LAFCOs are empowered to adopt, update, and amend the SOI. They may do so with or without an application, and any interested person may submit an application proposing an SOI amendment.

LAFCO may recommend government reorganizations to particular agencies in the county, using SOIs as the basis for those recommendations.

In addition, when adopting or amending an SOI, LAFCO must make the following determinations:

- Present and planned land uses in the area, including agricultural and open-space lands,
- Present and probable need for public facilities and services in the area,
- Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide,
- Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency, and
- Present and probable need for water, wastewater, and structural fire protection facilities and services of any DUCs within the existing sphere of influence.

By statute, LAFCO must notify affected agencies 21 days before holding the public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCO Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO is required to evaluate disadvantaged unincorporated communities (DUCs) as part of this service review, including the location and characteristics of any such communities.

The purpose of Senate Bill (SB) 244 (Wolk, 2011) is to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits

within DUCs. Identifying and including these communities in the long-range planning of a city or a special district is required by SB 244.

The CKH requires LAFCO to make determinations regarding DUCs when considering a change of organization, reorganization, sphere of influence expansion, and when conducting municipal service reviews. For any updates to an SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, LAFCO shall consider and prepare written determinations addressing the present and planned capacity of public facilities, the adequacy of public services, and infrastructure needs or deficiencies for any DUC within or contiguous to the SOI.

CKH prohibits LAFCO from approving an annexation to a city of any territory greater than 10 acres if a DUC is contiguous to the proposed annexation, unless an application to annex the DUC has been filed with LAFCO. An application to annex a contiguous DUC shall not be required if a prior application for annexation of the same DUC has been made in the preceding five years or if the Commission finds, based upon written evidence, that a majority of the registered voters within the affected territory are opposed to annexation.

Government Code §56033.5 defines a DUC as 1) all or a portion of a "disadvantaged community" as defined by §79505.5 of the Water Code, and as 2) "inhabited territory" (12 or more registered voters), as defined by §56046, or as determined by commission policy.

3. CITY OF SAN JUAN BAUTISTA

AGENCY OVERVIEW

The City of San Juan Bautista (SJB) is located in the northwest portion of San Benito County, near the borders of Monterey and Santa Clara Counties. The City is approximately eight miles west of Hollister, 11 miles south of Gilroy, and 13 miles southeast of Watsonville.

It was originally inhabited by the Mutsun people of the Ohlone Nation and became a significant Spanish colonial site with the founding of Mission San Juan Bautista in 1797. This mission, the 15th in California's mission chain, catalyzed settlement in the area. The City, which originated around the Mission, was established in 1869. San Juan Bautista is home to seven national historic landmarks, boasting the highest number of registered landmarks in the County.¹

San Juan Bautista is one of two incorporated cities in San Benito County and plays a significant role in much of the County's agriculture industry. The City's major operations include public safety, highways and streets, sewer and water, parks and recreation, building inspection, public improvements, planning and zoning, and general administrative services.

The City of San Juan Bautista was last included in a San Benito LAFCO Countywide Municipal Services Review in 2007.

BOUNDARIES

The City of San Juan Bautista covers an area of approximately 0.79 square miles or 505.6 acres.

SPHERE OF INFLUENCE

In 2020, the San Benito LAFCO informed the San Juan Bautista City Council that the 2035 General Plan (GP) SOI and Urban Growth Boundary (UGB), approved in 2016, had not been submitted to LAFCO and therefore had not been adopted. Consequently, the 1998 SOI remains the guide for growth.² Figure 3-1 illustrates the City's LAFCO- approved SOI in relation to the SOI proposed in the City's 2035 GP.

¹ The City of San Juan Bautista 2035 General Plan. November 1, 2015. p.19.

² The City of San Juan Bautista, City Council Report. Urban Growth Boundary- Sphere of Influence Ad Hoc Committee Status. September 20, 2022.

The City's UGB serves as a growth management tool to preserve remaining undeveloped agricultural lands within the City and to direct urban development away from hazard-prone or environmentally sensitive areas.

In August 2020, the Council appointed a UGB/SOI Ad hoc Committee to review options and address inconsistencies between the SOI and the UGB. Between 2021 and 2023, the Committee considered several factors, including community input and development constraints, ultimately recommending a more restrictive SOI coterminous with the City limits and a UGB boundary smaller than the City limits. In November 2023, the City Council adopted Resolution No. 2023-71 accepting the Committee's recommendations and maps, illustrated in Figure 3-2.

The proposed smaller SOI supports the City's long-term planning for inward-focused growth by promoting orderly development, preserving agricultural lands, and focusing infrastructure investment within existing urban areas.

The resolution also directed the Committee to work with San Benito County to define a planning area that would guide development in a specific portion of unincorporated San Benito County, adjacent to and surrounding the City. Furthermore, the Committee was to prepare a related Memorandum of Agreement/Understanding (MOU) outlining shared expectations to guide future development in planning, with the intention that it evolve into a formal agreement or ordinance.³

On May 20, 2024, the County Board of Supervisors adopted the City's proposed MOU, establishing a formal intergovernmental review process for development proposals within the planning area to ensure that the City's input is considered in County land use decisions.

The City will apply to LAFCO for review and approval to establish the amended SOI after the completion of this MSR, as required by Government Code §56430. Currently, the City is updating the 2035 GP, focusing on policies, objectives, and programs affected by the amended SOI, the adoption of a revised UGB, and the planning area shown in Figure 3-3.

³ City of San Juan Bautista. Urban Growth Boundary, Sphere of Influence. Regular Meeting Tuesday, May 28, 2024, 4:00 P.M.

Figure 3-1: City of San Juan Bautista LAFCO- Approved SOI vs General Plan SOI

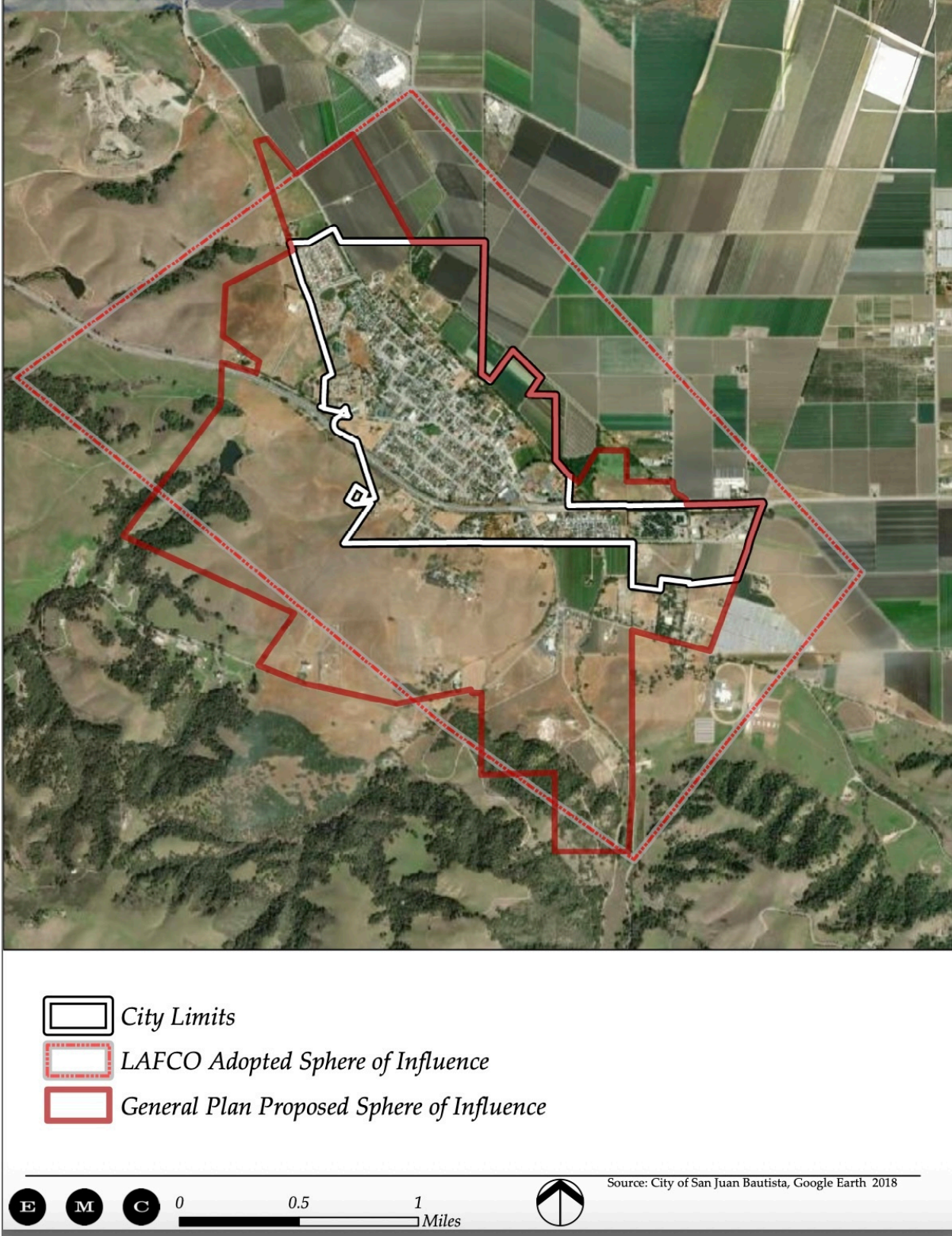
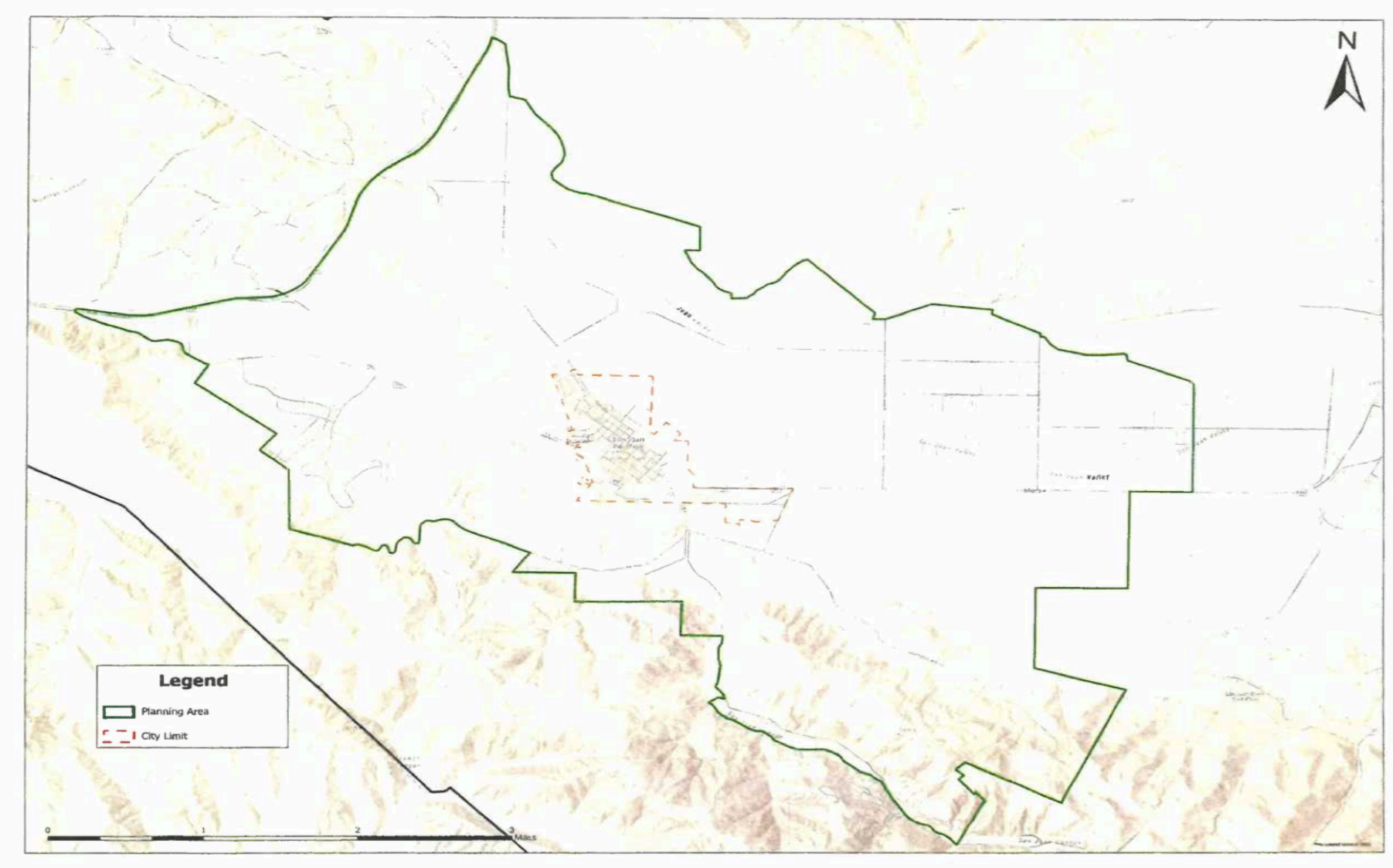


Figure 3-2: City of San Juan Bautista Proposed SOI and Updated UGB



Figure 3-3: City of San Juan Bautista Planning Area



Determination 3-1. In 2020, San Benito LAFCO notified the City of San Juan Bautista that the 2016 proposed Sphere of Influence (SOI) and Urban Growth Boundary (UGB), which are part of the 2035 General Plan (GP), had not been officially adopted. Therefore, the 1998 SOI is still in effect, creating conflict with the 2035 GP land use and conservation policies.

Determination 3-2. To address this, the City Council appointed an Ad Hoc Committee in August 2020 to evaluate options and resolve inconsistencies. After an extensive review and public engagement between 2021 and 2023, the Committee recommended a more restrictive SOI that aligns with the city limits and a UGB smaller than the city limits.

Determination 3-3. The proposed smaller SOI supports the City's long-term planning for inward-focused growth to limit future development within city limits by promoting orderly growth, preserving agricultural lands, and focusing infrastructure investment within existing urban areas. These recommendations were adopted by City Council via Resolution No. 2023-71 in November 2023.

Determination 3-4. The resolution also initiated collaboration with San Benito County to define a Planning Area in the surrounding unincorporated land and develop a Memorandum of Understanding (MOU) to guide future development. The County adopted the MOU in May 2024, allowing the City the opportunity to support or oppose future development proposals in the Planning Area for the County's consideration in any final decision.

Determination 3-5. The City is currently amending its 2035 GP to reflect policies and objectives reflect the proposed SOI, updated UGB, and Planning Area. Upon completion of this MSR, the City will apply to LAFCO to have the amended SOI adopted.

4. ACCOUNTABILITY AND GOVERNANCE

GOVERNANCE

The City of San Juan Bautista is a general law city that operates under the Council-Manager form of government. The City Council consists of five members elected at large serving four-year terms. Pursuant to the San Juan Bautista Municipal Code, at the regular meeting in December of each year, the City Council chooses one of its members to serve as Mayor and another as Mayor Pro Tempore, each serving until successors are chosen at the regular meeting in the following December. Current council member names, positions, and term expiration dates are shown in Figure 4-1.

The City Council meets on the third Tuesday of each month in Council Chambers at City Hall, 311 Second Street, San Juan Bautista, at 6:00 p.m. Residents can also stream meetings live on CMAP TV Channel 17, on Zoom, and on the City's Facebook page. Archived broadcasts of City Council meetings, minutes, and agenda packets are available on the City's website.

Meeting agendas are posted on the City's website in compliance with the Brown Act⁴ (Government Code §§ 54954.2 and 54956), as amended by California AB 2257, which requires agencies to make agendas available on their websites and in a publicly accessible physical location at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings.

The City of San Juan Bautista uses Facebook, Instagram, X, and YouTube to communicate with residents and share public notices. The City also provides an interactive online complaint form that can be downloaded, completed, and emailed to City Hall, or printed and submitted in person, by mail, or via email to building@san-juan-bautista.ca.us.

⁴ California Government Code, Section 54950, commonly known as the "Brown Act" or "Open Meeting Law," establishes requirements and restrictions for meetings of local legislative bodies. The law ensures public access to these meetings, facilitating public participation and promoting transparency in local government decision-making.

Figure 4-1: City of San Juan Bautista Governing Body

GOVERNING BODY				
Manner of Selection	Councilmembers are elected at large, each year in December the Mayor and Mayor Pro Tempore are chosen among the Councilmembers.			
Length of Term	4-year			
Meetings	The third Tuesday of each month at 6:00 p.m. in Council Chambers at City Hall, 311 Second Street, San Juan Bautista			
Agenda Distribution	Online			
Minutes Distribution	Online			
BOARD MEMBERS				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Leslie Q. Jordan	Mayor	2026	At-Large	4-years
EJ Sabathia	Mayor Pro Tem	2026	At-Large	4-years
Scott Freels	Councilmember	2028	At-Large	4-years
Jose Aranda	Councilmember	2028	At-Large	4-years
Jackie Morris-Lopez	Councilmember	2026	At-Large	4-years
CONTACT				
Contact	Ashley Collick, City Manager			
Mailing Address	311 Second Street PO Box 1420 San Juan Bautista, CA 95045			
Phone	Office: (831) 623-4661, Cell: (831) 594-6322			
Email/Website	citymanager@san-juan-bautista.ca.us			

ACCOUNTABILITY

Ethics training is required once every two years, beginning with an odd-numbered year (AB 1234, Chapter 700, Statutes of 2005). Training is available online through the State of California Fair Political Practices Commission (FPPC). It is recommended that all City Council members and other officials who make or influence governmental decisions, including the City Manager, maintain current ethics training as required. To further enhance transparency, it is recommended that the City make all certificates of completion available on its website.

A Statement of Economic Interest (Form 700) must be submitted annually to demonstrate transparency regarding economic interests, as required by the Political Reform Act of 1974 (California Government Code Sections 81000-81003). According to the FPPC website, all council members, except Councilmembers EJ Sabathia and Jose Aranda, as well as the Mayor and the City Manager, have current Form 700 filings. It is recommended that all up-to-date Form 700s from the City's council members be uploaded to the City's website.

Through the City, a conflict-of-interest code and bylaws, outlined in the municipal code, exist as lawfully required, by which the City of San Juan Bautista must abide.

Figure 4-2 illustrates efforts to comply with state laws to ensure transparency and accountability. Overall, the City of San Juan Bautista meets the requirements outlined in State laws regarding the Brown Act, website materials, and best practices to ensure easy access to significant planning documents and financial reports, including annual budgets and audits. To enhance transparency, it is recommended that the City add Annual Compensation Reports and the State Controller's Office (SCO) Financial Transaction Reports to the City's website.

The City of San Juan Bautista demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.

Figure 4-2: Transparency and Accountability Indicators

TRANSPARENCY AND ACCOUNTABILITY	SAN JUAN BAUTISTA
Agency website (GC §53087.8)	Yes
Contact information available on website (GC §53087.8 (a)(3))	Yes
Annual Compensation Report (GC §53891 and 53908)	Yes
Adopted budget available on website	Yes
State Controller’s Office Financial Transaction Report available on website (GC §53891 and 53893)	Yes
Notice of public meetings provided	Yes
Agendas posted on website (GC §54954.2)	Yes
Public meetings are live streamed	Yes
Minutes and/or recordings of public meetings available on website	Yes
Strategic Plan available on website	Yes, as part of the Fiscal Budget
Enterprise System Catalogue available on website (GC §6270.5 (a))	No
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open meeting requirements	Yes

- Determination 4-1. The City of San Juan Bautista engages residents through public meetings, its website, and various social media platforms.
- Determination 4-2. The City of San Juan Bautista largely complies with the requirements outlined in State laws related to the Brown Act, as well as best practices to ensure easy access to significant planning documents and annual budgets.
- Determination 4-3. To enhance transparency, it is recommended that the City add Annual Compensation Reports and the State Controller's Office (SCO) Financial Transaction Reports to the City's website.
- Determination 4-4. It is recommended that the City make up-to-date Ethics Training Certificates and completed Form 700s available on the City's website to ensure transparency and accountability.
- Determination 4-5. The City of San Juan Bautista demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.

5. GROWTH AND POPULATION PROJECTIONS

The purpose of this chapter is to evaluate growth and population projections in relation to the City of San Juan Bautista’s boundaries, SOI, and to anticipate the future service needs. Additionally, the anticipated growth patterns of the City are evaluated to determine the impact and compatibility of such growth on land use plans and local government structure.

LAND USE

The General Plan (GP) is the San Juan Bautista’s long-term planning document, outlining the City’s fundamental values and shared vision for future development to guide and coordinate planning decisions. The GP addresses major policy areas through the mandated elements required of all jurisdictions under Government Code § 65302, including the Land Use Element.

The Land Use Element guides planners, the public, developers, and decision-makers in future development and growth. This Element designates the location, distribution, and intensity of housing, industry, recreation, education, open space, public facilities and buildings, and waste management facilities. The goals and policies in this Element play a pivotal role in zoning, subdivision, and public works decisions.⁵

As previously noted, the City is amending the 2035 GP to ensure long-term planning objectives and policies align with the updated UGB and proposed SOI. According to the 2025 Draft GP amendment, the 2024 land use inventory indicates that 18.4 percent of the City’s acreage (77.05 acres) is vacant, allowing for various development opportunities. While, the developed acreage comprises 60.4 percent residential, one percent open space, 27 percent public facilities, two percent commercial, retail, and service, 8.2 percent mixed-use, and 1.5 percent industrial uses.⁶

RECENT ANNEXATIONS

Between 2015 and 2017, the City annexed six areas, totaling 53 acres, within the Urban Growth Boundary (UGB). In 2016, the City annexed the 13-acre Copperleaf residential subdivision. The remaining annexations involved non-residential land: a 32-acre parcel on the

⁵ San Juan Bautista 2035 General Plan November 1, 2015, p. 3.

⁶ San Juan Bautista 2035 General Plan, Draft Targeted General Plan Amendment. Updated September 2025.

southeastern edge of the City annexed in 2015 for industrial development; an approximately one-acre parcel on the west side of the City annexed in 2015; a two-acre and a three-acre parcel annexed in 2017 and 2015, respectively; and a two-acre parcel north of the City, also annexed in 2015.⁷

VACANT LAND AND UNDERUTILIZED LAND

The 2024 land use inventory identified 42 vacant parcels within City limits, totaling approximately 77.05 acres. Vacant parcels are prime development opportunities due to their location within existing city limits and the availability of essential infrastructure, including roads, municipal water, and sewer lines. Vacant parcels are spread throughout the City; however, most of the larger vacant parcels are located on the west and south sides.⁸

The 2024 land use inventory also identified parcels considered underutilized, totaling approximately 49.04 acres, including those with existing structures that may still be in productive use. These sites are considered underutilized relative to the property's development potential or the condition of the buildings. Underutilized parcels could include parcels with structures rated in "poor" condition, single-family lots with enough room for an accessory dwelling unit, or large lots with small structures.⁹ Currently, an estimated 32 acres of the total underutilized parcels are residential.

Figure 5-1 illustrates the development opportunities in the City of San Juan Bautista, according to the draft targeted infill update to the City's 2035 General Plan.

⁷ City of San Juan Bautista 6th Cycle Housing Element Draft, August 2023, p. 4-12.

⁸ San Juan Bautista 2035 General Plan November 1, 2015, p.51.

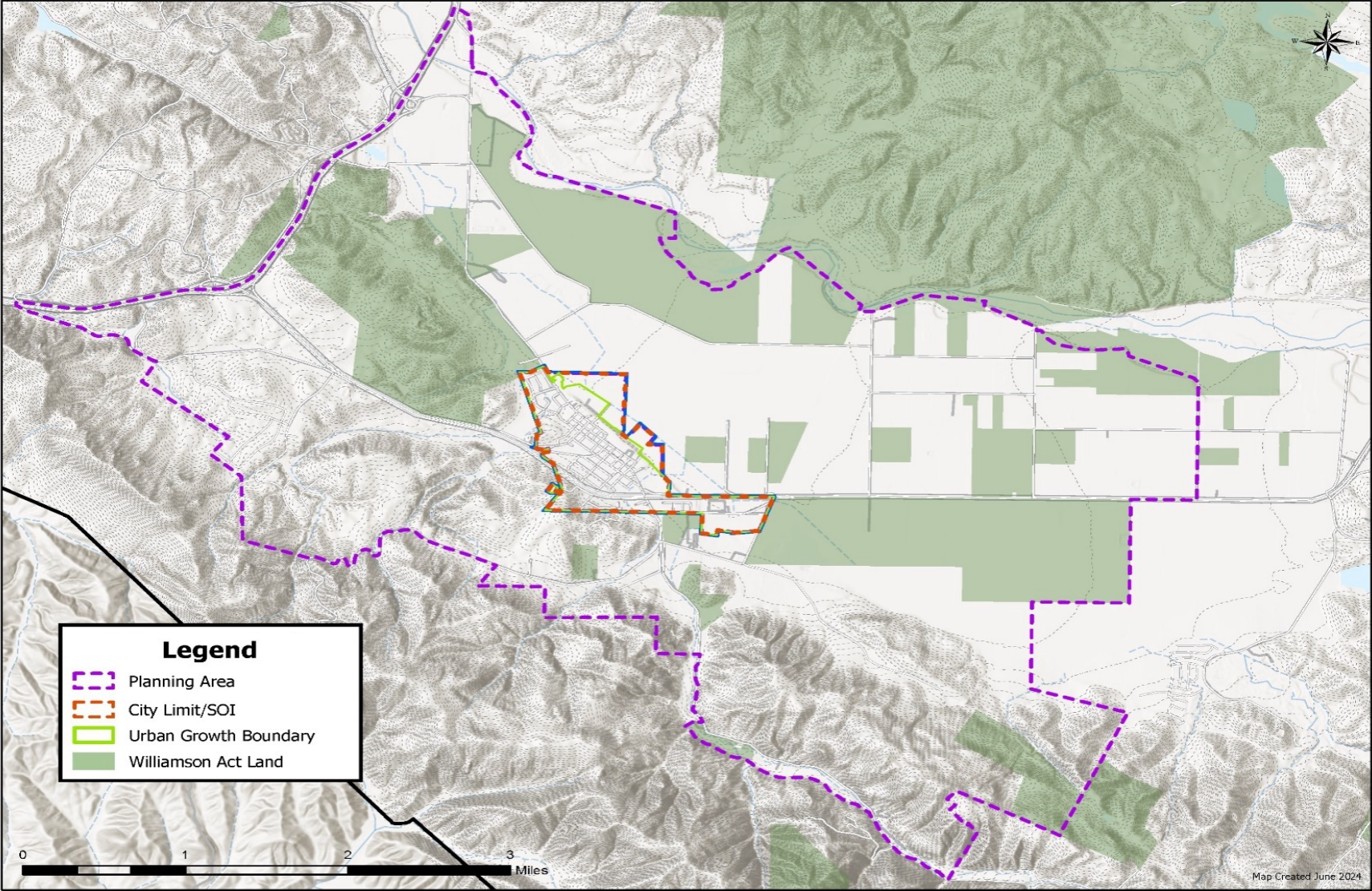
⁹ San Juan Bautista 2035 General Plan November 1, 2015, p.46.

WILLIAMSON ACT LAND

Under the Land Conservation Act (Williamson Act), farmers can enter into land conservation agreements with the County, allowing them to benefit from lower property taxes in exchange for maintaining their land in agricultural use. A Williamson Act Contract is binding for ten years and is automatically renewed yearly unless the farmer files a Notice of Non-Renewal. Following such notice, the land may not be converted to other uses for ten years, during which time property taxes are gradually increased to reflect the land's full market value. Ten years after filing a Notice of Non-Renewal, the land is free of contractual land use restrictions, and the farmer is ineligible for any further property tax benefits associated with the former Williamson Act contract.

In San Juan Bautista, there are no Williamson Act lands within the city limits. However, various lands within the planning area surrounding the City, particularly parcels in the southwest and southeast, are protected under the Williamson Act. Figure 5-2 shows all the agricultural lands near the City protected by the Williamson Act.

Figure 5-2: Agriculture Lands Protected By Williamson Act

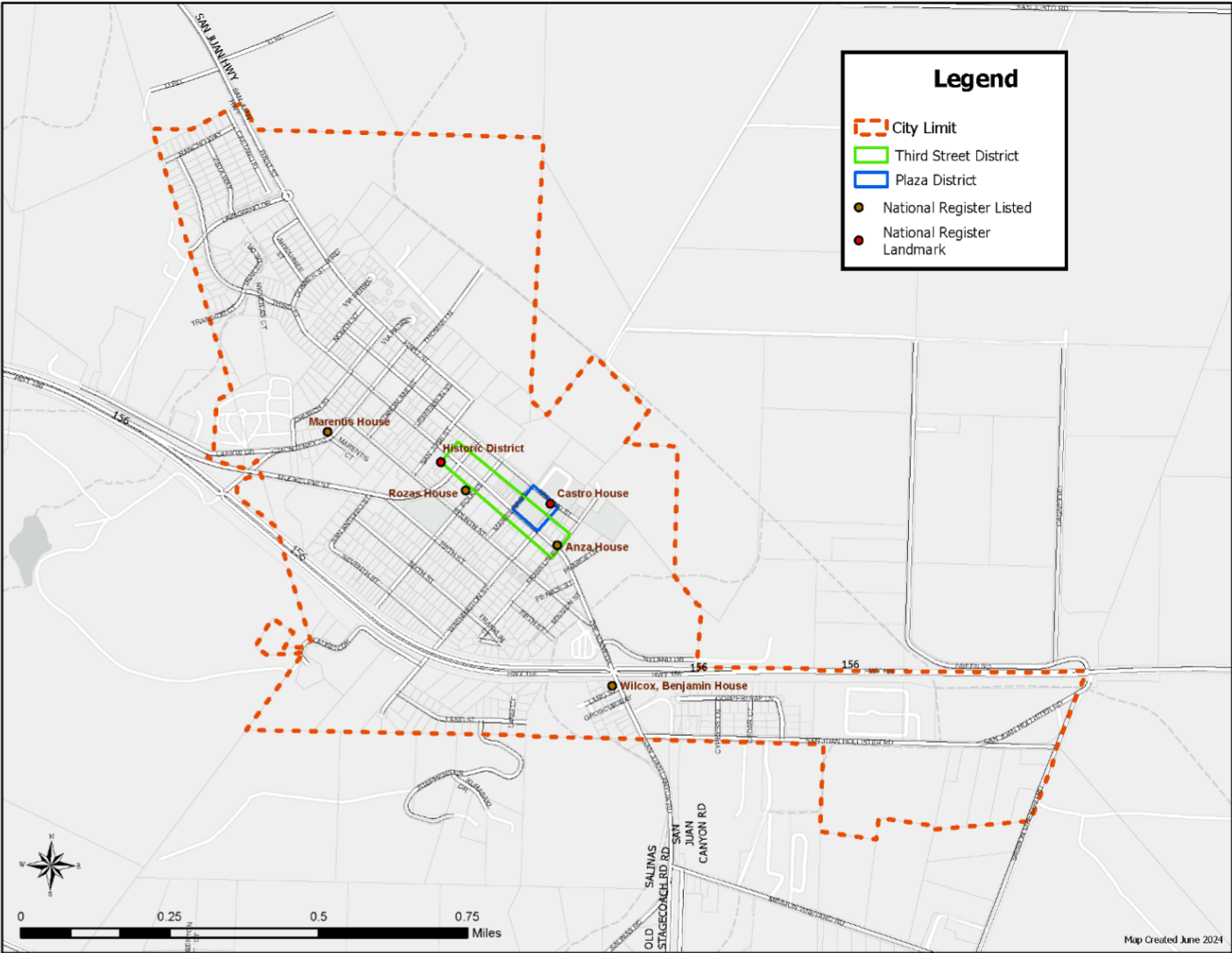


HISTORIC SITES

Properties in the City that are listed on the National Historic Register must be preserved in their existing condition, as federal regulations prohibit development that would alter or damage these designated historic resources. Historic sites within the City, as shown in Figure 5-3, include the San Juan Bautista State Historic Park on 2nd Street, as well as several buildings along Third Street in the Historic Downtown District and additional locations throughout the City.¹⁰

¹⁰ San Juan Bautista 2035 General Plan November 1, 2015, p. 51.

Figure 5-3: City of San Juan Bautista, Historical Sites



HOUSING ELEMENT

Unlike other General Plan elements, which typically cover a much longer planning horizon (10 to 20 years), Government Code § 65588 requires local agencies to update their Housing Element at least every eight years. These updates are aligned with the regional planning cycle established by the California Department of Housing and Community Development (HCD).

The Housing Element is essential for adequately planning to meet existing and projected housing needs for all income levels. At the beginning of each eight-year planning cycle, the Regional Housing Needs Allocation (RHNA) allocates a share of the region's housing need to each jurisdiction, including the City, based on current and anticipated growth. The Housing Element establishes the City's official housing policies and objectives and identifies candidate housing sites to accommodate the RHNA goals, as determined by the San Benito Council of Governments (SBCOG).¹¹

SBCOG's final plan for the 6th Cycle RHNA, covering the planning period from December 31, 2023, to December 31, 2031, was approved by the HCD on November 4, 2022. For the 6th Cycle, the City of San Juan Bautista has been allocated 88 housing units across specific affordability levels to accommodate the City's RHNA.¹²

The City's 6th cycle update to the Housing Element was completed in 2023. However, the City missed the 5th Cycle deadline, due on December 15, 2015, for the planning period spanning 2015 to 2023. To ensure compliance with the standard eight-year planning cycle, the City adopted two consecutive four-year Housing Elements¹³, as permitted by HCD, to align with the current standard cycle.

After submitting multiple drafts of the 6th Cycle Housing Element to HCD since 2023, the City's 6th Cycle Housing Element was certified by HCD in February 2026 following subsequent revisions addressing HCD comments.

¹¹ City of Hollister, 6th Cycle Housing Element. 2023-2031. p.1-2.

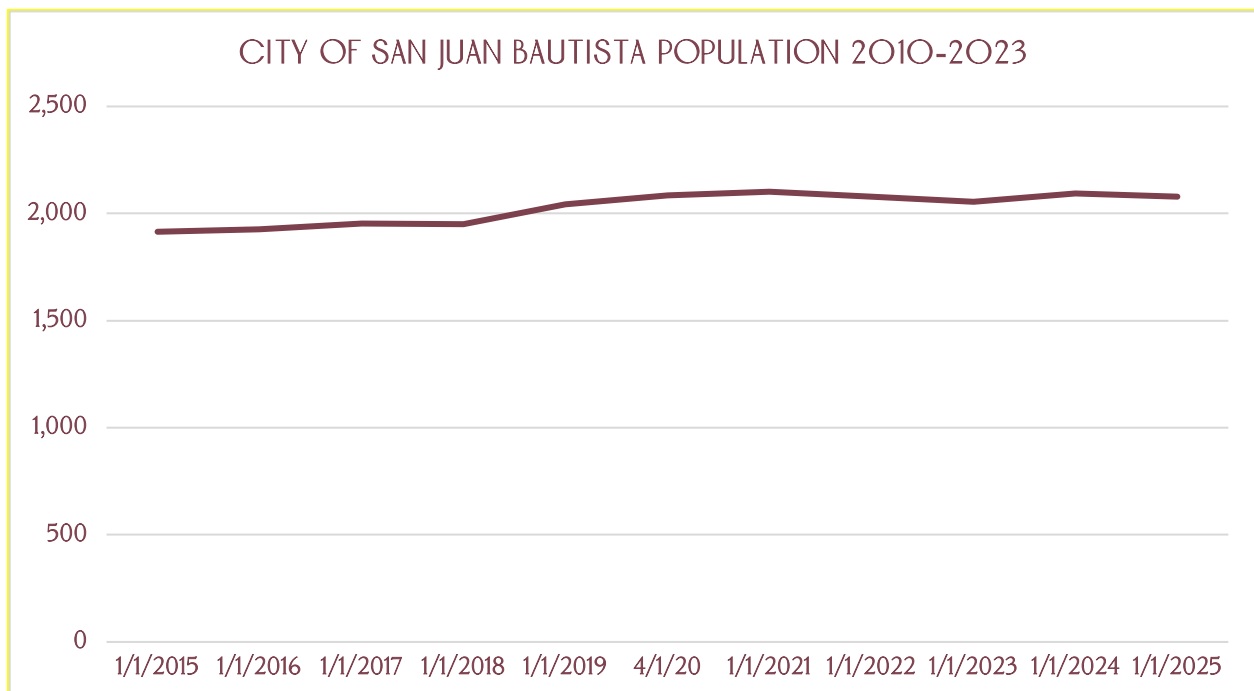
¹² San Benito County Regional Housing Needs Allocation Plan. October 2022. p.3.

¹³ 5th Cycle Housing Element Four-Year Update (2019-2023). 6th Cycle Housing Element 2023-2031.

CURRENT POPULATION

The City has experienced a cycle of "booms" and "busts," with the population dwindling in some decades and surging in others. According to the California Department of Finance (DOF), the City's estimated population as of 2025 is 2,078. This indicates a roughly nine percent increase and a 0.8 percent Average Annual Growth Rate (AAGR) since 2015, when the population was 1,915. The City's population trend over the last 10 years is shown in Figure 5-4.

Figure 5-4: City of San Juan Bautista Population Growth, 2010-2023



PROJECTED GROWTH AND DEVELOPMENT

According to the Department of Finance (DOF), countywide growth projections for San Benito County are expected to see an average annual growth rate (AAGR) of approximately 0.47 percent from 2020 (64,432) through 2060 (77,666). Utilizing the County's AAGR and SJB's 2025 population estimates of 2,078, the population within the City is anticipated to increase slightly to 2,448 by 2060.

DEVELOPMENT

The City of San Juan Bautista has the following planned and proposed development projects.

- A six-pump fueling service station with a canopy, a convenience store, and a non-restaurant lease space project with associated parking and landscaping area, initially proposed in 2016. The project site is an undeveloped 1.12-acre parcel located south of Highway 156 and east of Alameda. It was recently reapproved and is now seeking building permits; and
- The San Benito County Health Foundation proposed plans to develop vacant properties at 70 Muckelemi Street to build healthcare facilities and workforce housing. Additionally, the Developer has proposed plans to build eight approved single-family homes and townhomes behind these units. The applicant is currently preparing a revised project description for submission to the City.

GROWTH STRATEGIES

A major component of the Draft GP amendment is the introduction of a focused infill development strategy that reframes the previous preferred growth scenario by proposing that future growth be limited to undeveloped and underutilized areas within the City.

The UGB/SOI Ad Hoc Committee's recommendations and community feedback identified four areas for emphasis on walkability, downtown revitalization, affordable housing, and agricultural land protection:

- The North Street and Third Street Extension,
- The Muckelemi Street Corridor,
- The Historic Downtown and residential areas between Fourth Street and Sixth Street, and
- The residential areas south of State Route 156 and The Alameda.

These areas contain the largest concentrations of vacant and underutilized parcels and offer suitable locations for residential and mixed-use development. They also support the inward-focused growth strategy, as they are located entirely within city limits, where municipal infrastructure, such as roads, water, and sewer, is already in place to accommodate growth.

The Draft GP amendment also incorporates several updates across all relevant GP elements to support this development pattern. These updates include revised land use acreage allocations; increased allowable residential densities, particularly within Medium- and High-Density Residential and Mixed-Use designations; reorganization of commercial and light-industrial areas; expansion of mixed-use corridors along Muckelemi Street and the Historic

Downtown; and the repurposing of the wastewater treatment plant site for open space following the City's completion of the new wastewater pipeline system.

Overall, these updates ensure that all elements of the GP reinforce the City's infill development strategy and support the long-term goal of focusing growth within existing city limits, consistent with the proposed SOI.¹⁴

The infill-targeted update was presented to the UGB/SOI Ad Hoc Committee in March 2026, and additional comments were provided for revision. The revised draft is scheduled to be presented to the Ad Hoc Committee and the public in May 2026 for further review.

¹⁴ San Juan Bautista 2035 General Plan, Draft Targeted General Plan Amendment. Updated September 2025.

- Determination 5-1. According to the California Department of Finance (DOF), San Juan Bautista’s estimated population is 2,078. This indicates a roughly 9 percent increase and a 0.8 percent Average Annual Growth Rate (AAGR) since 2015, when the population was 1,915.
- Determination 5-2. Growth projections for San Benito County estimate an average annual growth rate (AAGR) of approximately 0.47 percent from 2020 (64,432) through 2060 (77,666). Utilizing the County’s AAGR and San Juan Bautista’s 2025 population estimates, the population within the City is anticipated to increase to approximately 2,448 by 2060.
- Determination 5-3. There are commercial and mixed use development projects that are planned or proposed within the City, including residential components that may contribute to increased population growth within the City.
- Determination 5-4. The Draft GP amendment introduces a focused infill strategy that directs all future growth to four areas within city limits — North Street/Third Street Extension, the Muckelemi Street Corridor, the Historic Downtown between Fourth and Sixth Streets, and the neighborhoods south of SR 156 and The Alameda. These areas identified to preferred areas to support future growth as they contain the largest clusters of vacant and underutilized parcels, with access to infrastructure, and support community priorities such as walkability, downtown revitalization, affordable housing, and agricultural land preservation.
- Determination 5-5. The GP amendment also updates land-use allocations, increases residential densities, expands mixed-use areas, reorganizes commercial and light-industrial districts, and converts the former wastewater plant site to open space, ensuring that all relevant GP elements are consistent with the City’s inward-focused growth strategy and coterminous SOI.
- Determination 5-6: Another key element of the GP is the Housing Element, which is essential for adequately planning to meet existing and projected housing needs for all income levels. Unlike other General Plan elements, California law requires cities to update their Housing Element every eight years to align with state-mandated housing goals.

Determination 5-7: The City submitted multiple drafts of the 6th Cycle Housing Element Update to the California Department of Housing and Community Development (HCD) since 2023. The Housing Element was certified by HCD in February 2026 after revisions addressing HCD comments.

6. DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. The intent and history of this requirement are outlined in the Background Section of this report.

A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.

According to Census Bureau data, the statewide Median Household Income (MHI) for 2019-2023 is \$96,334. Therefore, the calculated threshold of \$67,277 defines whether a community is disadvantaged. With a median income of \$108,750 as of 2023, the City of San Juan Bautista is not considered a disadvantaged community.¹⁵

However, the California Department of Water Resources (DWR) has created a mapping tool using US Census data (American Community Survey Five-Year Data, 2016-2020) to identify disadvantaged communities based on median household income. The tool overlays Census Place, Census Tract, and Census Block Group data, highlighting areas where the median household income is below 80 percent of the statewide median, per the Disadvantaged Community (DAC) criteria. Unlike LAFCO, DWR does not use voter registration thresholds to define communities.

The DWR tool indicates that most of the City, extending from the northern area along 1st Street through the central east along the Alameda, down to the southern part of the City along Old San Juan Hollister Road and San Juan Highway, is considered a disadvantaged community.

Additionally, portions of the City are exposed to environmental hazards, including flood, seismic, and nearby wildfire risks. The northeast area is subject to a one percent annual chance of flooding, while areas near the City's southwestern boundary are adjacent to moderate to high fire hazard zones. According to the City's 2023-2031 Housing Element, these conditions may disproportionately affect low-income households and renters with limited housing alternatives.¹⁶

¹⁵ San Juan Bautista, Wastewater Treatment Improvements Project, p.24.

¹⁶ San Juan Bautista, 2023-2031 Housing Element. Affirmatively Furthering Fair Housing Analysis (AFFHA). January 20, 2026.

Determination 6-1. The statewide Median Household Income (MHI) for 2017-2021, according to Census Bureau data, is estimated at \$84,097; hence, the calculated threshold of \$67,277 defines whether a community is identified as disadvantaged. Therefore, with a median income of \$108,750, the City of San Juan Bautista is not considered a disadvantaged community.

Determination 6-2. In contrast, the DWR mapping tool identifies disadvantaged communities (DACs) in large portions of the City, extending from the northern area along 1st Street through the central east along Alameda to the southern part of the City, along Old San Juan Hollister Road and San Juan Highway.

Determination 6-3. Additionally, portions of the City are exposed to flood, seismic, and nearby wildfire hazards, including a one percent annual flood risk in the northeast and moderate to high fire risk near the southwestern boundary. These conditions may disproportionately affect low-income households and renters with limited housing options.

7. FINANCIAL ABILITY TO PROVIDE SERVICES

The financial ability of agencies to provide services is affected by the availability of financing sources and constraints. This section covers the City's primary sources of funding, current revenue sources, and evaluates the City's financial capacity to deliver services. The City's financial summary for FY 23-24 can be seen in Figure 7-1.

The City reports the following major governmental funds:

- General Fund—The General Fund is the City's general operating fund and is used for all financial resources except those required legally or by sound financial management to be accounted for in another fund. Typically, the General Fund accounts for the City's traditional governmental services, such as police and fire protection, planning, and general administrative services. The three principal sources of General Fund Revenues are the City's share of Property Tax, Sales Tax, and Transit Occupancy Tax.

The City reports the following major enterprise funds:

- Water Fund—The Water Fund accounts for the operation and maintenance of the City's water treatment, transmission, and distribution systems.
- Sewer Fund— The Sewer Fund accounts for the operation and maintenance of the City's sewer system.

According to the City's proposed FY 25-26 budget, the key budget priorities for the fiscal year include:¹⁷

- Public Safety Contracts: The City contracts for fire and law enforcement services with the Hollister Fire Department and the San Benito County Sheriff's Department, respectively. The City identifies potential financial risks when these contracts are due for renewal, as significant cost increases may occur. Although the City can rebid contracts, there are limited options for public safety in the area.
- Revenue Generation: i) A potential sales tax measure for the November 2025 ballot is under study; ii) The City will evaluate impact and development fees in light of the

¹⁷ City of San Juan Bautista, Draft Digital Budget Book. Last Updated 06/02/25. p.15.

Sheetz v. El Dorado County Supreme Court decision, which mandates that such fees must meet the "nexus and proportionality" test; iii) Potentially pursuing film industry certification through the California Film Commission to promote local economic development and tourism.

- Capital Improvement Priorities: Over \$5.7 million in capital improvements are proposed for FY 2025–26, including street safety upgrades, utility infrastructure enhancements, stormwater planning, and Americans with Disabilities Act (ADA) compliant citywide facility improvements. These capital priorities support the City's ability to maintain existing service levels, address deferred maintenance, and accommodate infill development within existing city limits.

Figure 7-1: The City of San Juan Bautista Financial Summary FY 23-24

THE CITY OF SAN JUAN BAUTISTA FINANCIAL SUMMARY FY 23-24	
Governmental Funds	
Revenue	
Taxes	\$2,351,461
Intergovernmental	\$858,504
Charges for services	\$56,823
Licenses, permits and impact fees	\$74,459
Fines and forfeitures	\$195
Interest and rent	\$193,171
Other	\$13,998
Total revenue	\$3,548,611
Expenditure	
Current	
General government	\$970,716
Public works	\$594,117
Community development	\$1,016,064
Capital outlay	\$447,050
Total expenditure	\$4,229,427
Revenue over/ (under) expenditures	\$(680,816)
Other Financing Sources/ (Uses)	
Lease revenue	\$27,597
Operating transfers in/ (out)	-
Total other Financing Sources	\$27,597
Change in Fund Balance	\$(653,219)
Beginning Fund Balance	\$4,666,250
Ending Fund Balance	\$4,013,031
Enterprise Funds	
Operating Revenue	
Charges for services	\$3,029,710
Other fees	\$15,600
Total operating revenue	\$3,045,310
Operating Expense	

Contractual services and utilities	\$810,684
Personnel	\$458,024
Supplies, materials, and repairs	\$251,777
Depreciation expense	\$730,357
Total operating expense	\$2,250,842
Operating income/ (loss)	\$794,468
Nonoperating Revenue/ (Expense)	
Capital contributions	\$3,690,655
Interest expense	\$83,644
Interest expense	\$(427,997)
Total nonoperating revenue/ (expense)	\$3,346,302
Net income/ (loss) before transfers	\$4,140,770
Beginning of Year Net Position	\$5,001,533
End of Year Net Position	\$9,142,303
Changes in Net Position	\$5,001,533

BALANCED BUDGET

Recurring operating deficits are a warning sign of fiscal distress. In the short term, reserves can backfill deficits and maintain services. However, ongoing deficits eventually will deplete reserves. For FY 23-24, the City's governmental funds had total expenses (including capital outlay) that exceeded revenue (excluding other financing sources) by \$680,816, or approximately 19 percent. While the enterprise fund's total operating revenue exceeded operating expenses by \$794,468, or approximately 35 percent.

FUND BALANCES, RESERVES, AND LIQUIDITY

Fund balances and reserves should include funds for cash flow and liquidity in addition to funds to address longer-term needs. Cash reserves should be adequate to respond to system emergencies, temporary deficits, economic downturns, fiscal emergencies, and needed capital improvements.

In 2015, the City of San Juan Bautista adopted a reserve policy that provides guidelines for the City Council and staff to support responsible and prudent financial decision-making while maintaining minimum and targeted reserves. These reserves are established to ensure that sufficient resources are maintained in designated funds to manage reasonable risks, address unanticipated needs, capitalize on opportunities, and provide for contingencies.

The City maintains three fund reserves. The General Fund reserves aim to maintain a minimum unrestricted fund balance of 20 percent of the fund's operating expenditures, which equates to approximately 2.5 months of cash flow. This approach aligns with the Government Finance Officers Association's risk assessment methodology, ensuring preparedness for a range of financial challenges.

The City also maintains Water and Wastewater Enterprise Fund reserves, including an Emergency Operating Reserve, an Emergency Capital Reserve, and a Rate Stabilization Fund (RSF) for each enterprise fund. These funds are intended to be self-supporting, with all direct and indirect personnel costs, as well as depreciation costs, covered by their respective rates and/or grants, without subsidies from the General Fund.

NET POSITION

An agency's "Net Position" represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position indicates financial soundness over the long term.

Overall, the City's total assets, including deferred outflows (debt refunding) of \$36,932,526, exceeded total liabilities, including deferred inflows (lease revenue) of \$17,771,698, resulting in an ending net position of \$19,160,828.¹⁸

PENSIONS AND OPEB

On October 1, 1999, the City established a deferred compensation plan for its employees, allowing them to save for retirement. The plan meets the requirements of Internal Revenue Code Section 457. Under the plan, employees make tax-deferred contributions up to the limits established by the Internal Revenue Service. The contributions made to the plan may be withdrawn only upon retirement, separation from service, death, or unforeseen emergency.

¹⁸ City of San Juan Bautista, Notes to the Basic Financial Statements. Year Ended June 30, 2024. p.4.

Employees are 100 percent vested in their contributions from the first date of participation. The plan provides for varying matching contributions.

The City administers the plan. The participants are offered investment options and make their own investment decisions. The City has a fiduciary obligation to exercise due care when administering the plan. However, it is not responsible for the investments or performance results of the investment products offered under the plan. Therefore, the City is not required to report these funds on its financial statements.

LEASES

The City agreed to lease a cell tower from February 26, 2002, through February 25, 2036, with a starting monthly payment of \$1,413.87, increasing by three percent annually. Payment is due monthly at .9 percent interest. As of FY 23-24, the lease receivable balance was \$154,527. The City also recognized \$19,793 in lease revenue and related interest income.¹⁹

LONG-TERM DEBT

The City generally incurs long-term debt to finance capital projects or purchase assets. In January 2015, the City issued \$11,640,000 in Series 2015 Enterprise Revenue Bonds to refinance existing debt, fund water system improvements, and cover issuance costs. The bonds carry interest rates ranging from three to five percent, with semiannual payments through October 2043. Since the bonds are secured by the net revenues from the City's water and sewer systems, the City is also required to maintain net revenues at least 1.25 times the annual debt service.

As of FY 23-24, the City exceeds this requirement, maintaining a net revenue of 2.43 times the debt service. The outstanding principal is \$9.45 million, with debt service of \$661,988 for the fiscal year.²⁰

¹⁹ City of San Juan Bautista, Notes to the Basic Financial Statements. Year Ended June 30, 2024. p.24.

²⁰ City of San Juan Bautista, Notes to the Basic Financial Statements. Year Ended June 30, 2024. p.27.

- Determination 7-1. The City of San Juan Bautista's sources of revenue are the General Fund, funded by property, sale, and transit occupancy taxes, and its enterprise funds for water and sewer services.
- Determination 7-2. In FY 2023–24, the governmental funds, which include the general fund, report a 19 percent deficit with total expenses exceeding revenues by \$680,816. In contrast, enterprise funds had a 35 percent surplus with revenue exceeding expenses by \$794,468.
- Determination 7-3. The City's proposed FY 25–26 budget priorities include continued management of fire and law enforcement contracts, evaluating revenue measures such as a potential sales tax initiative and its impact, and allocating over \$5.7 million in capital projects.
- Determination 7-4. Overall, the City has the financial ability to continue providing adequate services.

8. WATER SERVICES

SERVICES OVERVIEW

The City provides water and sewer services to over 800 customers in an area covering approximately 0.7 square miles.

COLLABORATIONS

The City has a mutual aid interconnection with Mission Farms RV Park, which is utilized only in emergencies, such as when either system requires a backup supply due to pump failure, contamination, or system maintenance.

STAFF

The City's Public Works Department is responsible for maintaining and operating the municipal water distribution system. The Department's water operations staff consists of five members, including three operators contracted through All Clear Water Services.

PLANS AND REGULATORY REQUIREMENTS

Federal, state, and local agencies play regulatory roles in California's water management. Key regulators and regulatory provisions are discussed in more detail below.

REGULATORY AGENCIES AND KEY REGULATIONS

The Environmental Protection Agency (EPA) sets national drinking water quality standards and oversees the implementation of the Safe Drinking Water Act (SDWA). The SDWA establishes regulations to protect public drinking water supplies, including standards for contaminants, treatment techniques, and monitoring requirements.

Another key federal law that establishes the legal basis for water quality standards is the Clean Water Act (CWA). Enacted in 1972, the CWA regulates pollutant discharges into surface waters through permits, addresses nonpoint source pollution, protects wetlands, and mandates water quality monitoring and reporting.

Section 303(d) of the CWA requires the identification of water bodies that do not meet, or are not expected to meet, water quality standards (i.e., impaired water bodies). For each impaired water body, the EPA and state or regional boards must establish a Total Maximum Daily

Load (TMDL), which is the maximum amount of a pollutant that a water body can receive while still meeting water quality standards. The TMDLs require local agencies to monitor pollutant levels and develop remedial actions that will prevent contaminants from exceeding maximum allowable levels.

In California, the implementation of the SDWA is primarily overseen by the State Water Resources Control Board (SWRCB) and its Division of Drinking Water (DDW). The SWRCB is responsible for protecting water quality and ensuring compliance with state and federal drinking water standards.

The SWRCB also oversees the Safe Drinking Water Plan for California, which outlines statewide strategies to ensure the delivery of safe drinking water. The requirements for this plan are outlined in California Health & Safety Code Section 116355, which identifies the topics to be addressed and mandates periodic updates. The most recent plan was adopted in 2020, and it is currently updated to incorporate topics from previous plans, as well as new topics recently added and signed into law.

Notably, Assembly Bill 2501 (Chu), enacted in 2018 (Statutes of 2018, Chapter 871), amended Section 116355 to include a review of the use of administrators for disadvantaged communities' public water systems and an evaluation of the success of consolidating drinking water systems.

California's principal water quality law, the Porter-Cologne Act (1969), establishes the framework for regulating water quality in the state. This Act empowers SWRCB and the nine Regional Water Quality Control Boards (RWQCBs) to adopt water quality control plans, set water quality objectives, and issue permits for waste discharge.

Each RWQCB has jurisdiction over a major watershed region. Located in San Benito County, the City of San Juan Bautista falls under the jurisdiction of the Central Coast RWQCB. This regional board is responsible for protecting and managing water quality, developing and enforcing water quality objectives, and implementing plans to safeguard surface and groundwater resources within its jurisdiction.

The Central Coast RWQCB also plays a key role in implementing TMDLs and directing agencies to implement remediation strategies for impaired water bodies in its jurisdiction. According to the most recent integrated report, one water body in San Benito County is listed as impaired.²¹ Regulatory oversight of these impaired water bodies falls under the jurisdiction of the applicable RWQCB based on the watershed in which each water body is located.

²¹ State Water Resources Control Board (SWRCB). California 2024 Integrated Report (303(d) List/305(b) Report). https://www.waterboards.ca.gov/water_issues/programs/water_quality_assessment/2024-integrated-report.html.

Groundwater management within California is governed by the Sustainable Groundwater Management Act (SGMA). SGMA requires local Groundwater Sustainability Agencies (GSAs) to develop and implement Groundwater Sustainability Plans (GSPs) to address overdraft and ensure the long-term sustainability of groundwater.

San Benito County encompasses all or portions of 13 groundwater basins that are crucial sources for agricultural, municipal, and environmental uses. In 2019, the North San Benito Basin was formed by consolidating the Bolsa, Hollister, and San Juan Bautista Subbasins (part of the Gilroy-Hollister Basin) with the Tres Pinos Valley Basin.²² Spanning approximately 200 square miles, the Basin is predominantly located in San Benito County, with small areas extending into Santa Clara County.

EXISTING CONDITIONS AND FACILITIES

The City's sole source of water supply is groundwater from the North San Benito Basin, extracted through two active municipal wells (Well No. 1 and Well No. 5). The two active wells provide a total capacity of approximately 530 gallons per minute (GPM), with individual capacities of 200 GPM and 330 GPM, respectively.²³

The City's water system includes more than 10 miles of distribution pipelines, a 1.25 million-gallon (MG) storage tank, and a wellhead treatment system equipped with iron and manganese filtration and chlorination facilities. Treated water is stored in the City-owned tank and distributed throughout the City via the network of pipelines.²⁴

SERVICE DEMAND

The City of San Juan Bautista provides water service to 834 connections, including 780 residential accounts (701 single-family and 79 multi-family), 50 commercial accounts, and four landscape accounts. In 2024, the City's total annual water demand was approximately 78,754,045 gallons, with an average maximum daily demand of about 420,000 gallons.

²² North San Benito Subbasin Groundwater Sustainability Plan. November 2021.p. ES-1.

²³ City of San Juan Bautista, Request For Information. August 2025.

²⁴ City of San Juan Bautista, Request For Information. August 2025.

SERVICE STANDARDS AND ADEQUACY

DRINKING WATER QUALITY

Generally, several threats exist to drinking water, including improperly disposed chemicals, animal and human waste, pesticides, waste injected deep underground, and naturally occurring substances that can lead to contamination. Similarly, drinking water that is not properly treated or disinfected, or that travels through an improperly maintained distribution system, may pose a health risk.

Previously, the City received a mandatory warning due to high nitrate levels in its water system, which led to a moratorium on new connections beginning in October 2016. DDW determined that the City was unable to provide a reliable and adequate water supply if either of its two active wells were taken offline for an extended period, creating risks related to both water quality and quantity.

At the time, the two active wells were Well 1 and Well 2, with Well 3 serving as a standby source. Well 2 experienced periodic nitrate levels exceeding the maximum contaminant level (MCL), while Well 3 recorded nitrate levels twice the MCL. Although Well 1 provided acceptable water quality, it could not independently meet system demands for extended durations.

To address these concerns, the City inactivated Wells 2 and 3 and added Wells 5 and 6 to the system. The City also submitted technical documentation to DDW demonstrating that it can provide a reliable and adequate water supply as required by California Health and Safety Code Section 116555(a)(3), including pump test reports for all three sources, a source capacity study, and updated water quality monitoring results. Based on this information, DDW lifted the moratorium in December 2018.²⁵

Due to water-quality concerns, Well 6 has since been removed from service, leaving Wells 1 and 5 as the City's only active sources. Well 5 periodically reports elevated iron levels, and to maintain ongoing water-quality oversight, the City conducts daily field sampling for both iron and manganese.²⁶

In compliance with DDW monitoring requirements, the City also routinely conducts coliform sampling. The City reports collecting four coliform samples per month, exceeding the DDW

²⁵ State Water Resources Control Board, Division of Drinking Water. Cancellation of Service Connection Moratorium City of San Juan Bautista (System No. 3510002). December 21, 2018.

²⁶ City of San Juan Bautista, Request For Information. August 2025.

minimum requirement of two monthly samples based on San Juan Bautista's 2025 population estimate of 2,078 and 834 service connections.²⁷

Furthermore, the City prepares an Annual Drinking Water Quality Consumer Confidence Report to inform customers about the quality of water delivered by the San Juan Bautista Water System, including any contaminants detected during year-round quality testing.

Although the City has not experienced any significant water quality violations, the existing groundwater wells produce hard water, leading many residents to install domestic self-regenerating water softeners for local treatment.²⁸

INFRASTRUCTURE NEEDS AND DEFICIENCIES

In an effort to address ongoing water quality challenges, including reducing salinity in drinking water, ensuring compliance with EPA standards, and improving overall water reliability and system capacity, the City launched the Water Transmission Pipeline Project. The City entered into a Memorandum of Understanding (MOU) with the San Benito County Water District (SBCWD) to receive treated surface water from the West Hills Water Treatment Plant (WTP), which will be blended with the City's existing groundwater supply.²⁹

To facilitate this transition, the City is constructing a new 12-inch transmission pipeline from the West Hills WTP to the City's water system near the Well 6 treatment facility, aligning along Highway 156. Once completed, the City will transition to a blended water supply and expects to purchase approximately 65 percent of its annual water supply from SBCWD.³⁰

The Project is part of a broader regional effort to improve long-term water quality, supply reliability, and operational resilience through coordinated infrastructure investments among the San Benito Urban Areas (SBUA) agencies, which include the City of San Juan Bautista, the City of Hollister, San Benito County, San Benito County Water District, and Sunnyslope County Water District.

This transition will increase the City's costs of providing water service, as the City must: (i) construct the connection to SBCWD's West Hills WTP; (ii) pay SBCWD a "buy-in" cost for

²⁷ Title 22. Social Security Division, SBDDW-20-002. Revised Total Coliform Rule. May 2021. p.11.

²⁸ San Juan Bautista, Water Master Plan (2020) Final. November 2020.

²⁹ Memorandum of Understanding, San Juan Bautista Water Supply Plan. February 24, 2021.

³⁰ City of San Juan Bautista, City Council Report. Introduction and First Reading of an Ordinance Amending Section 3-5-155 of the San Juan Bautista Municipal Code and Increasing Water Rates. August 16, 2022.

treatment plant capacity; (iii) pay the City's share of the WTP's operations and maintenance costs; and (iv) purchase treated surface water from SBCWD.³¹

The associated construction cost is estimated at approximately \$10 million, to be financed by SBCWD, with the City repaying the amount over a 30-year period. Additionally, the City's share of SBCWD's operational expenses, projected at \$337,670 annually, will be passed directly through to customers.³²

In 2022, the City retained Bartle Wells & Associates to develop a water rate schedule that would fully fund anticipated operational and capital improvement costs while allocating those costs among customers in compliance with Article XIII D, Section 6 of the California Constitution (Proposition 218), which requires that each customer pays a rate that does not exceed the City's costs of providing service to that customer.

After completing the Proposition 218 process, which includes a rate study, public noticing, protest procedures, and a public hearing, the City Council adopted an ordinance in September 2022 approving the recommended water rate increases. The rate structure includes both a fixed monthly charge and a volumetric charge per 1,000 gallons of metered water use.

The adopted rate schedule consists of a five-year series of increases beginning November 1, 2022, with subsequent annual increases each July 1 through 2026. Under this structure, the base rate increases from \$55.76 in FY 21–22 to \$97.74 in FY 26–27, while the volumetric rate increases from \$5.95 to \$10.43 per 1,000 gallons during the same period.³³

The adopted rates assume no alternative funding; therefore, reductions may be possible if the City secures grants or low-interest financing. According to the Rate Study, the City could not qualify for loans or grants until it established a stable rate-supported revenue stream capable of funding ongoing operations, maintenance, and debt service following the transition to the blended water system.³⁴

Since adopting the new rate structure, the City has continued to actively pursue additional funding opportunities, including state and federal loans and grants. Recent efforts include entering into an agreement with MNS Engineers in May 2025 to prepare applications for a FEMA Hazard Mitigation Grant to support the project. The Project is currently in the design

³¹ City of San Juan Bautista, Notice of Public Hearing on Proposed Water Rates. Proposed Water Rate Increase. Hearing July 19, 2022.

³² City of San Juan Bautista, City Council Report. Introduction and First Reading of an Ordinance Amending Section 3-5-155 of the San Juan Bautista Municipal Code and Increasing Water Rates. August 16, 2022.

³³ City of San Juan Bautista, City Council Report. Introduction and First Reading of an Ordinance Amending Section 3-5-155 of the San Juan Bautista Municipal Code and Increasing Water Rates. August 16, 2022. Attachment A.

³⁴ City of San Juan Bautista, Notice of Public Hearing on Proposed Water Rates. Proposed Water Rate Increase. Hearing July 19, 2022.

phase, and the City has released a Request for Proposals (RFP) for design services for the new transmission pipeline.³⁵

EMERGENCY PREPAREDNESS

The City of San Juan Bautista’s emergency preparedness strategy for water-related risks is integrated into the 2023 SBUA Water Supply and Treatment Master Plan Update to ensure a reliable water supply during emergencies. These measures are supported by regional coordination through the SBUA water supply system, which enhances drought and emergency response capabilities through shared infrastructure and operational planning.

A key component of the City’s plan is the Water Transmission Pipeline Project, which reduces the City’s reliance on locally sourced groundwater that historically contains elevated levels of nitrate, hardness, and other minerals. Once the Project is completed, the City will also adopt water-shortage strategies similar to those utilized by the other SBUA agencies, as part of its contingency planning. These measures may include dynamically increasing groundwater use during emergencies, as well as monitoring water production and demand.

Additionally, to support these contingency operations, the City will implement a daily water production reporting mechanism to provide real-time visibility and enable supply adjustments during periods of shortage. Public outreach efforts will also be a key component of the plan, aiming to educate residents on water conservation, promote community readiness for water emergencies, raise awareness, and encourage active participation.

These combined measures—infrastructure, contingency planning, reporting, and public engagement—aim to enhance San Juan Bautista’s resilience to water-related emergencies, ensuring a sustainable and reliable water supply for its residents.³⁶

WATER PRESSURE

SWRCB, through its Division of Drinking Water, regulates the minimum system pressures required in water distribution systems. Under the Waterworks Standards, Chapter 16, Section 64602, last updated on April 10, 2017:

³⁵ City of San Juan Bautista, Request of Proposal for San Juan Bautista Water Transmission Pipeline Design Services. March 26, 2025.

³⁶ Final San Benito Urban Areas Water Supply and Treatment Master Plan Update. City of Hollister, City of San Juan Bautista, San Benito County, San Benito County Water District, and Sunnyslope County Water District. Approved: October 25, 2023.

- Each distribution system must be operated in a manner that ensures the minimum operating pressure in the water main at the user service line connection throughout the distribution system is not less than 20 pounds per square inch (psi) at all times;
- Each new distribution system that expands existing service connections by more than 20 percent, or that may otherwise adversely affect distribution system pressure, must be designed to maintain a minimum operating pressure of 40 psi, excluding fire flow.

Urban water systems must also maintain sufficient pressure to support fire protection. The National Fire Protection Association (NFPA) recommends a residual pressure of at least 20 psi at fire hydrants to ensure effective firefighting. Maintaining pressure at this level also helps prevent backflow, which could contaminate the public water supply.

Under normal operating conditions, the City of San Juan Bautista’s system maintains pressure between 65 and 75 psi, exceeding regulatory and operational standards.³⁷

Determination 8-1. The City of San Juan Bautista supplies water and sewer services to over 800 customers across approximately 0.7 square miles and maintains a mutual aid connection with Mission Farms RV Park, used only in emergencies to provide backup supply during pump failures, contamination, or system maintenance.

Determination 8-2. The City’s sole source of water supply is groundwater extracted through two active wells (Wells No. 1 and No. 5), with a combined capacity of 530 GPM. The system includes over 10 miles of distribution pipelines, a 1.25-million-gallon storage tank, and a wellhead treatment system with iron/manganese filtration and chlorination.

Determination 8-3. The City provides water service to 834 connections, including 780 residential accounts (701 single-family and 79 multi-family), 50 commercial accounts, and 4 landscape accounts. In 2024, the City’s total annual water demand was approximately 78,754,045 gallons, with an average maximum daily demand of about 420,000 gallons.

Determination 8-4. The City previously faced high nitrate levels in its wells, prompting the State’s Division of Drinking Water (DDW) to impose a moratorium on new connections in 2016. After deactivating contaminated wells and

³⁷ City of San Juan Bautista, Request For Information. August 2025.

adding new sources, DDW lifted the moratorium in 2018. As of 2025, only Wells 1 and 5 remain active, with Well 5 occasionally showing elevated iron levels. The City conducts daily water-quality testing, routine coliform sampling, and prepares an annual Consumer Confidence Report to illustrate system performance. No major water quality violations have occurred in recent years; however, the existing groundwater wells produce hard water.

Determination 8-5. To improve water quality, reliability, and capacity, the City has initiated a project to build a 12-inch transmission pipeline to receive treated surface water from SBCWD's West Hills Water Treatment Plan (WTP) and blend it with groundwater as an additional supply source. The project is currently in the design phase and the City continues to coordinate with SBCWD on implementation of this regional supply solution.

Determination 8-6. The City's most recent emergency preparedness strategy, included in the 2023 San Benito Urban Area Water Supply and Treatment Master Plan Update, focuses on improving supply reliability through the Water Transmission Pipeline Project. Once completed, the City will implement regional water shortage strategies, daily water production reporting, and public outreach to strengthen resilience and ensure a reliable water supply during emergencies.

Determination 8-7. The City's water system usually maintains a pressure of 65–75 psi to provide reliable service, support fire protection, and prevent water contamination.

9. PARKS AND RECREATION

OVERVIEW

The City of San Juan Bautista currently owns and maintains seven parks: Abbe Park (~1.94 acres), Copperleaf Park (~0.78 acres), La Placita Franklin (~0.08 acres), Luck Park (~0.95 acres), Mayor Jim West Memorial Park (~0.1 acre), Verutti Park (~0.45 acres), and Trailside Drive Picnic Tables and Trail (~0.34 acres). Additionally, a planned project along Lang Street is estimated to add approximately 3.05 acres of new parkland upon completion.

EXISTING CONDITIONS AND FACILITIES

FACILITIES

The City of San Juan Bautista offers a wide range of recreational amenities across its city-owned parks, including tables, benches, grills, and grassy areas for public use. Additional features vary by location: Verutti Park and Mayor Jim West Memorial Park include playgrounds, Abbe Park provides an enclosed baseball field, and Copperleaf Park offers a walking path.

Residents also have access to various recreational facilities throughout the City, including the San Juan Bautista Historic District Walking Trail, which offers a self-guided tour to explore local history, and the San Juan Bautista Ghost Walk, a guided tour of haunted sites held in October, with proceeds supporting the Rotary Club.

The City is also home to the Juan Bautista de Anza National Historic Trail, an unpaved trail spanning eight miles through the Gabilan Range, offering scenic views, geological features, wildlife, and spring wildflowers.

Additionally, San Juan Bautista residents also have access to the San Juan School Soccer Field and the San Juan School Pickleball Courts, which are open to the public during designated hours.

Furthermore, the San Juan Bautista State Historic Park occupies five blocks in the City's historic district and offers guided walking tours Tuesday through Sunday for groups of up to 25 people.

SERVICE DEMAND

San Juan Bautista's population growth reflects the demand for parks and recreation facilities. However, other factors, such as community preferences and climate, also affect demand. Population projections for the City of San Juan Bautista are discussed in Chapter 5.

SERVICE STANDARDS AND ADEQUACY

PLANS AND REGULATORY REQUIREMENTS

The National Recreation and Park Association (NRPA) is a nationally recognized authority on recreation planning and amenities. Historically, NRPA published park area and facility standards per 1,000 residents. In 2019, however, NRPA replaced these fixed standards with NRPA Park Metrics, a data-driven benchmarking tool available on the NRPA website. This tool allows agencies to compare their service levels with those of similar agencies based on factors such as population, budget, and other community characteristics, rather than relying on one-size-fits-all national standards.

NRPA also recommends that local municipalities establish their own park and recreation standards, noting that agencies are as diverse as the communities they serve. According to San Juan Bautista's 2035 GP, the City utilizes the County standard³⁸ of five acres per 1,000 residents.³⁹

PARK AREAS

As of 2025, the City of San Juan Bautista maintains 7.69 acres of parkland, including the undeveloped future Lang Street Park. Based on the City's current population of 2,078, this equates to 3.7 acres of parkland per 1,000 residents. To meet the City's GP standard of five acres per 1,000 residents, the City would need an additional 1.3 acres of parkland.

However, since this is a countywide standard, the City is recommended to use the updated NRPA Park Metrics to evaluate park service levels. This approach allows consideration of community-specific characteristics relevant to San Juan Bautista and provides a more accurate assessment of service adequacy without relying exclusively on a fixed parkland standard.

³⁸ 2035 San Benito County General Plan Update, 2015 Revised DEIR, p.18-16.

³⁹ San Juan Bautista 2035 General Plan, Open Space, November 1, 2015, p.151.

PLANNED IMPROVEMENTS

The FY 25-26 Capital Improvement Project (CIP) includes park-specific projects at Luck Park, focusing on both structural upgrades and preservation of its historical character. These projects align with the City's priorities of cultural preservation and accessible public space and will be funded through the City's Park Impact Fees and the Library Fund.

Additionally, the CIP includes an estimated \$150,000 upgrade to the baseball field lights at Abbe Park.⁴⁰

⁴⁰ City of San Juan Bautista. Capital Improvement Budget FY 25/26 Projects.

Determination 9-1. The City of San Juan Bautista currently owns and maintains seven parks: Abbe Park, Copperleaf Park, La Placita Franklin, Luck Park, Mayor Jim West Memorial Park, Verutti Park, Trailside Drive Picnic Tables and Trail.

Determination 9-2. The City offers a range of recreational amenities across its parks, including tables, benches, grills, and grassy areas, with playgrounds at Verutti Park and Mayor Jim West Memorial Park, an enclosed baseball field at Abbe Park, and a walking path at Copperleaf Park.

Additionally, Residents also have access to additional recreational opportunities such as the Historic District Walking Trail, the seasonal Ghost Walk, and the Juan Bautista de Anza National Historic Trail, as well as access to the San Juan School Soccer Field and Pickleball Courts.

Determination 9-3. As of 2025, the City owns a total of 7.69 acres of parkland including the undeveloped Lang Street Park, which equates to 3.7 acres per 1,000 residents based on the City's current population of 2,078.

Determination 9-4. The City's General Plan (GP) utilizes the San Benito County's standard of five acres per 1,000 residents. To meet this standard, the City would need an additional 1.3 acres of city-owned parkland.

Determination 9-5. It is recommended that the City utilize the National Recreation and Park Association's (NRPA) data-driven benchmarking tool, Park Metrics, available on the NRPA website, to assess current service levels with other similar agencies across the nation. This tool considers factors such as population, budget, and community characteristics, offering a more comprehensive comparison than relying solely on the parkland-per-resident benchmark.

Determination 9-6. Planned infrastructure improvement projects include park-specific upgrades at Luck Park, focusing on both structural upgrades and preservation of its historical character. These projects will be funded through the City's Park Impact Fees and the Library Fund. Additionally, an estimated \$150,000 upgrade to the baseball field lights at Abbe Park is scheduled for FY 25-26.

10. FIRE SERVICES

Since 2013, fire protection and medical response services for the City of San Juan Bautista have been coordinated through CalFire and the Hollister Fire Department, offering reliable emergency response and prevention.

The City owns the fire station at 24 Polk Street in San Juan Bautista and the primary fire apparatus. HFD staffs the facility 24/7 with on-site personnel, including Fire Captains, Fire Engineers, and Firefighters.

The existing contract was set to auto-renew; however, in June 2024, the City of Hollister issued a 270-day termination notice due to an inability to meet minimum staffing levels at the San Juan Bautista station. Without a new agreement, services would have ended in December 2025.

During the negotiation period, an interagency coordination between San Juan Bautista and San Benito County was initiated to conduct a feasibility study exploring a potential transition or restructuring of fire services, such as establishing a regional fire district. However, in April 2025, the County withdrew from the study.

All three governing bodies approved a new contract for Fire and Emergency Medical Services (EMS) in June 2025, extending through June 30, 2029.

An ongoing challenge with the City's existing contract is the potential for significant cost increases at renewal due to inflation and rising operational costs. Although rebidding remains an option, viable local alternatives for fire and EMS services are limited. To mitigate future negotiation challenges, it is recommended that the City proactively explore options, including conducting feasibility studies and evaluating alternative service models, prior to the expiration of the current contract.

Determination 10-1: Since 2013, San Juan Bautista has contracted with CalFire and the Hollister Fire Department (HFD) for fire and EMS services, with 24/7 staffing at the City-owned station on Polk Street.

Determination 10-2: In June 2024, Hollister issued a 270-day termination notice over staffing concerns, prompting a joint feasibility study with San Benito County to explore alternatives, including a regional fire district.

Determination 10-3: Ultimately, all parties agreed upon a new contract in June 2025, extending fire services by HFD through June 30, 2029.

Determination 10-4: The City faces potential cost increases when renewing its fire and EMS contract, with limited local alternatives available. To avoid future negotiation challenges, it is recommended that the City proactively explore other service options prior to the contract expiration in 2029.

11. LAW ENFORCEMENT

Law Enforcement services for the City of San Juan Bautista are provided through a contract with the San Benito County Sheriff's Office. The Sheriff's Office is responsible for a range of services, including public safety, crime prevention, and ensuring peace within the City through patrols, investigations, and community engagement.

All enforcement activities are coordinated through the Sheriff's office and the City's in-house Code and Community Safety Liaison staff. The City currently funds one sworn Sheriff's Deputy who provides 40 hours of weekly patrol coverage. According to the City's FY 25-26 budget, the City Manager has recommended reassessing the need for additional law enforcement personnel at mid-year, following a review of budget conditions, community feedback, and evolving safety needs.

As of 2023, the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting (UCR) Program reports a national average of 2.4 officers per 1,000 residents. With only one sworn officer on staff, the City falls below the national average and would need approximately four additional sworn officers to meet that benchmark.

However, overall, the City reports that service delivery by the County Sheriff's Office is adequate, based on the volume of service calls received and overall demand. In FY 24-25, the Sheriff's office received approximately 1,000 service calls from the San Juan Bautista service area, with 42 percent categorized as 911 calls and the remaining 58 percent as non-emergency calls. The assigned Deputy provides a monthly report to the City Council, summarizing significant incidents and reports handled during each period.⁴¹

The City's existing contract with the Sheriff's Office was last updated in 2017 and has not been revised since. If the City determines that specific improvements are necessary to enhance service levels, such as assigning additional sworn officers or addressing infrastructure needs, it is recommended that these updates be incorporated into the contract's terms and conditions.

⁴¹ City of San Juan Bautista, Request For Information. August 2025.

- Determination 11-1: Law enforcement services in the City of San Juan Bautista are currently provided through a contract with the San Benito County Sheriff's Office, which offers patrol, investigative, and community engagement services.
- Determination 11-2: The City funds one sworn deputy who provides 40 hours of weekly patrol coverage, supported by the City's in-house Code and Community Safety Liaison staff.
- Determination 11-3: According to the City, overall service delivery is adequate based on call volume and demand. However, staffing levels fall below the national benchmark of 2.4 sworn officers per 1,000 residents, suggesting a need for up to four additional officers.
- Determination 11-4: Additionally, the City's FY 25-26 budget indicates potential mid-year assessment of law enforcement staffing needs, based on budget conditions and community feedback.
- Determination 11-5: Given that the existing contract has not been updated since 2017, it is recommended that the City consider any necessary revisions to reflect current service expectations, including options to increase personnel, and address any infrastructure needs to ensure continued adequate service levels.

12. GOVERNANCE STRUCTURE OPTIONS

As discussed, the City relies on contractual arrangements for public safety services, and these contracts represent some of the City's most significant and least flexible expenditures.

Therefore, formalizing contract review practices and incorporating performance and cost benchmarking are recommended to reduce the risk of unexpected cost increases and ensure service delivery remains aligned with community service demand.

Another long-term option to address rising service delivery costs and fiscal pressures related to contract renewals, particularly for EMS and fire services, is to collaborate with neighboring agencies to establish a regional fire district. The City has previously considered establishing a regional fire district in coordination with the County, which also receives fire services through a contract agreement with the City of Hollister.

Service delivery under this structure would be overseen by a governing body representing the participating jurisdictions, with shared responsibility for funding, staffing, and long-term planning. A regional structure could offer greater long-term fiscal stability, enhanced collaboration across neighboring agencies, and improved capacity, thereby improving service reliability for participating agencies.

Establishing a regional service district would require significant intergovernmental coordination and formal agreements and may involve a partial relinquishment of local control over budgeting and service decisions for fire services. Additionally, this option may require upfront administrative or transitional costs and extended planning timelines; therefore, it is recommended that the City continue collaborating with the County to assess its feasibility before the current fire service agreement with the City of Hollister expires in 2029.

APPENDIX: SUMMARY OF DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

- According to the California Department of Finance (DOF), the estimated population of San Juan Bautista is 2,078. This indicates a roughly 9 percent increase and an Average Annual Growth Rate (AAGR) of 0.8 percent since 2015, when the population was 1,915.
- Growth projections for San Benito County estimate an average annual growth rate (AAGR) of approximately 0.47 percent from 2020 (64,432) through 2060 (77,666). Utilizing the County's AAGR and San Juan Bautista's 2025 population estimates, the population within the City is anticipated to increase to approximately 2,448 by 2060.
- There are commercial and mixed use development projects that are planned or proposed within the City, including residential components that may contribute to increased population growth within the City.
- The Draft GP amendment introduces a focused infill strategy that directs all future growth to four areas within city limits — North Street/Third Street Extension, the Muckelemi Street Corridor, the Historic Downtown between Fourth and Sixth Streets, and the neighborhoods south of SR 156 and The Alameda. These areas are identified as preferred areas to support future growth as they contain the largest clusters of vacant and underutilized parcels, with access to infrastructure, and support community priorities such as walkability, downtown revitalization, affordable housing, and agricultural land preservation.
- The GP amendment also updates land-use allocations, increases residential densities, expands mixed-use areas, reorganizes commercial and light-industrial districts, and converts the former wastewater plant site to open space, ensuring that all relevant GP elements are consistent with the City's inward-focused growth strategy and coterminous sphere of influence (SOI).
- Another key element of the GP is the Housing Element, which is essential for adequately planning to meet existing and projected housing needs for all income levels. Unlike other General Plan elements, California law requires cities to update their Housing Element every eight years to align with state-mandated housing goals.
- The City submitted multiple drafts of the 6th Cycle Housing Element Update to the California Department of Housing and Community Development (HCD) since 2023. The Housing Element was certified by HCD in February 2026 after revisions addressing HCD comments.

THE LOCATION AND CHARACTERISTICS OF DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AGENCY'S SOI

- The statewide Median Household Income (MHI) for 2017-2021, according to Census Bureau data, is estimated at \$84,097; hence, the calculated threshold of \$67,277 defines whether a community is identified as disadvantaged. Therefore, with a median income of \$108,750, the City of San Juan Bautista is not considered a disadvantaged community.
- In contrast, the DWR mapping tool identifies disadvantaged communities (DACs) in large portions of the City, extending from the northern area along 1st Street through the central east along Alameda to the southern part of the City, along Old San Juan Hollister Road and San Juan Highway.
- Additionally, portions of the City are exposed to flood, seismic, and nearby wildfire hazards, including a one percent annual flood risk in the northeast and moderate to high fire risk near the southwestern boundary. These conditions may disproportionately affect low-income households and renters with limited housing options.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

WATER SERVICES

- The City of San Juan Bautista supplies water and sewer services to over 800 customers across approximately 0.7 square miles and maintains a mutual aid connection with Mission Farms RV Park, used only in emergencies to provide backup supply during pump failures, contamination, or system maintenance.
- The City's sole water supply is groundwater extracted from two active wells (Wells No. 1 and No. 5), with a combined capacity of 530 GPM. The system includes over 10 miles of distribution pipelines, a 1.25-million-gallon storage tank, and a wellhead treatment system with iron/manganese filtration and chlorination.
- The City provides water service to 834 connections, including 780 residential accounts (701 single-family and 79 multi-family), 50 commercial accounts, and four landscape accounts. In 2024, the City's total annual water demand was approximately 78,754,045 gallons, with an average maximum daily demand of about 420,000 gallons.
- The City previously faced high nitrate levels in its wells, prompting the State's Division of Drinking Water (DDW) to impose a moratorium on new connections in

2016. After deactivating contaminated wells and adding new sources, DDW lifted the moratorium in 2018. As of 2025, only Wells 1 and 5 remain active, with Well 5 occasionally showing elevated iron levels. The City conducts daily water-quality testing, routine coliform sampling, and prepares an annual Consumer Confidence Report to illustrate system performance. No major water quality violations have occurred in recent years; however, the existing groundwater wells produce hard water.

- To improve water quality, reliability, and capacity, the City has initiated a project to construct a 12-inch transmission pipeline to receive treated surface water from SBCWD's West Hills Water Treatment Plant (WTP) and blend it with groundwater as an additional supply source. The project is currently in the design phase and the City continues to coordinate with SBCWD on implementation of this regional supply solution.
- The City's most recent emergency preparedness strategy, included in the 2023 San Benito Urban Area Water Supply and Treatment Master Plan Update, focuses on improving supply reliability through the Water Transmission Pipeline Project. Once completed, the City will implement regional water shortage strategies, daily water production reporting, and public outreach to strengthen resilience and ensure a reliable water supply during emergencies.
- The City's water system usually maintains a pressure of 65–75 psi to provide reliable service, support fire protection, and prevent water contamination.

PARKS AND RECREATION

- The City of San Juan Bautista currently owns and maintains seven parks: Abbe Park, Copperleaf Park, La Placita Franklin, Luck Park, Mayor Jim West Memorial Park, Verutti Park, Trailside Drive Picnic Tables, and Trail.
- The City offers a range of recreational amenities across its parks, including tables, benches, grills, and grassy areas, with playgrounds at Verutti Park and Mayor Jim West Memorial Park, an enclosed baseball field at Abbe Park, and a walking path at Copperleaf Park.
- Additionally, residents have access to recreational opportunities such as the Historic District Walking Trail, the seasonal Ghost Walk, and the Juan Bautista de Anza National Historic Trail, as well as the San Juan School Soccer Field and Pickleball Courts.
- As of 2025, the City owns 7.69 acres of parkland, including the undeveloped Lang Street Park, which equates to 3.7 acres per 1,000 residents based on the City's current population of 2,078.
- The City's General Plan (GP) utilizes San Benito County's standard of five acres per 1,000 residents. To meet this standard, the City would need an additional 1.3 acres of city-owned parkland.
- It is recommended that the City utilize the National Recreation and Park Association's (NRPA) data-driven benchmarking tool, Park Metrics, available on the

NRPA website, to assess current service levels and compare them with those of other similar agencies across the nation. This tool considers factors such as population, budget, and community characteristics, offering a more comprehensive comparison than relying solely on the parkland-per-resident benchmark.

- Planned infrastructure improvement projects include park-specific upgrades at Luck Park, focusing on both structural upgrades and preservation of its historical character. These projects will be funded through the City’s Park Impact Fees and the Library Fund. Additionally, an estimated \$150,000 upgrade to the baseball field lights at Abbe Park is scheduled for FY 25-26.

FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

- The City of San Juan Bautista’s sources of revenue are the General Fund, funded by property, sales, and transit occupancy taxes, and its enterprise funds for water and sewer services.
- In FY 2023–24, the governmental funds, including the general fund, report a 19 percent deficit, with total expenses exceeding revenues by \$680,816. In contrast, enterprise funds had a 35 percent surplus with revenue exceeding expenses by \$794,468.
- The City’s proposed FY 25–26 budget priorities include continued management of fire and law enforcement contracts, evaluating revenue measures such as a potential sales tax initiative and its impact, and allocating over \$5.7 million in capital projects.
- Overall, the City has the financial ability to continue providing adequate services.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

FIRE SERVICES

- Since 2013, San Juan Bautista has contracted with CalFire and the Hollister Fire Department (HFD) for fire and EMS services, with 24/7 staffing at the City-owned Polk Street station.
- In June 2024, Hollister issued a 270-day termination notice due to staffing concerns, prompting a joint feasibility study with San Benito County to explore other alternatives, including a regional fire district.
- Ultimately, all parties agreed upon a new contract in June 2025, extending HFD’s fire services through June 30, 2029.
- The City faces potential cost increases when renewing its fire and EMS contract, with limited local alternatives available. To avoid future negotiation challenges, it is

recommended that the City proactively explore other service options prior to the contract expiration in 2029.

LAW ENFORCEMENT

- Law enforcement services in the City of San Juan Bautista are currently provided through a contract with the San Benito County Sheriff's Office, which offers patrol, investigative, and community engagement services.
- The City funds one sworn deputy who provides 40 hours of weekly patrol coverage, supported by the City's in-house Code and Community Safety Liaison staff.
- According to the City, overall service delivery is adequate based on call volume and demand. However, staffing levels fall below the national benchmark of 2.4 sworn officers per 1,000 residents, suggesting a need for up to 4 additional officers.
- Additionally, the City's FY 25-26 budget indicates potential mid-year assessment of law enforcement staffing needs, based on budget conditions and community feedback.
- Given that the existing contract has not been updated since 2017, it is recommended that the City consider any necessary revisions to reflect current service expectations, including options to increase personnel, and address any infrastructure needs to ensure continued adequate service levels.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

- The City of San Juan Bautista engages residents through public meetings, its website, and various social media platforms.
- The City of San Juan Bautista largely complies with the requirements outlined in State laws related to the Brown Act, as well as best practices, to ensure easy access to significant planning documents and annual budgets.
- To enhance transparency, it is recommended that the City add Annual Compensation Reports and the State Controller's Office Financial Transaction Reports to the City's website.
- It is recommended that the City make up-to-date Ethics Training Certificates and completed Form 700s available on the City's website to ensure transparency and accountability.
- The City of San Juan Bautista demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.

ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

- In 2020, San Benito LAFCO notified the City of San Juan Bautista that the 2016 proposed Sphere of Influence (SOI) and Urban Growth Boundary (UGB), which are part of the 2035 General Plan (GP), had not been officially adopted. Therefore, the 1998 SOI remains in effect, creating a planning conflict with the 2035 GP land use and conservation policies.
- To address this, the City Council appointed an Ad Hoc Committee in August 2020 to evaluate options and resolve inconsistencies. After an extensive review and public engagement between 2021 and 2023, the Committee recommended a more restrictive SOI that aligns with the City limits and a UGB smaller than the City limits.
- The proposed smaller SOI supports the City's long-term planning for inward-focused growth to limit future development within city limits by promoting orderly growth, preserving agricultural lands, and focusing infrastructure investment within existing urban areas. These recommendations were adopted by the City Council via Resolution No. 2023-71 in November 2023.
- The resolution also initiated collaboration with San Benito County to define a Planning Area in the surrounding unincorporated land and develop a Memorandum of Understanding (MOU) to guide future development. The County adopted the MOU in May 2024, allowing the City the opportunity to support or oppose future development proposals in the Planning Area for the County's consideration in any final decision.
- The City is currently amending its 2035 GP to align with the proposed SOI, updated UGB, and Planning Area. Upon completion of this MSR, the City will apply to LAFCO to have the amended SOI adopted.