

***GLENN LOCAL AGENCY FORMATION
COMMISSION***

CITY OF WILLOWS

MUNICIPAL SERVICE REVIEW AND

SPHERE OF INFLUENCE

**Adopted August 11, 2014 by
Glenn LAFCO Resolution No. 2014-04**

AUGUST 2014

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1 INTRODUCTION

1.1 Local Agency Formation Commission (LAFCO) History

This report is prepared pursuant to legislation enacted in 2000 that requires LAFCO to conduct a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCO's jurisdiction. This chapter provides an overview of LAFCO's history, powers and responsibilities. It discusses the origins and legal requirements for preparation of the municipal services review (MSR). Finally, the chapter reviews the process for MSR review, MSR approval and SOI updates.

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs and public services. To accommodate this demand, many new local government agencies were formed, often with little forethought as to the ultimate governance structures in a given region, and existing agencies often competed for expansion areas. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion of California's agricultural and open-space lands.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963; resulting in the creation of a Local Agency Formation Commission, or "LAFCO," operating in every county.

LAFCO was formed as a countywide agency to discourage urban sprawl and to encourage the orderly formation and development of local government agencies. LAFCO is responsible for coordinating logical and timely changes in local governmental boundaries; including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure.

The Commission's efforts are focused on ensuring that services are provided efficiently and economically while agricultural and open-space lands are protected. To better inform itself and the community as it seeks to exercise its charge and to comply with the State Law; LAFCO conducts service reviews to evaluate the provision of municipal services within the County.

LAFCO regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individuals. 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, 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 special districts.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO review and update SOIs no less than every five years 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 accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

1.2 Municipal Services Review Requirements

Effective January 1, 2008, 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, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following six topics:

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities (DUC) within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies

1.3 Municipal Services Review Process

For local agencies, the MSR process involves the following steps:

- Outreach: LAFCO outreach and explanation of the project
- Data Discovery: provide documents and respond to LAFCO questions
- Map Review: review and comment on LAFCO draft map of the agency's boundary and sphere of influence
- Profile Review: internal review and comment on LAFCO draft profile of the agency
- Public Review Draft MSR: review and comment on LAFCO draft MSR
- LAFCO Hearing: attend and provide public comments on MSR

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCO's actions to adopt MSR determinations are not considered "projects" subject to CEQA. The MSR process does not require LAFCO to initiate changes of

organization based on service review findings, only that LAFCO identify potential government structure options.

However, LAFCO, other local agencies, and the public may subsequently use the MSR determinations to analyze prospective changes of 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 own 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).

Once LAFCO has adopted the MSR determinations, it must update the SOI for each jurisdiction. The LAFCO Commission determines and adopts the spheres of influence for each agency. A CEQA determination is made by LAFCO on a case-by-case basis for each sphere of influence action and each change of organization, once the proposed project characteristics are sufficiently identified to assess environmental impacts.

1.4 Sphere Of Influence Updates

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county.¹

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 efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or district unless it is within that agency's sphere. The purposes of the SOI include the following:

- to ensure the efficient provision of services
- to discourage urban sprawl and premature conversion of agricultural and open space lands
- to prevent 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 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.

¹ The initial statutory mandate, in 1971, imposed no deadline for completing sphere designations. When most LAFCOs failed to act, 1984 legislation required all LAFCOs to establish spheres of influence by 1985.

The Cortese-Knox-Hertzberg (CKH) Act requires to develop and determine the SOI of each local governmental agency within the county and to review and update the SOI 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.

While SOIs are required to be updated every five years, as necessary, this does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCO.

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCO is required to complete an MSR and adopt the nine determinations previously discussed. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

1. Present and planned land uses in the area, including agricultural and open-space lands
2. Present and probable need for public facilities and services in the area
3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide
4. Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency
5. The location and characteristics of any disadvantaged unincorporated communities (DUC) within or contiguous to the sphere of influence

The CKH Act stipulates several procedural requirements in updating SOIs. It requires that special districts file written statements on the class of services provided and that LAFCO clearly establish the location, nature and extent of services provided by special districts.

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

2 CITY OF WILLOWS AREA AND BACKGROUND INFORMATION

2.1 Willows Area

Willows (formerly, Willow) is the county seat of Glenn County. The City is also home to regional government offices, including the California Highway Patrol, California Department of Motor Vehicles, US Bureau of Reclamation and the main office of the Mendocino National Forest, which comprises about one million acres of Federal land located mostly in mountainous terrain west of Willows.

The City of Willows also includes the main office for the Glenn-Colusa Irrigation District (GCID), the largest irrigation district in the Sacramento Valley. The District boundaries cover approximately 175,000 acres in Glenn and Colusa counties; of which 153,000 acres are deeded property and 138,800 are irrigable. There are 1,076 landowners in the District and an additional 300 tenant water users. There are an additional 5,000 acres of private habitat land, and “winter water” is supplied by GCID to thousands of acres of rice land which then can provide valuable habitat for migrating waterfowl during the winter months.²

The Sacramento National Wildlife Refuge is located seven miles³ south of Willows, and consists of 10,819 acres of wetlands, with some grasslands and riparian habitats. “Visitor opportunities at Sacramento NWR include a Visitor Center, an auto tour, a year-round walking trail, a seasonal walking trail, a viewing platform, two photography blinds (by reservation), and hunting within the designated hunt area.”⁴

Thunderhill Raceway Park is located seven miles west of Interstate 5 and the City of Willows. “Thunderhill Raceway Park is available for almost any type of event or function. It can be rented for racing events, lapping day events, drifting events, go kart events, driving schools, ride and drive programs, corporate events, commercials, a movie location, trade shows, weddings, receptions, swap meets and similar events.”⁵

The Willows Glenn County Airport is located west of I-5, south of State Highway 162 and serves general aviation and agricultural aviation purposes.

The Willow post office opened in 1862; the name was changed to Willows in 1916.⁶ The current post office building, which was built in 1918, is listed on the National Register of Historic Places.

2.2 Willows Population Data

The City of Willows population was 6,166 at the 2010 Census, down from 6,220 at the 2000 Census. The 2010 US Census reported that in the City of Willows there were 2,173 households, out of which 839 (38.6%) had children under the age of 18 living in them,

² Glenn-Colusa Irrigation District, <http://www.gcid.net/GCIDBackground.html>, May 10, 2014.

³ US Fish and Wildlife Service, <http://www.fws.gov/refuge/Sacramento/about2.html>, May 19, 2014.

⁴ US Fish and Wildlife Service, http://www.fws.gov/refuge/Sacramento/visit/plan_your_visit.html, April 10, 2014.

⁵ Thunderhill Raceway Park <http://thunderhill.com/staticpages/index.php?page=trackrental>, April 10, 2014.

⁶ Durham, David L. (1998). *California's Geographic Names: A Gazetteer of Historic and Modern Names of the State*. Quill Driver Books. p. 336. ISBN 9781884995149.

538 households (24.8%) were made up of individuals and 228 (10.5%) had someone living alone who was 65 years of age or older. The average household size was 2.75. There were 1,497 families (68.9% of all households); the average family size was 3.28.

The City of Willows population was spread out in age as follows:

| CITY OF WILLOWS AGE DISTRIBUTION 2010 | | |
|---------------------------------------|--------------|-------|
| Under the age of 18 | 1,783 people | 28.9% |
| 18 to 24 | 614 people | 10.0% |
| 25 to 44 | 1,542 people | 25.0% |
| 45 to 64 | 1,445 people | 23.4% |
| 65 years of age or older | 782 people | 12.7% |

The median age was 32.6 years. For every 100 females there were 97.4 males. For every 100 females age 18 and over, there were 94.5 males.

There were 2,399 housing units, of which 1,148 (52.8%) were owner-occupied, and 1,025 (47.2%) were occupied by renters. The homeowner vacancy rate was 2.3%; the rental vacancy rate was 8.8%. There were 3,137 people (50.9% of the population) living in owner-occupied housing units and 2,839 people (46.0%) living in rental housing units.

2.3 Willows Schools

The Willows Unified School District serves 1750 students at the following schools:⁷

- Murdock Elementary School Grades K-5
- Willows Intermediate School Grades 6-8
- Willows High School Grades 9-12
- Willows Community School Grades 9-12

Walden Academy Charter School serves 180 students in grades K-8.⁸

The Glenn County Office of Education is located in Willows and serves all the school districts in Glenn County.

2.4 Medical Services

Glenn Medical Center is located in Willows and provides Emergency Room services and the following medical services:⁹

- | | |
|---------------------|----------------------------|
| Cardiology | Counseling |
| Dermatology | Dietitian |
| Family Care Clinic | Glenn Family Medical Group |
| General Surgery | Gynecology |
| Laboratory | Neurology |
| Ophthalmology | Orthopedics |
| Podiatry | Radiology |
| Rural Health Clinic | Sleep Center |

⁷ Willows Unified School District, <http://www.willowsunified.org/Schools/index.html>, April 3, 2014.

⁸ Walden Academy, <http://waldenacademy.org/>, April 3, 2014.

⁹ Glenn Medical Center, <http://www.glennmed.org/pages/ER.htm>, April 3, 2014.

3 CITY OF WILLOWS

The City of Willows was incorporated in 1886 and operates under a Council-Manager form of government and provides the following services: public safety, street, sanitation, culture-recreation, public improvements, planning and zoning and general administrative services.

3.1 City Vision

The City of Willows has the following Vision Statement:¹⁰

Where we celebrate our heritage of agriculture and outdoor recreation.

Where we foster economic growth and value innovation.

Where you will find all of this nestled in a safe and charming hometown environment.

3.2 City Contact Information

The Willows City Hall is located at 201 North Lassen Street, Willows CA 95988.

Phone: 530-934-7041

Website: www.cityofwillows.org

3.3 City Council

3.3.1 City Council Members

The Willows City Council has the following members:

Jeffrey T. Cobb, Mayor
Terry Taylor-Vodden, Vice-Mayor
Larry Domenighini, Council Member
Lawrence Mello, Council Member
Gary L. Hansen, Council Member

The City Council meets on the second and fourth Tuesdays of each month at 7:00 pm at the Council Chambers in the City Hall.

¹⁰ City of Willows, <http://www.cityofwillows.org/>, March 5, 2014.

3.3.2 City Council Budget

The Willows City Council Budget is shown below. All funds are from the General Fund.

| CITY OF WILLOWS CITY COUNCIL BUDGET 2013-14 ACCOUNT:10 ¹¹ | | | |
|--|---------------------|--------------------------------|------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4004.010 | Salaries | 8,235 | 8,100 |
| 301.4008.010 | FICA | 630 | 620 |
| 301.4009.010 | Workers Comp | 180 | 487 |
| 301.4030.010 | Special Dept. Exp.* | 1,100 | 1,100 |
| 301.4140.010 | Insurance** | 668 | 781 |
| 301.4150.010 | Travel/Meetings*** | 1,100 | 300 |
| 301.4160.010 | Dues**** | 4,550 | 4,550 |
| | TOTAL | 16,463 | 15,938 |

*Special Department Expense includes plaques, awards, and Council specific supplies.

**Insurance is for fire, theft and liability insurance.

***Travel, Conferences and Meetings may include the League of California Cities Annual Conference, Labor Relations meetings and the Economic Development Conference.

****Dues and Memberships includes the Northern Division of the League of California Cities.

3.4 City Administration

3.4.1 City Manager

The Administration Department¹² includes the City Manager and City Clerk Office. Duties are mainly related to overall city administration. The City Manager is Steve Holsinger. The City Council appoints the City Manager whose responsibilities include enforcement of the municipal codes and ordinances, preparation of the annual budget, as well as overall administration and coordination of city operations.

The City Clerk is Natalie Butler. The City Manager appoints the City Clerk, whose responsibilities include maintenance and guardianship of city records, along with the daily operation of city hall. City Clerk duties include the following:

- Attends all City Council meetings, takes and drafts the meeting minutes. Posts Public Notices.
- Maintains all official documents, administers oaths and affixes the City Seal to official documents.
- Maintains all official city records including minute books, ordinance books, official and legal documents, has responsibility for the safe keeping of all official city records and documents and the necessary recording of such documents with the County Clerk.
- Administers, supervises and coordinates the entire city election process.

¹¹ City of Willows, 2013-14 Adopted Budget, Page 2-2

¹² City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={3C224781-F260-4B28-AC73-8759051E378E}, March 14, 2014.

The Budget for the City Manager is shown below. All funds are from the General Fund.

| CITY OF WILLOWS CITY MANAGER BUDGET 2013-14 ACCOUNT:30¹³ | | | |
|--|--------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.030 | Salaries | 95,576 | 95,576 |
| 301.4006.030 | PERS* | 25,799 | 27,413 |
| 301.4007.030 | Health Insurance | 30,460 | 32,057 |
| 301.4008.030 | FICA | 8,069 | 7,679 |
| 301.4009.030 | Workers Comp. | 1,635 | 4,420 |
| 301.4014.030 | Life Insurance | 62 | 63 |
| 301.4030.030 | Special Dept. Ex.** | 250 | 500 |
| 301.4071.030 | Telephone | 3 | 25 |
| 301.4110.030 | Vehicle Allowance | 3,600 | 3,600 |
| 301.4120.030 | Professional Services*** | 3,750 | 4,000 |
| | TOTAL | 169,204 | 175,333 |

* Increases in PERS, Workers Compensation, Insurance and Health Insurance are the primary reasons for the increase in the Budget from 2012-13 to 2013-14.

**Special Department Expense includes personnel interview boards and advertising.

***Professional Services include the North State Employee Relations Consortium and Grant Preparation.

3.4.2 City Attorney

The City of Willows uses a local attorney on a part-time basis for the City Attorney. The budget for the City Attorney is shown below. All funds are from the General Fund.

| CITY OF WILLOWS CITY ATTORNEY BUDGET 2013-14 ACCOUNT:20¹⁴ | | | |
|---|------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4120.020 | Professional Services* | 27,000 | 15,000 |
| | TOTAL | 27,000 | 15,000 |

*The 2012-13 Budget for the City Attorney was originally \$12,000 but \$18,000 was transferred from the City Council Budget because the City Council decided not to put a sales tax measure on the November 2012 ballot and a large expense was anticipated for the City Attorney that year.

¹³ City of Willows, 2013-14 Adopted Budget, Page 2-6

¹⁴ City of Willows, 2013-14 Adopted Budget, Page 2-4

3.4.3 Finance Department

The Finance Department provides accounting, budgeting, payroll, personnel, and treasury/cash management services.¹⁵ The Finance Department also reviews applications for business licenses; processes new and renewal licenses; collects all appropriate fees for such licenses.¹⁶

The Finance Department includes the City Treasurer/Finance Director and the Finance Clerk.

The budget for the Finance Department is shown below. All funds are from the General Fund.

| CITY OF WILLOWS DEPARTMENT OF FINANCE BUDGET 2013-14 ACCOUNT: 50¹⁷ | | | |
|--|-------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.050 | Salaries | 98,956 | 100,169 |
| 301.4004.050 | Temp Wages | 2,500 | 2,500 |
| 301.4006.050 | PERS* | 27,106 | 28,624 |
| 301.4007.050 | Health Insurance | 12,385 | 15,630 |
| 301.4008.050 | FICA | 8,635 | 8,635 |
| 301.4009.050 | Workers Comp. | 1,895 | 5,118 |
| 301.4014.050 | Life Insurance | 126 | 126 |
| 301.4110.050 | Vehicle Allowance | 1,700 | 200 |
| 301.4115.050 | Equipment Maintenance** | 300 | 250 |
| 301.4130.050 | Contractual Services*** | 15,000 | 17,000 |
| | TOTAL | 168,603 | 178,252 |

*Personnel Costs including the step increase for staff position, PERS, Workers Compensation Insurance, and health insurance account for approximately \$8,000 of the increase from 2012-13 to 2013-14.

** Equipment Maintenance include typewriters, calculators, and miscellaneous equipment repair.

***Contract Services increased \$2,000 because additional audit services will be required associated with an upcoming road project.¹⁸ Contractual Services include the computer software maintenance contract, the annual financial audit and bank fees.

¹⁵ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={F38BC6BF-2A4F-41DE-A2C9-788FFA2CA4D8}, March 14, 2014.

¹⁶ City of Willows, Karen Mantele, Principal Planner, "MSR Comments for City of Willows, May 14, 2014.

¹⁷ City of Willows, 2013-14 Adopted Budget, Page 2-8

¹⁸ City of Willows, 2013-14 Adopted Budget, Page 2-7

3.4.4 General Office

The General Office Budget is shown below. All funds are from the General Fund. The Department includes one Administrative Secretary. The Budget was decreased by \$5,000 associated with election costs for City Council seats because 2013-14 is not an election year.

| CITY OF WILLOWS GENERAL OFFICE BUDGET 2013-14 ACCOUNT: 70¹⁹ | | | |
|---|---------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.070 | Salaries | 38,098 | 38,098 |
| 301.4006.070 | PERS* | 10,408 | 10,860 |
| 301.4007.070 | Health Insurance | 22,617 | 24,928 |
| 301.4008.070 | FICA | 2,914 | 2,914 |
| 301.4009.070 | Workers Comp. | 852 | 930 |
| 301.4013.070 | Unemployment | 0 | 600 |
| 301.4014.070 | Life Insurance | 62 | 62 |
| 301.4020.070 | Office Expense** | 4,500 | 5,000 |
| 301.4021.070 | Postage Expense | 2,500 | 3,000 |
| 301.4022.070 | Copier Supplies | 0 | 0 |
| 301.4060.070 | Advertising-Legal Notices | 1,000 | 1,500 |
| 301.4071.070 | Telephone | 5,000 | 5,000 |
| 301.4110.070 | Vehicle Allowance | 300 | 300 |
| 301.4115.070 | Equipment Maintenance*** | 4,800 | 4,800 |
| 301.4130.070 | Professional Services**** | 37,500 | 32,500 |
| 301.4140.070 | Insurance | 6,333 | 7,410 |
| | TOTAL | 136,884 | 139,275 |

*Personnel Cost (PERS, Workers Compensation Insurance, and health insurance, account for approximately \$5,000 of increase for 2013-14 Budget.

** Office supplies include Letterhead, forms, computer supplies, miscellaneous office supplies, record books and a scanner.

***Equipment Maintenance includes Electronic Office Equipment.

****Professional Services include the network maintenance contract and T-1 Network Internet Line Service.

¹⁹ City of Willows, 2013-14 Adopted Budget, Page 2-13

3.4.5 Community Activities

The Community Activities budget is shown below. All funds come from other sources than the General Fund.

| CITY OF WILLOWS COMMUNITY ACTIVITIES BUDGET 2013-14 ACCOUNT: 75²⁰ | | | |
|---|--------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 330.4030.075 | Special Department Exp.* | 4000 | 4000 |
| 330.5733.075 | LAFCO | 7448 | 7448 |
| 333.5734.075 | Economic Development** | 4000 | 10000 |
| 330.5735.075 | Tri-County Economic Dev. | 5000 | 5000 |
| 330.5760.075 | Community Promotion*** | 10000 | 10000 |
| | TOTAL | 30448 | 36448 |

*Special Department Expense includes rental unit upkeep of 139 and 145 N. Lassen Street houses.

** Economic Development includes grant writing and matching funds for grants.

*** Community Promotion includes the Chamber of Commerce (\$4,000), Volunteer Fire Department Contribution (\$1,000) and various community activities and projects (\$5,000).

3.5 Building and Planning

3.5.1 Planning

The contract planner for the City of Willows is Karen Mantele, Planning Consultant, Phone: 530 934 7041, e-mail: kmantele@cityofwillows.org. The Principal Planner also reviews application for business licenses; processes new and renewal licenses; collects all appropriate fees for such licenses.²¹

The members of the Planning Commission are as follows:

Keri Warren, Chair
Candis Woods, Vice-Chair
Shirley Benningfield, Commissioner
Huston Carlyle, Commissioner
Peggy White, Commissioner

There is no Minute Clerk at this time. The Planning Commission meets the first or third Wednesday (depending on projects to review) of each month at 7:00 pm at the City Council Chambers.²²

²⁰ City of Willows, 2013-14 Adopted Budget, Page 2-16

²¹ City of Willows, Karen Mantele, Principal Planner, "MSR Comments for City of Willows, May 14, 2014.

²² City of Willows, Karen Mantele, Principal Planner, "MSR Comments for City of Willows, May 14, 2014.

The Planning Budget for the City of Willows is shown below. All funds are from the General Fund.

| CITY OF WILLOWS PLANNING BUDGET 2013-14 ACCOUNT: 60²³ | | | |
|---|--------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4004.060 | Part-Time Wages* | 0 | 4500 |
| 301.4008.060 | FICA | 0 | 344 |
| 301.4009.060 | Workers Comp. | 0 | 239 |
| 301.4021.060 | Postage | 150 | 400 |
| 301.4030.060 | Special Dept. Expense** | 900 | 600 |
| 301.4060.060 | Advertising | 300 | 500 |
| 301.4120.060 | Professional Services*** | 29,000 | 28000 |
| 301.4150.060 | Travel & Meetings**** | 0 | 5000 |
| | TOTAL | 30,350 | 39,583 |

*The City Council added \$5,100 in personnel cost for a Minute Clerk for 2013-14.

**The Special Department Expense includes miscellaneous supplies and equipment, mapping and planning software.

***A portion of the Professional Services budget can be charged to developers.

****The City Council added \$5,000 for additional training of Planning Commissioners.

3.5.2 Building Department

The City Building Official is responsible for building inspection, permitting activities and Building Code Compliance Enforcement. The Building Official is Clay Dawley, with the following contact information: Phone: (530) 934-7041, Fax (530) 934-7402, E-Mail: cdawley@cityofwillows.org.

²³ City of Willows, 2013-14 Adopted Budget, Page 2-11

The budget for the Building Department is shown below. All funds are from the General Fund.

| CITY OF WILLOWS BUILDING DEPARTMENT BUDGET 2013-14 ACCOUNT: 90²⁴ | | | |
|--|--------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.090 | Salaries | 54,864 | 54,864 |
| 301.4006.090 | PERS | 15,037 | 15,688 |
| 301.4007.090 | Health Insurance | 5,772 | 5,772 |
| 301.4008.090 | FICA | 4,566 | 4,596 |
| 301.4009.090 | Workers Comp. | 793 | 2,145 |
| 301.4014.090 | Life Insurance | 62 | 62 |
| 301.4020.090 | Office Expense | 250 | 100 |
| 301.4021.090 | Postage Expense | 10 | 50 |
| 301.4030.090 | Special Dept. Exp.* | 1,000 | 3,000 |
| 301.4040.090 | Small Tools | 50 | 100 |
| 301.4050.090 | Clothing/Uniform | 430 | 430 |
| 301.4071.090 | Telephone | 800 | 700 |
| 301.4111.090 | Vehicle Maintenance | 400 | 300 |
| 301.4113.090 | Vehicle Maint. Gas | 500 | 1,000 |
| 301.4130.090 | Professional Services** | 3,000 | 4,500 |
| 301.4140.090 | Insurance | 1,435 | 1,679 |
| 301.4150.090 | Training and Travel*** | 250 | 800 |
| 301.4160.090 | Dues and Memberships**** | 250 | 250 |
| | TOTAL | 89,469 | 96,036 |

* Special Department Expense includes additional code books for new Building Codes, portable plan and map files, consumer publications and parcel software.

**Professional services include contract plan check services.

*** New Building Codes require additional training.

****Memberships include ICBO (International Conference of Building Officials), IAPMO (International Association of Plumbing and Mechanical Officials), CALBO (California Building Officials), and California Building Officials, Sacramento Valley.

3.6 Police Department

3.6.1 Police Department Contact Information

The Willows Police Department is supervised by Jason Dahl, Chief of Police. The Police Department is located at 201 North Lassen Street, Willows CA. Phone: 530-934-3456, Fax: 530-934-4964.

²⁴ City of Willows, 2013-14 Adopted Budget, Page 2-20

3.6.2 Police Department Mission Statement

The mission of the Willows Police Department is as follows:

*To enhance our relationship with our community by demonstrating honesty, integrity, and professionalism in every act thus ensuring the safety, serenity and quality of life of every individual.*²⁵

3.6.3 Police Department Statistics

Willows Police Department Statistics for 2013 are as follows:²⁶

| | | |
|---|--|----------------------------------|
| Calls for service answered: | 2763 | |
| Self-initiated law enforcement activities: | 1000 | Total Activities/Incidents: 3763 |
| Criminal Reports taken: | 2160 | |
| Noncriminal reports taken: | 603 | |
| Traffic reports taken: | 27 | |
| Subpoenas served | 349 | Total Reports: 3139 |
| Crimes against persons (example assault, battery) | | 54 |
| Crimes against property (example burglary, vandalism) | | 260 |
| Total stolen property losses | | \$157,126 |
| Total stolen property recovered | | \$26,822 |
| Total felony arrests: | 59 | |
| Total misdemeanor arrests | 120 | |
| Total traffic collisions | 46 (includes 1 fatal accident, 8 injury accidents) | |
| Total domestic violence calls | 80 | |

Officers worked over 97 hours at community events. There were 92 code enforcement cases opened. Officers worked 15,059 hours of shift work and 2,171 hours of overtime. Volunteers worked over 588 hours of volunteer time.

3.6.4 Police Department Staff and Equipment

The Willows Police Department has 9 sworn officers (including the Police Chief) and one administrative assistant. The Police Chief believes there is a need for one additional officer. The Department leases six vehicles from Glenn County and the City owns an additional four vehicles, two of which need immediate replacement, one is due for replacement within two years and one is adequate. All emergency calls are dispatched through the County Sheriff's Department.

The Police Chief noted that "The Police Department is in need of a larger office. The locker room/restroom is out of date and is shared by male and female officers. There is a dire need for more evidence space and more general office space."²⁷

²⁵ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={490D6E53-ECF9-400E-83CC-E42B855CDB9C}&DE={AD94558D-3D0A-4812-A9FD-DB031ABC1853}, March 14, 2014.

²⁶ City of Willows Police Department, 2013 Statistics, Jason Dahl, Chief of Police, February 7, 2014

²⁷ City of Willows Police Department, Jason Dahl, Chief of Police, May 7, 2014

3.6.5 Police Department Budget

The Police Department Budget is shown below.

| CITY OF WILLOWS POLICE DEPARTMENT BUDGET 2013-14 ACCOUNT: 100 ²⁸ | | | |
|---|-----------------------------------|--------------------------------|------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.100 | Salaries | 444,698 | 467,748 |
| 376.4001.100 | SLESF Salaries | 47,209 | 47,209 |
| 378.4001.100 | CHRP Grant Salaries | 15,623 | 27,657 |
| 301.4002.100 | Overtime | 91,815 | 40,775 |
| 376.4002.100 | Overtime-SLESF | - | 2,154 |
| 387.4002.100 | Overtime-Avoid The 5 | 1,996 | 5,000 |
| 389.4002.100 | Overtime AB109 | 9,991 | 9,991 |
| 301.4004.100 | Part-time/Reserves | 1,000 | 4,000 |
| 301.4005.100 | Holiday Pay | 30,429 | 26,673 |
| 301.4006.100 | PERS | 181,746 | 195,324 |
| 376.4006.100 | PERS-SLESF | 25,146 | 19,886 |
| 378.4006.100 | PERS-CHRP | 7,104 | 3,702 |
| 301.4007.100 | Health Insurance | 144,205 | 161,483 |
| 376.4007.100 | Health Insurance-SLESF | 22,617 | 22,617 |
| 378.4007.100 | Health Insurance-CHRP | 8,699 | 24,928 |
| 301.4008.100 | FICA | 35,983 | 41,690 |
| 376.4008.100 | FICA-SLESF | 3,611 | 3,600 |
| 378.4008.100 | FICA-CHRP | 1,195 | 2,116 |
| 387.4008.100 | FICA-Avoid The 5 | 765 | 383 |
| 389.4002.100 | Overtime AB109 | 764 | 764 |
| 301.4009.100 | Workers Compensation | 10,289 | 30,204 |
| 378.4009.100 | Workers Comp.-CHRP | 1,484 | 2,627 |
| 301.4013.100 | Unemployment | - | 2,000 |
| 301.4014.100 | Life Insurance | 493 | 567 |
| 376.4014.100 | Life Insurance-SLESF | 63 | 63 |
| 378.4014.100 | Life Insurance-CHRP | 63 | - |
| 301.4020.100 | Office Expense | 4,000 | 3,700 |
| 301.4021.100 | Postage | 500 | 500 |
| 301.4030.100 | Special Depart. Exp. | 4,000 | 5,500 |
| 334.4030.100 | Special Depart. Exp. | 316 | - |
| 376.4030.100 | SLESF Spec. Dept. Exp. | 1,354 | 3,600 |
| 301.4050.100 | Uniform Expense | 9,384 | 10,674 |
| 376.4050.100 | Uniform Exp.-SLESF | 860 | 860 |
| 395.4050.100 | Uniform Exp.-OJP Bulletproof Vest | 2,934 | 2,934 |
| 301.4071.100 | Telephone | 5,000 | 5,000 |
| 301.4115.100 | Equip. Maintenance | 5,000 | 5,000 |
| 301.4120.100 | Professional Services | 29,100 | 4,000 |
| 301.4130.100 | Contractual Services | 9,000 | 9,000 |
| 301.4131.100 | Contractual Ser. Animal Ctrl. | 52,500 | 52,500 |
| 301.4132.100 | Contractual Ser. Vehicles | 50,000 | 62,000 |
| 301.4133.100 | Contractual Ser. Dispatch | 88,375 | 88,375 |
| 301.4140.100 | Insurance | 11,688 | 13,740 |
| 301.4150.100 | Training and Travel | 2,000 | 2,000 |
| 301.4160.100 | Dues and Memberships | 445 | 500 |
| 301.4835.100 | Booking Fees | - | 6,500 |
| POLICE | TOTAL | 1,363,445 | 1,419,555 |

²⁸ City of Willows, 2013-14 Adopted Budget, Page 2-23

The Police Department Budget for 2013-14 includes \$1,239,453 from the General Fund and \$180,102 from other funds.²⁹ Although the personnel count for 2013-14 is one position lower than for 2012-13, the cost savings is somewhat offset by the increases in personnel costs (Health Insurance, Workers Compensation Insurance).³⁰

In the Police Department Budget, the Special Department Expense category includes photo supplies and processing, report forms and citations, evidence supplies, special investigations, publications and chemical tests. The uniform allowance is \$860 per year for all officers. The uniform expense category includes foul weather gear and ballistic vests (match to the vest program). Equipment maintenance includes patrol vehicle decals, push bumpers, miscellaneous Taser and radio battery replacement.

The Police Department Contractual Services include maintenance for radios, fax machine, copier machine, computer software and computer hardware.³¹

CHRP (Cops Hiring Recovery Program) is a competitive grant program under the US Department of Justice that provides funding directly to law enforcement agencies having primary law enforcement authority to create and preserve jobs and to increase their community policing capacity and crime-prevention efforts. There is no local match requirement for CHRP, but grant funding is based on current entry-level salary and benefits packages and therefore any additional costs for higher salaries or benefits for particular individuals hired are the responsibility of the grantee agency.³²

The Police Department sponsors an Explorer Post under the Boy Scouts of America for high school students interested in a career in law enforcement and community service.³³ The Police Department also has a Volunteers in Police Service (VIPS) program described as follows:³⁴

The primary mission of the Volunteers in Police Service (VIPS) program is to provide volunteer support staff to aid police personnel in the delivery of services to the citizens of Willows. VIPS representatives supplement existing departmental services, freeing paid employees to perform their necessary duties. VIPS representatives are placed in areas which utilize their skills, talents and interests, while offering a challenging and rewarding experience. Most importantly, VIPS representatives build community relations by giving the public the opportunity to become involved in the day to day activities of their police department. The Willows Police Department earnestly believes that volunteer resources can make many of the most important contributions in police work today and supports the Volunteers in Police Service program.

²⁹ City of Willows, 2013-14 Adopted Budget, Page 2-23

³⁰ City of Willows, 2013-14 Adopted Budget, Page 2-22

³¹ City of Willows, 2013-14 Adopted Budget, Page 2-24

³² US Department of Justice, <http://www.cops.usdoj.gov/default.asp?Item=2108>, April 13, 2014.

³³ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={E75E4CC7-7EB5-44A8-AAE9-DA56FF33B01D}, April 13, 2014.

³⁴ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={50F7DD02-37FC-48C7-A413-4A74B7C9BC82}, April 13, 2014.

3.7 City of Willows Fire Department

3.7.1 Fire Department Contact Information

Contact information for the Willows Fire Department is as follows:

Wayne Peabody, Fire Chief, 445 South Butte St, Willows Ca 95988
PH- (530) 934-3322, Fax-(530)934-5969, Cell-(530)624-0384

3.7.2 Fire Department Mission Statement

The Mission Statement for the Willows Fire Department is as follows:

Through professionalism, dedication, integrity and training the Willows Fire Department works to safeguard the lives and property and to enhance the quality of life for the citizens of The City of Willows and Willows Rural Fire Protection District. This will be accomplished by providing a vast range of emergency services, strong public relations and fire safety education. We also endeavor to protect and preserve the health of our membership and return our personnel safely to their families.³⁵

3.7.3 Fire Department Staff

The Willows Fire Department paid staff includes one chief, one captain and three engineer/firefighters. The ISO rating for the Fire Department was established in 2009 and is a 3 (1 is the best, ten is the worst) which is good for a small city. The Fire Department handles all fire calls for the City and provides fire dispatch for Willows Rural, Elk Creek, Artois, Kanawha, Bayliss, Glenn-Codora, Butte City, and Ord fire protection districts. There is a need for a unified dispatch system for all the fire protection districts in the County and law enforcement so that there would be someone available to answer calls when the fire fighters are out of the station on an emergency.³⁶

The website notes the following:

Although we have paid firefighters manning the firehouse 24 hours a day, the need for volunteers is absolutely essential. The volunteers play a vital role in fully completing the Willows Fire Department. The manpower required in everyday emergency calls, can well exceed the paid staff's capabilities, thus requiring the need for volunteers.

Depending upon jurisdiction, the volunteer fire fighters as a group are a separate organization within the Willows Fire Department and work for either the City of Willows or the Willows Rural FPD. The volunteers are governed by their own Board of Directors and have their own by-laws. When working at an incident, they receive orders from Chief 1 or Chief 10. The City of Willows and the Willows Rural FPD share the cost 50/50 to outfit the volunteers with safety gear.

³⁵ City of Willows, <http://www.cityofwillows.org/index.asp?Type=NONE&SEC={67B3831F-CE74-495F-BBC4-3EEA9E83DA73}>, March 14, 2014.

³⁶ City of Willows, Wayne Peabody, Fire Chief, May 19, 2014.

There are 30 volunteers³⁷ including trained EMT's and First Responders. The training meetings are held at the Willows Fire Station on the first and second Tuesdays of each month. The Willows Rural FPD pays 25% of the workman's compensation insurance cost for the volunteers.

The Willows Rural FPD and the City of Willows have developed a specially trained group for confined space rescue. It is the plan for various other departments to develop different specialties so the departments can assist each other as needed. The City of Willows also organizes the Arson Task Force which includes law enforcement as well as fire protection personnel.³⁸

The Willows Fire Department also provides intern positions for college students and sponsors Willows Fire Explorer Post 680 association with Boy Scouts of America.³⁹

3.7.4 Fire Department Equipment⁴⁰

The Willows Fire Department has the following equipment:⁴¹

| | |
|-----------|--------------------|
| Engine 2 | 1996 Type 1 |
| Engine 3 | 1985 Type 1 |
| Truck 4 | 2006 Type 1 Ladder |
| Utility 7 | 2001 Chevrolet |

All equipment is maintained in good repair and is expected to last for thirty years.

The following equipment is owned by the Willows Rural Fire Protection District:

| | |
|-----------------|---------------------------------|
| Engine 12 | Engine 14 |
| Engine 16 | OES Engine 370* |
| Water Tender 15 | Squad 19 with light/air trailer |

**The Office of Emergency Services has a contract with the Willows Rural Fire District, for an OES Type I Engine. The engine is housed at the Willows Fire Department and is used on larger, usually wildfire related incidents throughout the state of California. Members of the Willows fire department, paid and volunteer, staff the engine when it is needed for these incidents. The engine is staffed with a captain, engineer, and two firefighters. Incidents can last for several days to several weeks. Members are to pack and be ready to be away from their home and families for at least a 14 day period. The engine is placed on a strike team (with 4 other engines of the same type), and then sent to an incident, where they are to check into a base camp and get their orders for the incident. Assignments can range from; structure protection, initial attack, constructing a fireline, mopping up and other assigned duties as needed.⁴²*

³⁷ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={F31C1CED-E361-4816-A860-076BC98135D1}, April 12, 2014.

³⁸ City of Willows, Fire Chief Wayne Peabody, Phone 934-3322, August 18, 2010.

³⁹ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={4B885C60-5685-4EF0-964D-407B8EF77493}, April 12, 2014.

⁴⁰ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={F7223CA5-A495-4513-A858-7A849FB307B3}, April 12, 2014.

⁴¹ City of Willows, Wayne Peabody, Fire Chief, May 19, 2014.

⁴² City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={66D7841D-07F9-417A-9C0C-7D2AFAFF631B}, April 12, 2014.

The fire station is adequate but would not be sufficient if additional paid fire fighters were added to the staff.⁴³

3.7.5 Fire Department Calls

The table below shows the number of fire calls for 2013. As is typical of most fire departments the largest number of calls are medical calls, 53%.

| Willows Fire Department Cumulative Report for 2013⁴⁴ | |
|--|------------|
| Type | Number |
| Structure | 18 |
| Grass/Wildlands | 4 |
| Vehicle Fire | 4 |
| Rescue /Extrication | 14 |
| Medical Aid | 438 |
| Haz-Mat/Flammable Liquid | 7 |
| Illegal Burns | 14 |
| Power Lines Down | 5 |
| Smoke Investigation | 5 |
| Washdown | 0 |
| Public Service Call | 87 |
| False Alarm | 54 |
| Mutual Aid | 1 |
| Automatic Aid | 171 |
| Rubbish | 0 |
| Other (Arson Team) | 6 |
| Total | 828 |
| Miscellaneous Dispatches | 339 |

3.7.6 Fire Department Budget

The City of Willows Fire Department budget is shown below. The budget is increased from 2012-2013 due to increased personnel costs including PERS, Health Insurance and Workers Compensation Insurance. Building Maintenance requested an increase of \$4,000 to paint the fire station and there was a special Department Expense of \$1,000 for updated code books.⁴⁵

⁴³ City of Willows, Wayne Peabody, Fire Chief, May 19, 2014.

⁴⁴ City of Willows, Fire Chief Wayne Peabody, Phone 934-3322, March 2014.

⁴⁵ City of Willows, 2013-14 Adopted Budget, Page 2-50

| CITY OF WILLOWS FIRE DEPARTMENT BUDGET 2013-14 ACCOUNT: 150⁴⁶ | | | |
|---|--------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.150 | Salaries | 272,940 | 273,840 |
| 301.4002.150 | Overtime | 28,000 | 21,425 |
| 301.4004.150 | Temp Wages | 2,500 | 5,000 |
| 301.4005.150 | Holiday Pay | 6,591 | 6,623 |
| 301.4006.150 | PERS | 125,102 | 123,307 |
| 301.4007.150 | Health Insurance | 92,410 | 97,973 |
| 301.4008.150 | FICA | 25,500 | 25,048 |
| 301.4009.150 | Workers Compensation | 4,297 | 11,621 |
| 301.4040.150 | Call Back | 12,000 | 20,425 |
| 301.4013.150 | Unemployment | - | 1,000 |
| 301.4014.150 | Life Insurance | 309 | 315 |
| 301.4020.150 | Office Expense | 1,700 | 1,700 |
| 301.4021.150 | Postage | 200 | 200 |
| 301.4030.150 | Special Depart. Expense* | 3,000 | 4,000 |
| 257.4030.150 | Special Depart. Expense | 867 | - |
| 301.4040.150 | Small Tools** | 4,400 | 4,100 |
| 301.4050.150 | Uniform Expense | 3,440 | 3,400 |
| 301.4071.150 | Telephone | 4,000 | 4,000 |
| 301.4080.150 | PG&E | 13,500 | 12,700 |
| 301.4081.150 | Water | 1,235 | 1,235 |
| 301.4100.150 | Building Maintenance | 10,000 | 16,500 |
| 301.4111.150 | Vehicle Maintenance | 10,000 | 10,000 |
| 301.4113.150 | Vehicle Fuel | 7,500 | 8,125 |
| 301.4115.150 | Equipment Maintenance | 7,000 | 7,000 |
| 301.4120.150 | Professional Services | - | 100 |
| 301.4130.150 | Contractual Services | 6,704 | 10,000 |
| 301.4140.150 | Insurance | 13,912 | 16,432 |
| 301.4150.150 | Travel/Training | 2,500 | 5,000 |
| 301.4160.150 | Dues/Memberships | 1,500 | 1,500 |
| 301.5306.150 | Volunteer PERS*** | 4,200 | 4,000 |
| | TOTAL | 665,307 | 696,429 |

*Special Department Expense includes Fire Code Reference Books, Firefighting supplies and protective clothing.

** Small Tools includes radios and pagers.

***This is the annual PERS Contribution to PERS Volunteer Fund. ⁴⁷

⁴⁶ City of Willows, 2013-14 Adopted Budget, Page 2-51

⁴⁷ City of Willows, 2013-14 Adopted Budget, Page 2-52

3.8 Building Maintenance

3.8.1 Civic Center Maintenance

The Civic Center budget is shown below. All funds are from the General Fund.

| CITY OF WILLOWS CIVIC CENTER BUDGET 2013-14 ACCOUNT: 80 ⁴⁸ | | | |
|---|-------------------------|--------------------------------|------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4004.080 | Part-Time Salary* | 7,250 | 7,800 |
| 301.4008.080 | FICA | 555 | 597 |
| 301.4009.080 | Workers Comp. | 152 | 412 |
| 301.4030.080 | Special Dept. Exp. | 7,580 | 750 |
| 301.4040.080 | Small Tools | 100 | 200 |
| 301.4080.080 | PG&E** | 13,145 | 11,500 |
| 301.4081.080 | Water Expense | 2,665 | 2,665 |
| 301.4100.080 | Building Maintenance*** | 3,100 | 5,600 |
| | TOTAL | 27,717 | 29,524 |

*The Part-Time Custodian works 15 hours per week at the Civic Center.

** There was a \$1500 increase in utility costs associated with the rate structure change during 2012-13.

***Building Maintenance includes carpet cleaning, light replacement, and HVAC and general minor repairs.

3.8.2 Mall Division

The mall maintenance budget is shown below. All of the mall maintenance budget is from the General Fund.

| CITY OF WILLOWS MALL MAINTENANCE BUDGET 2013-14 ACCOUNT: 145 ⁴⁹ | | | |
|--|--------------------------|--------------------------------|------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4030.145 | Special Department Exp.* | 300 | 1000 |
| 301.4080.145 | PG&E | 2400 | 3000 |
| 301.4081.145 | Water | 5700 | 4400 |
| | TOTAL | 8400 | 8400 |

*Special Department Expenses includes pesticides, fertilizer, trees, shrubs, lights, paint, minor construction, clock, irrigation, fence repairs, and trash bags.

The mall is an expense that some cities may not have but it is important to maintain it for the over-all image of the City.

⁴⁸ City of Willows, 2013-14 Adopted Budget, Page 2-18

⁴⁹ City of Willows, 2013-14 Adopted Budget, Page 2-47

3.8.3 Museum Division

Willows Museum Background

The Willows Museum is located at the corner of Walnut and North Plumas streets in the old Carnegie building. This building is an example of the Classical Revival "temple style," with the pediment supported by a cluster of three Corinthian columns at each end of the portico. A plaque, installed in 1973 by the Native Daughters of the Golden West, calls attention to the building's history as a Carnegie Library, while another plaque identifies the "Heritage Garden" at the front and sides of the building, created in 1988.

The County's first public library was started in 1906, a project of the Women's Improvement Club. They urged Carnegie funding and \$10,000 was granted in 1910. C.N. Kittinger designed the building, which was built by Graham and Jensen. After the library moved to other quarters, the building was designated a Bicentennial Community Project and it now houses the Willows Museum.⁵⁰

Willows Museum Hours to Visit

The Willows Museum is open year round from 1:00 until 4:00 PM on Thursdays, Saturdays and Sundays. Phone: (530) 934 – 5466. The Museum is staffed by volunteers.

Willows Museum Budget

The Willows Museum Maintenance Budget is shown below. All of the funds are from the General Fund.

| CITY OF WILLOWS MUSEUM MAINTENANCE BUDGET 2013-14 ACCOUNT: 146⁵¹ | | | |
|--|-----------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4081.146 | Water | 1200 | 1000 |
| 301.4100.146 | Building Maintenance* | 200 | 750 |
| | TOTAL | 1400 | 1750 |

*Building Maintenance includes minor repairs.

The City is fortunate that the volunteer organization can do most of the work to keep the Willows Museum functioning. The cost to the City is relatively small.

⁵⁰ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={1BC8CD71-9555-4396-8C4E-2C57140BD714}, March 14, 2014.

⁵¹ City of Willows, 2013-14 Adopted Budget, Page 2-49

3.9 Public Works

3.9.1 Engineering

The City of Willows uses a consultant, C.E.C. (California Engineering Company) from Yuba City, for all engineering services. The Engineering budget is as follows:

| CITY OF WILLOWS ENGINEERING BUDGET 2013-14 ACCOUNT: 110⁵² | | | |
|---|-----------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4120.110* | Professional Services | 5,000 | 15,000 |
| 317.4120.110** | Professional Services | 2,000 | 2,000 |
| | TOTAL | 7,000 | 17,000 |

* General Fund Engineering Services

** Gas Tax Funds for Qualified Engineering Services

3.9.2 Storm Drains Division

The Storm Drain budget is entirely from the General Fund and is shown below.

| CITY OF WILLOWS PUBLIC STORM DRAINS BUDGET 2013-14 ACCOUNTS: 170⁵³ | | | |
|--|--------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4030.170 | Special Department Exp.* | 3,500 | 3,500 |
| 301.4080.170 | PG&E | 1,200 | 700 |
| 301.4115.170 | Equipment Maintenance | 1,000 | 100 |
| 301.4120.170 | Professional Services** | 500 | 1,300 |
| 301.4140.170 | Insurance | 1,030 | 1,205 |
| | TOTAL | 7,230 | 7,705 |

*Special Departmental Expense includes drain inlets, grates, utility covers, herbicides, aggregates and minor concrete.

** Professional Services include consulting and technical services, pump rewires, cleaning, clearing, lab analysis and minor construction.

The City may need to develop a storm drain master plan and capital improvement plan at some time in the future.

⁵² City of Willows, 2013-14 Adopted Budget, Page 2-27

⁵³ City of Willows, 2013-14 Adopted Budget, Page 2-56

3.9.3 Public Works Streets Division

The City of Willows maintains nearly 31 centerline miles of paved public streets. The total replacement value of this asset is approximately \$36.1 million.⁵⁴ In 2014, the City completed the first update to the City's 2012 PMP (Pavement Management Plan). Based on field surveys, the current average City-wide Pavement Condition Index (PCI) is 54 (100 is the best, 0 is the worst).

29% of the City's streets have a PCI of 70 or above (considered very good.)

28% of City's streets have a PCI of 50-69 (considered good.)

29% of the City's streets have a PCI of 25-49 or below (considered poor.)

14% of the City's streets have a PCI of 24 or below (considered very poor.)

A map showing the location of the streets and the PCI index is found at the end of this report.

The Streets Budget combines funding from several sources as follows:⁵⁵

| | |
|--|--------------|
| General Fund | 37,912 |
| Gas Tax 2105 | 37,000 |
| Gas Tax 2106 | 23,929 |
| Lighting and Landscape District-Zone A | 7,151 |
| Lighting and Landscape District-Zone B | <u>4,161</u> |
| TOTAL | \$134,510 |

According to the 2014 Pavement Management Plan Update, "if \$140,000 is spent annually on City streets over the next 5 years, the average condition of the City's streets will degrade from 'good' to 'poor'."

The Streets Budget is as follows:

⁵⁴ City of Willows Pavement Management Program Road Maintenance Needs, March 25, 2014.

⁵⁵ City of Willows, 2013-14 Adopted Budget, Page 2-54

| CITY OF WILLOWS PUBLIC WORKS STREETS BUDGET 2013-14 | | | |
|---|------------------------------|--------------------------------|------------------------|
| ACCOUNTS: 160, 161, 162 ⁵⁶ | | | |
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4030.160 | Special Department Exp. | 3,500 | 7,000 |
| 313.4030.161 | Spec. Dept. L&L-Zone A | 4,942 | 5,001 |
| 313.4030.162 | Spec. Dept. L&L-Zone B | 3,454 | 4,161 |
| 301.4071.160 | Telephone | 1,050 | 950 |
| 301.4080.160 | PG&E-Gen. Traffic Sig.* | 5,500 | 6,000 |
| 301.4081.160 | Water Expense | 1,650 | 1,950 |
| 313.4081.161 | Water Expense-L&L | 1,300 | 1,300 |
| 301.4082.160 | Street Lighting** | - | - |
| 313.4082.161 | Street Lighting –L&L | 850 | 850 |
| 314.4082.160 | Street Lighting | 7,000 | 7,000 |
| 315.4082.160 | Street Lighting | 23,929 | 23,929 |
| 316.4082.160 | Street Lighting | 21,857 | 21,857 |
| 316.4100.160 | Building Maintenance*** | 1,500 | 1,500 |
| 301.4120.160 | Professional Services**** | 4,000 | 4,000 |
| 301.4140.160 | Insurance | 10,749 | 12,512 |
| 314.5431.160 | Gas Tax-Street Maint.***** | 20,000 | 30,000 |
| 301.5439.160 | Alley Maintenance | 3,000 | 4,000 |
| 316.5438.160 | Gas Tax Traffic Signals***** | 1,750 | 2,500 |
| | TOTAL | 116,031 | 134,510 |

*Traffic Signals at Wood and Tehama, Wood and Humboldt, Wood and Washington, Sycamore and Tehama.

**Gas Tax funding for street lighting and Lighting and Landscape District Specified Lighting Costs.

***Building Maintenance includes Corporation Yard maintenance, structures, plumbing, electrical, HVAC, yard and fencing.

****Professional Services includes Alarm, Fire Extinguishers, AFLAC, shipping, printing notices, consulting/technical services and minor construction.

*****Street Maintenance includes materials, aggregates, asphalt emulsions, minor equipment, excavating, hauling, landfill fees, minor concrete.

*****Gas Tax Signal is for maintenance at Sycamore and Tehama streets.

⁵⁶ City of Willows, 2013-14 Adopted Budget, Page 2-54

3.9.4 Parks and Public Works

The personnel in the Parks Department includes a Deputy Public Works Director, Maintenance workers I and II and seasonal employees. The Parks and Public Works Budget is shown below. The Budget is \$328,603 from the General Fund and \$30,074 from other sources.

| CITY OF WILLOWS PARKS AND PUBLIC WORKS BUDGET 2013-14 ACCOUNT: 138⁵⁷ | | | |
|--|---------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.138 | Salaries | 110,000 | 115,251 |
| 316.4001.138 | Salaries | 20,541 | 20,541 |
| 301.4002.138 | Overtime | 3,500 | 5,200 |
| 301.4004.138 | Part-Time Salaries | 27,965 | 27,965 |
| 301.4006.138 | PERS | 34,193 | 37,469 |
| 316.4006.138 | PERS | 1,301 | 1,301 |
| 301.4007.138 | Health Insurance | 52,344 | 58,209 |
| 316.4007.138 | Health Insurance | 5,069 | 5,069 |
| 301.4008.138 | FICA | 11,618 | 11,159 |
| 316.4008.138 | FICA | 1,256 | 1,526 |
| 301.4008.138 | Workers Compensation | 3,133 | 10,561 |
| 316.4009.138 | Workers Compensation | 1,637 | 1,637 |
| 301.4013.138 | Unemployment | 0 | 5,000 |
| 301.4013.138 | Unemployment | 5,356 | 0 |
| 301.4014.138 | Life Insurance | 189 | 189 |
| 301.4014.138 | Office Expense* | 800 | 800 |
| 301.4040.138 | Small Tools | 500 | 1,000 |
| 301.4050.138 | Clothing | 3,000 | 4,000 |
| 301.4051.138 | Personal Safety Equipment | 1,500 | 1,500 |
| 301.4090.138 | Rent-Equipment | 1,000 | 1,000 |
| 301.4111.138 | Vehicle Maintenance | 6,000 | 12,000 |
| 301.4112.138 | Vehicle Maintenance-Tires | 2,500 | 2,500 |
| 301.4113.138 | Fuel | 20,000 | 20,000 |
| 301.4115.138 | Equipment Maintenance | 3,000 | 3,000 |
| 301.4120.138 | Professional Services | 2,700 | 2,000 |
| 301.4134.138 | Tree Maintenance | 1,700 | 3,500 |
| 301.4150.138 | Travel/Training** | 1,000 | 2,000 |
| 301.4160.138 | Dues/Memberships*** | 600 | 600 |
| 301.5430.138 | Tool Allowance | 2,500 | 2,400 |
| 301.5436.138 | Garage Supplies | 1,200 | 1,200 |
| 301.5437.138 | First Aid | 100 | 100 |
| | TOTAL | 326,452 | 358,677 |

*Office Expense includes office products, minor equipment, postage and notices.

**Travel and Training includes Crane Certification and Traffic Signal Certification Training.

***Dues and Memberships includes the American Public Works Association, National Swimming Pool Foundation, Pesticide Applicator Professional Association, and Underground Service Alert.⁵⁸

⁵⁷ City of Willows, 2013-14 Adopted Budget, Page 2-42.

⁵⁸ City of Willows, 2013-14 Adopted Budget, Page 2-43.

3.10 Library, Recreation and Parks

3.10.1 Library

The Willows Library provides books, magazines, videos, audiobooks, e-books, youth programs, literacy programs, computer access, Wi-Fi, interlibrary loan, and reference services for the communities of Willows, Bayliss, Elk Creek, Artois and Glenn. In addition to the Main Library in Willows, there are branches in Bayliss and Elk Creek.⁵⁹ The Mission Statement for the Library is as follows:

To encourage personal growth and contribute to the development and sustainability of an engaged community through free access to ideas, information, cultural experiences and educational opportunities.

The Willows Library is governed by a Board of Trustees appointed by the Willows City Council. The Library Board is responsible for administration of library hours, trust funds, and establishing operational policies for the Willows Library. The Trustees meet on the second Thursday of each month at 10:00 a.m. in the Eubank Room of the Library at 201 North Lassen Street, Willows CA. Board members are required to file an annual Statement of Economic Interests by the State of California Fair Political Practices Commission.

The Willows Public Library Board of Trustees is as follows:⁶⁰

Dawn George – President
Julie Price – Vice-President
Lisa Kennedy – Secretary
Adrienne Haylor
Lynn Soeth

The Library is supported by an active Friends of the Library volunteer organization.

The budget for the Library is shown below. The budget includes \$161,795 from the General Fund and \$89,711 from other sources. The increase from the 2012-13 budget was primarily due to increased personnel costs such as step increases, PERS, and workers compensation insurance.⁶¹ Library personnel include a contract librarian, a library technician and part-time clerks who work 4940 annual personnel hours.

⁵⁹ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={5BCDD644-FA04-4B3E-BCFA-7DF6B7545DD9}, April 3, 2014.

⁶⁰ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={36B46386-A9B8-498E-B1CB-A73856C3318A}&DE={3F74EDF0-AE44-470B-9961-A18BEB8CAB70}, April 3, 2014.

⁶¹ City of Willows, 2013-14 Adopted Budget, Page 2-28

| CITY OF WILLOWS LIBRARY BUDGET 2013-14 ACCOUNT: 120 ⁶² | | | |
|---|------------------------|--------------------------------|------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4004.120 | Salaries | 2,096 | 3,869 |
| 338.4001.120 | Salaries | 27,877 | 27,877 |
| 301.4004.120 | Part-Time Salaries | 37,500 | 39,276 |
| 338.4004.120 | Part-Time Salaries | 7,861 | 7,861 |
| 301.4006.120 | PERS | 6,371 | 7,237 |
| 338.4006.120 | PERS | 1,793 | 1,793 |
| 301.4007.120 | Health Insurance | 857 | 857 |
| 338.4007.120 | Health Insurance | 4,915 | 4,915 |
| 301.4008.120 | FICA | 3,200 | 3,915 |
| 338.4008.120 | FICA | 2,561 | 2,561 |
| 301.4009.120 | Workers compensation | 2,794 | 7,519 |
| 301.4013.120 | Unemployment | 0 | 450 |
| 301.4014.120 | Love Insurance | 62 | 62 |
| 301.4020.120 | Office Expense* | 3,400 | 3,400 |
| 301.4021.120 | Postage | 600 | 600 |
| 301.4030.120 | Special Dept. Expense | 750 | 1,500 |
| 359.4030.120 | Special Dept. Literacy | 37,024 | 37,024 |
| 301.4071.120 | Telephone | 3,100 | 2,500 |
| 301.4080.120 | PG&E | 11,000 | 10,000 |
| 301.4115.120 | Equipment Maintenance | 1,400 | 1,400 |
| 301.4130.120 | Contractual Services** | 67,000 | 67,000 |
| 301.4140.120 | Insurance | 6,867 | 8,035 |
| 301.4150.120 | Training /Travel | 75 | 75 |
| 301.4160.120 | Dues/Memberships | 100 | 100 |
| 301.4933.120 | Print Material | 4,000 | 4,000 |
| 202.4933.120 | Print Material | 2,233 | 2,233 |
| 338.4933.120 | Print Material | 5,447 | 5,447 |
| | TOTAL | 240,883 | 251,506 |

*Office Expense includes office supplies, paper, punches, typewriter ribbons, pens, pencils, computer paper, printer ribbons, cartridges, stamps and pads, pocket cards, pockets, book covers, special book tape, publicity materials, and summer reading program materials.

** Contractual services includes the contract for library director services, technical support for automation hardware and software, cataloging and circulation software updates.

⁶² City of Willows, 2013-14 Adopted Budget, Page 2-29

3.10.2 Library-Bayliss and Elk Creek

The libraries in Bayliss and Elk Creek are managed by the Willows Library staff.

The Bayliss Library is served by one part-time library clerk for eight hours per week. The Budget for the Bayliss Library is as follows:

| CITY OF WILLOWS BAYLISS LIBRARY BUDGET 2013-14 ACCOUNT: 121⁶³ | | | |
|---|-------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 338.4004.121 | Part-Time Salaries | 3,900 | 3,900 |
| 338.4008.121 | FICA | 298 | 298 |
| 338.4009.121 | Workers Compensation | 88 | 88 |
| 338.4030.121 | Special Department Exp. | 500 | 379 |
| 338.4071.121 | Telephone | 575 | 625 |
| 338.4080.121 | PG&E | 1,250 | 1,250 |
| | TOTAL | 6,611 | 6,540 |

The Elk Creek Library is served by a part-time library clerk for nine hours per week. The Budget for the Elk Creek Library is as follows:

| CITY OF WILLOWS ELK CREEK LIBRARY BUDGET 2013-14 ACCOUNT: 122⁶⁴ | | | |
|---|-------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 338.4004.122 | Part-Time Salaries | 3,964 | 3,964 |
| 338.4008.122 | FICA | 303 | 303 |
| 338.4009.122 | Workers Compensation | 89 | 89 |
| 338.4030.122 | Special Department Exp. | 500 | 689 |
| 338.4071.122 | Telephone | 620 | 620 |
| 338.4135.122 | Rent | 3,000 | 3,000 |
| | TOTAL | 8,476 | 8,665 |

3.10.3 Recreation

Contact information for the City of Willows Recreation Department is as follows:

Carol Lemenager, Recreation Director, Phone: 934-7043

E-Mail: clemmie@cityofwillows.org

The Recreation Department has a Director and a half-time clerical assistant. In addition to the health and social benefits of recreation programs these programs can also be viewed as crime prevention programs.

⁶³ City of Willows, 2013-14 Adopted Budget, Page 2-33

⁶⁴ City of Willows, 2013-14 Adopted Budget, Page 2-34

The mission statement of the Recreation Department is as follows:⁶⁵

To provide, promote, and assist others in year-round recreational programs for all ages, which promotes a healthy community attitude. A healthy community attitude includes: healthy choices for youth, building self-esteem, living a healthy lifestyle, strengthening the family, providing family fun, community well-being, and developing social skills. Youth programs should address skill development in at least one, if not more, of the following areas:

- Healthy and physical well being*
- Personal and social competence*
- Cognitive and educational competence*
- Preparation for work*
- Leadership and citizenship*

The Willows Recreation Department offers the following programs:⁶⁶

1. Youth Basketball: Offered to boys and girls 3rd grade through 6th grade. Registration in December, play begins the 1st Saturday in January.
2. Adult Horseshoes: Registration in May, league play begins in June. Co-ed on Monday nights, Women's on Tuesday nights, Men's on Wednesday nights.
3. CPR Classes: Group CPR classes are available for your group or organization with a limit of 8 per class. Call 934-7043 for more information.
4. Girls' 7th and 8th grade Basketball Tournament: Held in November, schools and organizations play by invitation only.
5. City Swim Pool: Opens the Thursday after school is out for the summer in June. Pool hours are 1:10 p.m. - 4:50 p.m. Monday through Saturday, and 6:05 - 7:50 p.m. on Tuesday and Thursday. Pool is closed on Sunday. Contact the Recreation Department at 934-7043 for information about swim lessons, water aerobic classes and free swim days.
6. Jump Start: This 5 week summer program provides children aged 3 to 5 years old opportunities to practice skills such as sharing, cooperation and listening through organized and open-ended activities. The program uses music, arts and crafts and special guests from the community to make learning not only fun, but exciting!
7. Fall co-ed Youth Soccer: Soccer for children aged 4 1/2 through the 8th grade. Registration in August, with first game played on the first Saturday in October.

⁶⁵ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={710AC5D2-7AE7-44CF-84D8-4E6DC7F33D51}, April 1, 2014.

⁶⁶ City of Willows, http://www.cityofwillows.org/index.asp?Type=B_BASIC&SEC={E6B0CB71-AAA6-456D-98EC-998E3521D261}, April 1, 2014.

8. Summer Youth Tennis Lessons: Call 934-7043 for times, dates and additional information.
9. Spring co-ed Youth Soccer: Soccer for age 4 1/2 through the 8th grade. Registration in January through mid-February, with first game played on the third Saturday in March, weather permitting.
10. Boys' 7th and 8th grade Basketball Tournament: Held in January, schools and organizations play by invitation only.
11. Fit Kids 101: "Batteries Not Needed" for ages 4-6, "Unplugged" for ages 7 and 8, and "Disconnected" for ages 9 and 10. Each Fit Kids promotes an active and healthy lifestyle with fun and challenging activities offered throughout the year. Call 934-7043 for more information.
12. Open Gym: Willows Intermediate School gym use open to all ages during vacation and holiday breaks. Call 934-7043 for more information or check the local newspaper for specific days the gym will be open.

The Willows Recreation Department also supports the following parent operated programs:

- Willows Hydro Jets Swim Team
- Willows Little League
- Willows Youth Football

The Willows Recreation Department supports the following community events:

- Willows Lamb Derby in May
- Willows Fourth of July Celebration

The Budget for the Recreation Department is shown on the following page. The expenses increased from the 2012-13 budget due to the following factors:

- The ending of a voluntary furlough.
- The restoration of the part-time position previously reduced.
- The on-going increase in Health Insurance, PERS and Workers Compensation Insurance costs.

A portion of the part-time position was previously funded through the Recreation Reimbursable fund but is now shown in the General Fund Budget.⁶⁷ The Recreation Department Budget is funded by the General Fund for \$99,624 and by other funds for \$27,263.

⁶⁷ City of Willows, 2013-14 Adopted Budget, Page 2-35

| CITY OF WILLOWS RECREATION DEPARTMENT BUDGET 2013-14 ACCOUNT: 130⁶⁸ | | | |
|---|-------------------------------|---|-----------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4001.130 | Salary | 50,852 | 56,384 |
| 239.4004.130 | Temp. Sal.-Jump Start | 3,428 | 3,820 |
| 301.4004.130 | Temporary Salaries | 3,500 | 4,800 |
| 322.4004.130 | Temp. Sal.-Rec. Reimb.* | 10,000 | 9,000 |
| 323.4004.130 | Temp Sal.-Rec. Cultural** | 1,000 | 2,500 |
| 301.4006.130 | PERS | 13,930 | 16,126 |
| 301.4007.130 | Health Insurance | 8,699 | 9,588 |
| 239.4008.130 | FICA- Jump St. | 292 | 292 |
| 301.4008.130 | FICA | 4,158 | 4,681 |
| 322.4008.130 | FICA-Rec. Reimb. | 765 | 689 |
| 323.4008.130 | FICA- Rec. Cultural | 77 | 191 |
| 239.4009.130 | Workers Comp. Jump St. | 387 | 387 |
| 301.4009.130 | Workers Compensation | 773 | 2,489 |
| 322.4009.130 | Workers Comp. Rec. Reimb. | 324 | 383 |
| 301.4013.130 | Unemployment | 0 | 500 |
| 301.4014.130 | Life Insurance | 63 | 63 |
| 301.4021.130 | Postage | 10 | 0 |
| 322.4021.130 | Postage- Rec. Reimb | 50 | 200 |
| 239.4030.130 | Spec. Dept. Jump Start | 1,801 | 1,801 |
| 322.4030.130 | Spec. Dept. Rec. Reimb*** | 6,500 | 6,500 |
| 323.4030.130 | Spec. Dept. Rec. Cultural**** | 0 | 1,000 |
| 301.4071.130 | Telephone | 500 | 750 |
| 301.4110.130 | Vehicle Allowance | 2,400 | 2,400 |
| 322.4120.130 | Professional Services | 100 | 500 |
| 301.4140.130 | Insurance | 1,255 | 1,468 |
| 301.4150.130 | Training /Travel | 0 | 200 |
| 301.4160.130 | Dues/Memberships | 175 | 175 |
| | TOTAL | 111,039 | 126,887 |

*These salaries are for program instructors.

**These salaries are for temporary supervisors for various programs including soccer, basketball, open gym and Jump Start.

*** This expense is for facilities use, flyers, program equipment and awards.

****This expense is for start-up funds for the programs and replacement soccer balls.

⁶⁸ City of Willows, 2013-14 Adopted Budget, Page 2-36

3.10.4 Swimming Pool

The budget for the swimming pool is shown below. The entire budget is funded from the General Fund. Salaries fund the Head Lifeguard, Assistant Head Lifeguard, Staff Lifeguards, Swim Lesson Instructors, and daily maintenance.

| CITY OF WILLOWS SWIMMING POOL BUDGET 2013-14 ACCOUNT: 135⁶⁹ | | | |
|---|---------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4004.135 | Temporary Salaries | 13800 | 14500 |
| 301.4008.135 | FICA | 1056 | 1109 |
| 301.4009.135 | Workers Compensation | 229 | 618 |
| 301.4020.135 | Office Expense | 100 | 100 |
| 301.4030.135 | Special Department Exp.* | 3250 | 3000 |
| 301.4050.135 | Clothing | 0 | 150 |
| 301.4060.135 | Advertising** | 225 | 550 |
| 301.4071.135 | Telephone | 200 | 200 |
| 301.4080.135 | P.G. & E. | 4300 | 4000 |
| 301.4081.135 | Water Expense | 4500 | 4000 |
| 301.4100.135 | Building Maintenance*** | 100 | 400 |
| 301.4115.135 | Equipment Maintenance | 1000 | 1000 |
| 301.4120.135 | Professional Services**** | 5600 | 5600 |
| 301.4140.135 | Insurance | 450 | 584 |
| 301.4150.135 | Travel and Training | 760 | 760 |
| 301.5132.135 | First Aid | 100 | 300 |
| | TOTAL | 35670 | 36781 |

*Special Department Expense includes chemicals, testing equipment, restroom supplies, cleaning supplies and trash bags.

**Advertising includes local media ads for hiring pool staff and flyers for information on the pool operation hours and programs.

***Building maintenance includes the pool structure, pool accessories, fencing, decks, railing, plumbing, electrical systems, lights and graffiti removal.

****Professional Services includes a contract for pool maintenance and operation services.

3.10.5 Parks Division

The City of Willows has constructed and maintains public parks for the use and enjoyment of the public. The parks are open to the public for informal gatherings, recreation, games and leisure activities. Although City parks are open for public use, individuals may reserve part of a park for the exclusive use of an organized activity for a specific period of time. The three main parks are described below:

⁶⁹ City of Willows, 2013-14 Adopted Budget, Page 2-39

JENSEN PARK (14 acres): Two lighted softball fields, 10 horseshoe pits, large picnic shelter, medium picnic shelter built by the Willows Lions Club, small picnic shelter, barbeque shelter/portable barbeque, 2 Little League fields, and children's play area. No alcoholic beverages can be sold within Jensen Park.⁷⁰

SYCAMORE PARK (11 acres): Swim pool, 4 tennis courts, jogging pathways, clay horseshoe pits, and grassy area.⁷¹

CENTRAL PARK (0.5 acres): Picnic shelter and limited children's play equipment.

According to the City of Willows General Plan Land Use Element, the City has total parkland of 30 acres which is below the National Recreation and Parks Association lowest standard of 6.5 acres of developed parkland per 1000 population. This standard would require 40 acres of parkland. The use of Willows Unified School District facilities makes up in part for this deficiency.⁷² The residents also have access to open space in the area such as the Sacramento National Wildlife Refuge and the Mendocino National Forest.

The Park Maintenance Budget is shown below. This budget only includes items specifically for park maintenance. The staff needed is included in the Parks and Public Works Budget. All funds are from the General Fund except for \$3,500.

| CITY OF WILLOWS PARK MAINTENANCE BUDGET 2013-14 ACCOUNT: 140⁷³ | | | |
|--|----------------------------|---------------------------------------|-------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 301.4030.140 | Special Departmental Exp.* | 7,000 | 9,000 |
| 366.4030.140 | Special Departmental Exp.* | 3,500 | 3,500 |
| 301.4071.140 | Telephone | 200 | 300 |
| 301.4080.140 | PG&E | 9,000 | 8,000 |
| 301.4081.140 | Water | 7,000 | 7,800 |
| 301.4100.140 | Building Maintenance** | 1,000 | 1,000 |
| 301.4120.140 | Professional Services*** | 600 | 1,000 |
| 301.4130.140 | Contract Services**** | 500 | 500 |
| 301.4140.140 | Insurance | 3,958 | 4,631 |
| | TOTAL | 32,758 | 35,731 |

*Special Department Expense includes pesticides, fertilizers, infield mix, bases, lights, irrigation repair, trees, restroom supplies, trash bags, and miscellaneous supplies.

**Building Maintenance includes the buildings, structures, fences, playgrounds, courts, fixtures, graffiti removal and re-roofing the park shed.

***Professional services include softball light replacement, sprinkler and pump repair, and minor repairs.

****Contract services include alarm monitoring.

⁷⁰ City of Willows General Plan Land Use Element July 9, 1996, Prepared by William A. Davis, Northern California Planning and Research, Page7-6.

⁷¹ City of Willows General Plan Land Use Element July 9, 1996, Prepared by William A. Davis, Northern California Planning and Research, Page7-6.

⁷² City of Willows General Plan Land Use Element July 9, 1996, Prepared by William A. Davis, Northern California Planning and Research, Page7-7.

⁷³ City of Willows, 2013-14 Adopted Budget, Page 2-45

3.11 Enterprise Funds

3.11.1 Sewer Maintenance and Construction

A. Wastewater Collection and Treatment System

The main part of the wastewater collection system was installed from 1910 to 1920. The Public Works Director reported that 56% of the sewer lines were built before 1920.⁷⁴ According to the Sewer Master Plan of 2008, the wastewater collection system consists of 29 miles of Vitrified Clay Pipe (VCP) and some Polyvinyl Chloride Pipe (PVC) and Asbestos Cement sewer mains ranging in size from four inches to eighteen inches in diameter with five small-capacity pump stations.

Water entering the collection system through defective cleanouts, joints and pipes, and manhole walls can be attributed to groundwater, commercial/industrial uses and storm runoff. Limited efforts have been completed to upgrade the system. Thus infiltration and inflow (I&I) is becoming a problem to the system. Infiltration and inflow are significant in the piping tributaries to the Sycamore Lift Station according to the Sewer Master Plan.⁷⁵

The original Wastewater Treatment Plant was constructed in 1948 and later upgraded in 1992. In 2007, the City of Willows completed a major upgrade to the wastewater treatment plant (WWTP) by increasing the treatment capability from secondary to tertiary quality effluent with a rated capacity of 1.2 mgd (million gallons per day). The treatment system includes influent screening, extended aeration (biolac system), activated sludge with two secondary clarifiers, nine continuous backwash sand filters, disinfection with sodium hypochlorite, dechlorination using sodium bisulfite injection, equalization and emergency storage ponds, and sludge storage lagoons.

Prior to the upgrade, an average of 1.22 million gallons per day of treated municipal wastewater was discharged to Agricultural Drain C. After the upgrade was complete the City was permitted to discharge to the Glenn-Colusa Irrigation District Lateral 26-2. Both Agricultural Drain C and Glenn-Colusa Irrigation District Lateral 26-2 are tributary to the Colusa Basin Drain.

The WWTP is owned and operated by the City and serves the population of Willows and the Northeast Willows Community Services District. The WWTP produces disinfected tertiary recycled water through extended aerated ponds, clarifiers, filtration, chlorine disinfection and dechlorination. There are 2255⁷⁶ residential connections and 222 commercial/industrial connections.⁷⁷

The City entered into an agreement with Solar Power Partner, LP (SPP) to provide solar power at the City's Wastewater Treatment Plant. Under the agreement SPP provided solar array equipment and the City provided the underlying real property for the solar

⁷⁴ City of Willows Sewer Update, 2014.

⁷⁵ City of Willows, Sewer Master Plan, Prepared by CEC, California Engineering Company, 1110 Civic Center Drive, Suite 404, Yuba City, CA 95993, Phone: 530-750-0592, 2008, Page 7.

⁷⁶ City of Willows, Skyler Lipski, Public Works Director, Phone: 530-934-7041, September 5, 2012.

⁷⁷ City of Willows, Sewer Master Plan, Prepared by CEC, California Engineering Company, 1110 Civic Center Drive, Suite 404, Yuba City, CA 95993, Phone: 530-750-0592, 2008, Pages 1-2.

array. The City will purchase the power generated by the array for a period of 20 years from SPP, with an option to take ownership of the array at the end of the 20 year period.⁷⁸

B. Sewer Service Fees

The following is the schedule of sewer service fees:

| City of Willows Sewer Service Fees | Monthly Charge |
|---|-----------------------|
| RESIDENTIAL | \$40.19 |
| COMMERCIAL per CCF (100 cubic feet) | |
| Motel/Hotel | \$3.22 |
| Hospital/Rest Home | \$3.17 |
| Restaurant/Bakery | \$4.18 |
| Market/Morgue | \$3.94 |
| Laundry | \$3.42 |
| Car Wash | \$3.05 |
| Jail | \$3.54 |
| Other Commercial | \$3.01 |
| Minimum Commercial Charge per month | \$40.19 |
| INDUSTRIAL: Industrial Connections are charged on the basis of individual flow and strength of wastewater characteristics in CCF per month. Minimum Industrial Charge per month | \$40.19 |

The minimum charge for a new residential sewer connection is \$1,250.00.

C. Sewer Connection Fees

The permit cost for new connections to the wastewater collection system is as follows:

| | |
|----------------------|--------------------------|
| Residential | \$1250 per dwelling unit |
| General (Commercial) | \$4601 per dwelling unit |

⁷⁸ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 14.

D. Sewer Maintenance Budget

The funds collected from the Sewer Service Fees for the 2013-14 Budget are as follows:⁷⁹

| | |
|-----------------------------|----------------|
| Residential | \$1,170,000 |
| Commercial | 255,000 |
| Northeast Willows CSD | <u>148,000</u> |
| Total | \$1,573,000 |
| Interest | <u>15,000</u> |
| Total Sewer Service Revenue | \$1,588,000 |

The City of Willows Sewer Maintenance Budget is shown below in two sections, Salaries/Benefits and Expenses. There are three employees and one supervisor included in this budget.

| CITY OF WILLOWS SEWER MAINTENANCE Salaries and Benefits BUDGET 2013-14 Enterprise Fund ⁸⁰ | | | |
|---|----------------------|-----------------------------------|---------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 318.4001.180 | Salaries | 165,048 | 167,532 |
| 318.4002.180 | Overtime | 15,000 | 15,555 |
| -318.4004.180 | Temp Wages | 2,821 | - |
| 318.4006.180 | PERS | 45,125 | 47,799 |
| 318.4007.180 | Health Insurance | 71,331 | 78,618 |
| 318.4008.180 | FICA | 13,989 | 14,006 |
| 318.4009.180 | Workers Compensation | 32,177 | 10,561 |
| 318.4013.180 | Unemployment | 0 | 400 |
| 318.4014.180 | Life Insurance | 252 | 252 |
| | TOTAL | 316,783 | 334,723 |

⁷⁹ City of Willows, 2013-14 Adopted Budget, Page 5-1.

⁸⁰ City of Willows, 2013-14 Adopted Budget, Page 5-2.

| CITY OF WILLOWS SEWER MAINTENANCE Expenses BUDGET 2013-14 Enterprise Fund⁸¹ | | | |
|---|---------------------------|---|-----------------------------------|
| Account | Description | Estimated 2012-13 Expenditures | Adopted 2013-14 Budget |
| 318.4020.180 | Office Expense | 250 | 600 |
| 318.4030.180 | Special Department Exp.* | 3,000 | 6,000 |
| 318.4040.180 | Small Tools | 600 | 600 |
| 318.4040.180 | Uniform Expense | 2,800 | 2,800 |
| 318.4050.180 | Telephone | 500 | 950 |
| 318.4080.180 | PG&E | 105,000 | 90,000 |
| 318.4100.180 | Building Maintenance** | 200 | 5,000 |
| 318.4111.180 | Vehicle Maintenance *** | 49,000 | 20,000 |
| 318.4112.180 | Vehicle-Tires | 2,000 | 2,000 |
| 318.4113.180 | Vehicle-Fuel | 14,000 | 14,000 |
| 318.4115.180 | Equip. Maintenance | 15,000 | 21,000 |
| 318.4120.180 | Professional Services**** | 28,000 | 37,000 |
| 318.4130.180 | Contractual Services***** | 550,000 | 545,500 |
| 318.4140.180 | Insurance | 23,168 | 27,840 |
| 318.4150.180 | Travel/Meetings | 260 | 800 |
| 318.4160.180 | Dues/Memberships | 1,600 | 1,200 |
| 318.4170.180 | Training | 100 | 300 |
| 318.5132.180 | First Aid and Safety | 100 | 250 |
| 318.5631.180 | Discharge Permit | 9,137 | 9,500 |
| 318.5632.180 | General Administration | 75,000 | 75,000 |
| | TOTAL | 880,015 | 860,340 |

*Special Department Expense includes chemicals, pipe, aggregates, manholes, lids, liners, fittings, video tape, minor concrete, and minor equipment.

**Building Maintenance includes the WWTP, structures, fences, irrigation, yard, and lift station structures.

***Vehicle Maintenance includes diesel emissions retrofit work.

****Professional Services includes lab analysis, pump rewire, cleaning/clearing, inspection, minor construction and engineering services.

*****Contractual Services is a contract with SouthWest Water Company for operation of the treatment plant facility.

The Sewer Maintenance Budget shows the following expenses for Capital Outlay: ⁸²

| | | |
|-------------------|---|------------------|
| 318.7210.400 | Sewer Line Replacement (Sacramento St.) | \$417,000 |
| 318.2521/5950.180 | Sewer Loan Repayment-1994 renovation | 39,753 |
| 318.2522/5950.180 | Sewer Loan Repayment-2007 renovation | 355,000 |
| 318.2905 | Required Reserve-USDA Loan | 36,000 |
| | TOTAL CAPITAL AND DEBT SERVICE | \$847,753 |

⁸¹ City of Willows, 2013-14 Adopted Budget, Page 5-3.

⁸² City of Willows, 2013-14 Adopted Budget, Page 5-4.

E. Northeast Willows Community Services District

The City of Willows has a Joint Powers Agreement (JPA) with the Northeast Willows Community Services District to allow the Northeast Willows CSD to use the City of Willows wastewater treatment plant and wastewater collection lines. A copy of the agreement is shown in Appendix A at the end of this report and includes a map showing the location of the District in relation to the City of Willows.

The residents of Northeast Willows CSD pay the same sewer service fees as the City of Willows residents. In addition, the residents pay an additional fee to fund the operation of the CSD. The residents of Northeast Willows CSD are charged for the sewer service on the property tax bill as are the residents of the City of Willows.

The land owners in Northeast Willows CSD are in the process of paying back a loan from the USDA Rural Development for the installation of the sewer pipelines. This is a forty-year loan which will be paid off in 2029.

If the City Council and the Northeast Willows CSD Board of Directors agreed that the Northeast Willows CSD should be annexed into the City and both bodies passed resolutions to that effect an application could be made to Glenn LAFCO for the annexation and no election would be required. However, at this time the City and the Northeast Willows CSD are satisfied to operate under the JPA.

3.11.2 Water Maintenance

Most residents in Willows pay for water service from the California Water Service Company. In addition, the City has a water system which serves the property south of Road 53. The water service fees are as follows and are billed monthly:⁸³

Per 100 cubic feet \$0.70

Monthly meter service charge as follows:

1-inch meter \$15.00
 1.5-inch meter \$25.00
 2-inch meter \$30.00
 3-inch meter \$60.00
 4-inch meter \$80.00
 6-inch meter \$140.00

The Water Enterprise Budget 2013-14 shows the following expenses for the water system:⁸⁴

| City of Willows Water Enterprise Expenditures 2013-14 | |
|--|--------------|
| Special Department Expense | 2,000 |
| PG&E | 3,050 |
| Maintenance | 1,500 |
| Professional Services (Carried Over) | 1,000 |
| Insurance | 72 |
| State Fees | 800 |
| TOTAL | 8,422 |

The anticipated revenue is \$5000. The Budget notes that “Should the situation arise where the Water Enterprise Fund as a negative fund balance at the close of a fiscal year, General Funds must be used to supplement the Water Enterprise Fund.”

⁸³ City of Willows, Resolution No. 17-96, Resolution of the City of Willows Establishing Water Fees, April 23, 1996.

⁸⁴ City of Willows, 2013-14 Adopted Budget, Page 5-5.

3.12 Finances

3.12.1 Budget

Revenue Projections

The following table shows the revenue projections for the City of Willows for 2012-13 and 2013-14. The sales tax is the largest revenue category for the City.

| CITY OF WILLOW GENERAL FUND REVENUE PROJECTION 2013-14⁸⁵ | | |
|--|-------------------------------|-------------------------------|
| Revenue | 2012-13 Projection | 2013-14 Projection |
| Property Tax | \$741,000 | \$748,000 |
| PG&E Franchise | 44,000 | 40,000 |
| Water Franchise | 34,000 | 34,000 |
| Cable TV Franchise | 25,000 | 25,000 |
| Garbage Franchise | 52,500 | 52,500 |
| Sales Tax* | 1,240,000 | 1,277,000 |
| Transfer Tax | 5,000 | 5,000 |
| Occupancy Tax** | 370,000 | 444,000 |
| Business License | 21,800 | 22,500 |
| Building Permits | 25,500 | 25,000 |
| Encroachment Permits | 11,000 | 11,000 |
| Fines and Forfeitures | 30,000 | 30,000 |
| General Interest*** | 20,000 | 15,000 |
| Rental of Property | 15,000 | 15,000 |
| Motor Vehicle in Lieu | 470,000 | 470,000 |
| Planning Fees | 5,000 | 5,000 |
| Plan check Fees | 12,500 | 12,500 |
| Fire Department Fees | 35,000 | 35,000 |
| Police Reports | 2,000 | 2,000 |
| Sewer Administration Fee | 75,000 | 75,000 |
| Other Revenue and Funds | 5,000 | 5,000 |
| Weed Abatement | 10,000 | 10,000 |
| CALTRANS Street Sweeping | 3,936 | 3,936 |
| Parking, AVA and Vehicle Release | 1,000 | 1,000 |
| Swimming Pool Receipts | 20,000 | 20,000 |
| Park Permits | 1,250 | 1,250 |
| Public Safety Sales Tax | 13,500 | 13,500 |
| Booking Fees | 1,500 | 1,500 |
| TOTAL GENERAL REVENUES | \$3,290,486 | \$3,399,686 |

* A 3% increase in overall sales tax is built in to the 2013-14 projection.

** A full year effect of increasing TOT tax from 10% to 12% is projected.

*** Continued reinvestment of fund reserves at lower interest rates hamper earnings.

⁸⁵ City of Willows, 2013-14 Adopted Budget, Page 1-2

Expenditures

| City of Willows Estimated Schedule of General Fund Activity FY 2012-2013⁸⁶ | | |
|--|-----------|--------------------|
| Estimated 2012-2013 General Fund Revenue | | \$3,290,486 |
| Estimated General Fund Expenditures | | |
| City Council | \$16,463 | |
| City Attorney | 27,000 | |
| City Manager | 169,204 | |
| Finance | 168,603 | |
| Planning | 30,350 | |
| General Office | 136,884 | |
| Civic Center | 27,717 | |
| Building | 89,469 | |
| Police | 1,211,650 | |
| Engineering | 5,000 | |
| Library | 151,172 | |
| Recreation | 86,315 | |
| Swimming Pool | 35,670 | |
| Public Works-Department-wide | 296,378 | |
| Parks | 29,258 | |
| Mall Maintenance | 8,400 | |
| Museum Maintenance | 1,750 | |
| Fire | 664,440 | |
| Public Works-Streets | 30,949 | |
| Storm Drains | 7,230 | |
| Capital Outlay | 71,265 | |
| Estimated 2012-2013 General Fund Expenditures | | \$3,265,167 |
| Estimated 2012-2013 General Fund Surplus | | \$25,319 |
| General Fund Balance July 1, 2012-Unreserved | \$996,784 | |
| General Fund Balance July 1, 2012-Reserved | \$200,000 | |
| General Fund Balance July 1, 2012-Capital | \$5,000 | |
| General Fund Balance | | \$1,201,784 |
| Estimated Fund Balance 6-30-13 | | \$1,227,103 |

The biggest source of revenue for the City is the sales tax. Many residents may think that their property taxes are the largest source of revenue; while the property tax is important, it is not the greatest source of revenue. The two most expensive General Fund departments are the Police and Fire departments. This is similar to many other cities in California.

⁸⁶ City of Willows, 2013-14 Adopted Budget, Page 1-3

3.12.2 Impact Fees

The City of Willows charges Impact Fees for new development as follows:

| City of Willows Impact Fees and Administration Costs | | | | |
|---|---------------------------|--------------------------|------------------------------------|------------------------------------|
| Fee Category | Single-Family Residential | Multi-family Residential | Commercial (per 1,000 square feet) | Industrial (per 1,000 square feet) |
| Library | \$1,495 | \$1,434 | 0 | 0 |
| Parks and Recreation | \$2,139 | \$2,052 | 0 | 0 |
| Interchange | \$412 | \$290 | \$892 | \$276 |
| Traffic | \$768 | \$539 | \$1,662 | \$514 |
| Police | \$790 | \$758 | \$344 | \$162 |
| Fire | \$1,623 | \$1,556 | \$707 | \$333 |
| Wastewater | \$1,261 | \$1,209 | \$549 | \$258 |
| Storm Drain | \$2,035 | \$1,221 | \$1,495 | \$1,682 |
| SUBTOTAL | \$10,525 | \$9,059 | \$5,649 | \$3,224 |
| Administration (3% of Subtotal) | \$316 | \$272 | \$169 | \$97 |
| TOTAL | \$10,840 | \$9,331 | \$5,818 | \$3,321 |

3.12.3 Audit

A budget is a plan for spending but an audit shows funds actually spent.

A. Summary

The most recent audit available is for the year ended June 30, 2013. The following financial highlights for the year ended June 30, 2013 were presented:⁸⁷

- The City of Willows overall net position decreased 1.6% to \$13,260,821 as a result of operations during 2012-13. The net position increased 0.4% in discretionary and non-discretionary Government activities and decreased 3.5% in business-type activities.
- During the 2012-13 year, the City's expenses exceeded taxes, other governmental revenues and business activity revenues by \$217,415 including the effect of depreciation, a non-cash expense of \$486,429.
- Governmental net assets ended the year at \$6,660,192.
- Total Revenues from all sources were \$5,537,046.
- The total cost of all City programs was \$5,754,491.
- The General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$107,461.

⁸⁷ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 1.

B. Net Assets

The Net Assets for Governmental Activities and Business-Type Activities are shown below. The Capital Assets under Business-type activities shows the large investment that the City has in the sewer and water infrastructure.

| City of Willows' Net Position (Full Accrual) Governmental Activities June 30, 2013⁸⁸ | | | | |
|---|--------------------|--------------|--------------------|--------------|
| | 2013 | Percent | 2012 | Percent |
| Current and Other Assets | 3,776,927 | 48.4 | 3,856,356 | 48.6 |
| Capital Assets | 4,027,297 | 51.6 | 4,074,357 | 51.4 |
| Total Assets | \$7,804,224 | 100.0 | \$7,930,713 | 100.0 |
| Current and Other Liabilities | 999,290 | 12.8 | 1,106,779 | 14.0 |
| Long-Term Debt | 144,742 | 1.8 | 188,939 | 2.4 |
| Total Liabilities | \$1,144,032 | 14.6 | \$1,295,718 | 16.4 |
| Net Position: | | | | |
| Invested in Capital Assets Net of Debt | 3,838,360 | 49.2 | 3,843,105 | 48.5 |
| Committed for Working Capital | 200,000 | 2.6 | 200,000 | 2.5 |
| Committed for Surplus Property | 5,000 | 0.1 | 5,000 | 0.1 |
| Uncommitted | 948,841 | 12.2 | 848,563 | 10.7 |
| Restricted For: | | | | |
| Parks, Recreation, Public Works | 1,266,047 | 13.2 | 1,325,967 | 16.6 |
| Library | 30,914 | 0.4 | 29,479 | 0.4 |
| Public Safety | 64,226 | 0.8 | 78,337 | 1.0 |
| Housing/Community Develop. | 306,804 | 3.9 | 304,544 | 3.8 |
| TOTAL NET POSITION | \$6,660,192 | 85.4 | \$6,634,995 | 83.6 |
| City of Willows' Net Position (Full Accrual) Business-Type Activities June 30, 2013⁸⁹ | | | | |
| | 2013 | Percent | 2012 | Percent |
| Current and Other Assets | 2,270,797 | 17.2 | 2,304,116 | 17.0 |
| Capital Assets | 10,965,866 | 82.8 | 11,261,387 | 83.0 |
| Total Assets | 13,236,683 | 100.0 | 13,565,503 | 100.0 |
| Current and Other Liabilities | 305,797 | 2.3 | 264,205 | 1.9 |
| Long-Term Debt | 6,331,000 | 47.8 | 6,459,557 | 47.6 |
| Total Liabilities | 6,636,797 | 50.1 | 6,723,762 | 49.5 |
| Net Position: | | | | |
| Invested in Capital Assets Net of Debt | 4,506,309 | 34.1 | 4,678,432 | 34.5 |
| Restricted For: | | | | |
| Debt Service | 293,581 | 2.2 | 256,885 | 1.9 |
| Utility Service | 1,800,739 | 13.6 | 1,906,424 | 14.1 |
| TOTAL NET POSITION | 6,600,629 | 49.9 | 6,841,741 | 50.5 |

⁸⁸ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 3.

⁸⁹ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 3.

| City of Willows Full Accrual Comparison of Revenue June 30, 2013 ⁹⁰ | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| | Govt 2013 | Bus. 2013 | Tot. | Govt. 2012 | Bus. 2012 | Total | Change |
| REVENUES | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Service | 105,737 | 1,589,663 | 1,695,400 | 113,895 | 1,568,897 | 1,682,792 | 12,608 |
| Operating Grants/Contribut. | 501,873 | | 501,873 | 602,706 | | 602,706 | (100,833) |
| Capital Grants/Contribut. | 123,772 | | 123,772 | 225,782 | 10,000 | 235,782 | (112,010) |
| General Revenues | | | | | | | |
| Taxes | 2,419,426 | | 2,419,426 | 2,282,776 | | 2,282,776 | 136,650 |
| Intergovernmental (Non-Restricted) | 470,836 | | 470,836 | 473,311 | | 473,311 | (2,475) |
| Investment Income | 32,378 | 10,764 | 43,142 | 40,898 | 9,708 | 50,606 | (7,464) |
| Other | 282,597 | | 282,597 | 266,897 | | 266,897 | 15,700 |
| TOTAL REVENUE | 3,936,619 | 1,600,427 | 5,537,046 | 4,006,265 | 1,588,605 | 5,597,870 | (57,824) |

| City of Willows Full Accrual Comparison of Expenses June 30, 2013 ⁹¹ | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| | Govt 2013 | Bus. 2013 | Total | Govt. 2012 | Bus. 2012 | Total | Change |
| EXPENSE | | | | | | | |
| General Govern. | 533,169 | | 533,169 | 645,334 | | 345,334 | (112,165) |
| Public Safety | 2,122,332 | | 3,122,332 | 2,095,571 | | 209,5571 | 2,6761 |
| Parks and Public Works | 738,937 | | 738,937 | 837,573 | | 837,573 | (98,636) |
| PPW Contributions to Business-Type Activities | | | | | | | |
| Library | 363,397 | | 263,397 | 207,339 | | 207,339 | 56,058 |
| Recreation | 146,204 | | 146,204 | 141,340 | | 141,340 | 4,864 |
| Housing/Com. Dev. | 184,617 | | 184,617 | 223,486 | | 223,486 | (38,869) |
| Sewer | | 1,758,805 | 1,758,805 | | 1,588,161 | 1,588,161 | 170,644 |
| Water | | 7,000 | 7,000 | | 6,913 | 6,913 | 87 |
| TOTAL EXPENSE | 3,988,656 | 1,765,805 | 5,754,461 | 4,150,643 | 1,595,074 | 5,745,717 | 8,744 |

⁹⁰ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 4.

⁹¹ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 4.

Total expenses increased \$8,744 from 2012 to 2013.

| City of Willows Full Accrual Comparison of Revenue and Expenses and Net Position June 30, 2013⁹² | | | | | | | |
|--|--------------|--------------|------------|---------------|--------------|------------|----------|
| | Govt 2013 | Bus. 2013 | Tot. | Govt. 2012 | Bus. 2012 | Total | Change |
| INCREASE IN NET POSITION BEFORE TRANSFERS | (52,037) | (165,378) | (217,415) | (144,378) | (6,469) | (150,847) | (66,568) |
| TRANSFERS | 77,234 | (77,234) | | 68,965 | (68,935) | | |
| INCREASE IN NET POSITION | 25,197 | (242,612) | (217,415) | (75,443) | (75,404) | (150,847) | |
| NET POSITION JULY 1 | 6,634,995 | 6,841,741 | 13,476,736 | 6,710,438 | 6,917,144 | 13,627,582 | |
| PRIOR PERIOD ADJUST. | | 1,500 | 1500 | | | | |
| NET POSITION JUNE 30 | 6,660,192 | 6,600,629 | 13,260,821 | 6,634,995 | 6,841,741 | 13,476,736 | |

C. Cash Management

The City of Willows uses internal management of cash and investments, using informal advisory relationships with Stiefel Nicolaus and Edward Jones Investments, and maintains flexibility by using a pooled cash system. Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Cash is invested in certain eligible securities as constrained by law and further limited by the City's investment policy. The goals of the City's investment policy are safety, liquidity and yield. Cash Management is subject to oversight by the Finance Committee, consisting of the City Manager, Finance Director/City Treasurer, and two appointed members of the City Council.⁹³

D. Capital Assets

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital assets include equipment, buildings, land, park facilities and roads. At June 30, 2013, net capital assets of the governmental activities totaled \$4,027,297 and the net capital assets of the business-type activities totaled \$10,965,866.⁹⁴

⁹² City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 4.

⁹³ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 8.

⁹⁴ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Page 8.

E. Current Liabilities and Long-term Debt

The City has total governmental type liabilities of \$1,144,032 which includes \$339,652 in long-term liabilities, consisting of lease liabilities for a fire engine and compensated absences deemed to be payable in a year or more. Business type liabilities total \$6,636,797 which includes \$6,348,744 in long-term liabilities pertaining to wastewater treatment facility renovations completed in 2007, renovations to the facility that were completed in 1994 and accrued compensated absences deemed to be payable in a year or more. The total liabilities-to-net-position ratio for the City is 58.68% compared to 59.51% for the prior year.⁹⁵

F. Cash, Cash Equivalents, and Investments⁹⁶

Cash and cash equivalents at June 30, 2013 are reported at cost and consisted of the following:

| | |
|-------------------------------------|--------------------|
| Cash Held on Premises | \$150 |
| Cash in Bank | \$948,255 |
| Bank Money Market Accounts | \$414,201 |
| Local Agency Investment Fund (LAIF) | <u>\$2,313,417</u> |
| Total Cash and Cash Equivalents | \$3,676,023 |

G. Property Taxes⁹⁷

The City's *ad valorem* property tax is levied each July 1 on the assessed value listed as of March 1 for all real and business personal property located within the City. The assessed value of the roll on January 1, 2012 upon which the levy for the 2012-13 year was based was \$274,639,390.

Property taxes attach as an enforceable lien on property as of the first Monday in March. Property taxes are payable in two installments on December 10 and April 10. The City collects its share of property taxes through the County of Glenn. The City relies on the competency of the County in determining its share of the overall property tax collections.

⁹⁵ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Management's Discussion and Analysis, Pages 8-9.

⁹⁶ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 2.

⁹⁷ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 3.

H. Changes in Long-term Debt⁹⁸

The following is a summary of the long-term debt transactions of the City of Willows for the Year ended June 30, 2013:

Governmental Funds Long-term Debt Transactions-Fire Equipment Capital Lease

| | |
|-----------------------------|-----------------|
| Long-term Debt July 1, 2012 | \$231,252 |
| Additions | 0 |
| Repayment | <u>(42,313)</u> |
| Long-term Debt June30, 2013 | \$188,939 |

Interest expense for the year ended June 30, 2013 was \$10,290.

Capitalized Lease-Fire Equipment:

On October 4, 2006, The City entered into a capital lease/purchase with Municipal Finance Corporation for the acquisition of a fire engine for the Willows Fire Department. The term of the financing is for 10 years at a rate of 4.45%. The annual requirements to amortize debt outstanding as of June 30, 2013 are as follows:

| City of Willows Government Funds Long-term Debt June 30, 2013⁹⁹ | | | |
|---|-------------------------|--------------------------|----------------------|
| Fiscal year | Interest Payment | Principal Payment | Total Payment |
| 2013/14 | 8,407 | 44,196 | 52,603 |
| 2014/15 | 6,441 | 46,162 | 52,603 |
| 2015/16 | 4,338 | 48,265 | 52,603 |
| 2016/17 | 2,287 | 50,316 | 52,603 |
| TOTAL | \$21,473 | \$188,939 | \$210,412 |

Business Type Long-term Debt Transactions Wastewater Treatment Construction Loans

| | |
|------------------------------|------------------|
| Long-term Debt July 1, 2013 | \$6,582,955 |
| Additions | 0 |
| Repayment | <u>(123,398)</u> |
| Long-term Debt June 30, 2013 | \$6,459,557 |

Interest expense for the year ended June 30, 2013 was \$267,532.

State Construction Loan Payable:

On July 9, 1992, the City was notified that it was awarded a loan in the amount of \$637,008, for the improvement of its wastewater facilities. The loan will be amortized, over a 20-year period commencing with the completion of the construction project that occurred during the 1994-95 fiscal year. The loan bears an interest rate of 3.1%. The annual requirements to amortize debt outstanding as of June 30, 2013 are as follows:

⁹⁸ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 5.

⁹⁹ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 5.

| City of Willows State Loan Long-term Debt June 30, 2013 ¹⁰⁰ | | | |
|--|------------------|-------------------|---------------|
| Due Date | Interest Payment | Principal Payment | Total Payment |
| 12-31-13 | \$1,196 | \$38,556 | \$39,752 |

Federal Construction Loan Payable:

On August 10, 2004, the City Council entered into a loan agreement with the United State Department of Agriculture-Rural Development Services (USDA-RD) for a loan for the improvement of its wastewater facilities. The maximum loan amount is \$6,889,000 to be repaid over 40 years at an interest rate of 4.125%. The annual requirements to amortize the loan as of June 30, 2012, are as follows:

| City of Willows Federal Construction Loan Long-term Debt June 30, 2013 ¹⁰¹ | | | |
|---|------------------|-------------------|---------------|
| Fiscal year | Interest Payment | Principal Payment | Total Payment |
| 2013/14 | 263,010 | 90,000 | 353,010 |
| 2014/15 | 259,236 | 93,000 | 352,236 |
| 2015/16 | 255,317 | 97,000 | 352,317 |
| 2016/17 | 251,233 | 101,000 | 352,233 |
| 2017/18 | 246,964 | 106,000 | 352,964 |
| 2018/19-2022/23 | 1,164,405 | 596,000 | 1,760,405 |
| 2023/24-2027/28 | 1,028,156 | 730,000 | 1,758,156 |
| 2028/29-2032/33 | 861,238 | 893,000 | 1,754,238 |
| 2033/34-2037/38 | 657,174 | 1,093,000 | 1,750,174 |
| 2038/39-2042/43 | 407,302 | 1,338,000 | 1,745,302 |
| 2043/44-2046/47 | 108,611 | 1,284,000 | 1,392,611 |
| TOTAL | \$5,502,647 | \$6,421,000 | \$11,923,647 |

I. Defined Benefit Pension Plan¹⁰²

The City of Willows contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the state statute and the City. Copies of PERS annual financial report may be obtained from their executive office: 400 P Street, Sacramento, Ca 95814.

¹⁰⁰ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 5.

¹⁰¹ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 5.

¹⁰² City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 7.

City participants are required to contribute 8% for the miscellaneous plan and 9% for the safety plan of their annual covered salary. The City makes the first 4% to 7% of the contribution required of the City members on their behalf and for the account, depending upon negotiated agreement. The City is required to contribute at an actuarially determined rate. The rate for 2012-13 is 20.612% for the miscellaneous employees, and 38.467% for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

For 2012-13, the City's annual pension cost of \$503,244 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include the following:

- a) 7.75% investment rate of return (net of administrative expenses),
- b) projected annual salary increases that may vary by duration of service, and
- c) 3.25% payroll growth.

Both a) and b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investment over a five-year period (smoothed market value). The PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a closed twenty year amortization period.

| Three-year Trend Information Combined Total for Safety and Miscellaneous Plan Members | | | |
|--|---------------------------|-------------------------------|------------------------|
| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
| 06/30/11 | 516,485 | 100% | 0 |
| 06/30/12 | 511,636 | 100% | 0 |
| 06/30/13 | 503,244 | 100% | 0 |

*J. Post-employment (Retiree) Health Benefits*¹⁰³

The City provides a defined benefit healthcare plan (the "retiree Health Plan"). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through the CalPERS Health Benefit Program, which covers both active and retired members. Spouses are also covered throughout his or her life. The City only pays up to the required minimum employer premium contribution calculated by the number of years the City has participated in CalPERS, multiplied by at least five percent (5%), and multiplied by the current employer contribution toward active employees, which is adjusted based on the medical care portion of the Consumer Price Index. Benefit provisions are established by the City Council.

¹⁰³ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 9.

The City's Council will not be funding the plan in the current year. Management will review the funding requirements and policy annually and confer with Council on an as needed basis.

K. Insurance¹⁰⁴

The City is a member of the Northern California Cities Self-Insurance Fund Joint Powers Authority (Authority) for liability insurance purposes. The Authority is comprised of 19 Northern California Cities and is organized under a joint powers agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess liability coverage. Each member city has a representative on the Board of Directors. Officers are elected annually.

General Liability Insurance requires that annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city, including Willows, self-insures for the first \$50,000 of each loss for liability and \$100,000 for worker's compensation. Participating cities shared in loss occurrences in excess up to \$1,000,000 for fiscal year 2013, \$39,000,000 in excess coverage for liability and \$4,000,000 in workers compensation, per occurrence, was purchased by the Authority. Specific coverage includes the following: comprehensive and general liability, personal injury, contractual liability, errors and omissions, and auto liability.

¹⁰⁴ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 8.

4 SEWER SERVICE COST COMPARISONS

The following table shows sewer service rates in various places in northern California. It is difficult to compare the rates because some jurisdictions have had to install expensive upgrades to their wastewater treatment plants to meet the requirements of the State Water Quality Control Board.

| COMPARISON OF DOMESTIC SEWER SERVICE RATES | | |
|--|-----------------------|--|
| District/County | Number of Connections | Monthly Sewer Service Rate (Base Rate-Single Family Residential) |
| Arbuckle PUD/Colusa | 820 | \$15.00 ¹⁰⁵ |
| Lassen Co. Waterworks District 1 (Bieber)/Lassen | 172 ¹⁰⁶ | \$25.00 ¹⁰⁷ |
| Maxwell PUD/Colusa | 400 | \$48.00 plus \$358.62/year ¹⁰⁸ |
| Westwood CSD | 781 | \$34.22 ¹⁰⁹ |
| City of Colusa/Colusa | 2082 | \$65.77 ¹¹⁰ |
| City of Orland/Glenn | 2615 | \$15.90 ¹¹¹ |
| City of Willows/Glenn | 2255 | \$40.19¹¹² |
| Susanville Sanitary District/Lassen | 3747 | \$15.15 ¹¹³ |
| City of Williams/Colusa | 1360 | \$74.27 ¹¹⁴ |

It is noted the Maxwell Public Utility District, City of Colusa and City of Williams all have higher sewer service rates than the City of Willows.

¹⁰⁵ Arbuckle PUD, PO Box 207, Arbuckle, CA 95912, Phone: (530) 476-2054, Fax: 530-476-2761, E-Mail: apud@frontiernet.net

¹⁰⁶ Lassen County Waterworks District 1 (Bieber), Stephen Jackson, Manager, Phone: 530-294-5524, March 1, 2011.

¹⁰⁷ Lassen County Waterworks District 1 (Bieber), Ordinance 09-1, An Ordinance Amending the Ordinance Establishing the Rate for sewer services by the Lassen County Waterworks District 1 (Bieber), June 16, 2009.

¹⁰⁸ Maxwell PUD, Maxwell, CA, Diana Mason, Phone: 438-2505, August 7, 2012.

¹⁰⁹ Westwood CSD, Susan Coffi, E-Mail: office@westwoodcsd.org, September 6, 2012.

¹¹⁰ City of Colusa, Water Department, Phone 458-4740 Ex100, September 12, 2012.

¹¹¹ City of Orland, Angela Crook, Assistant City Manager/City Clerk, 815 Fourth Street, Orland CA 95963, December 30, 2014

¹¹² City of Willows, Skyler Lipski, Public Works Director, Phone: 530-934-7041, September 5, 2012.

¹¹³ Susanville Sanitary District, PO Box 162, Susanville, Ca 96130, Phone: 530-257-5685, Fax: 530-251-5328, September 11, 2012.

¹¹⁴ City of Williams, Greg Endeman, gendeman@cityofwilliams.org, October 1, 2012.

5 CITY OF WILLOWS MUNICIPAL SERVICE REVIEW

Glenn LAFCO is responsible for determining if an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within its boundaries and, later, within the Sphere of Influence.

LAFCO will do the following:

1. Evaluate the present and long-term infrastructure demands and resources available to the City.
2. Analyze whether resources and services are, or will be, available at needed levels.
3. Determine whether orderly maintenance and expansion of such resources and services are planned to occur in line with increasing demands.

The Final Municipal Service Review Guidelines prepared by the Governor's Office of Planning and Research recommend issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Act. Determinations are provided for each of the six factors, based on the information provided in this Municipal Service Review.

5.1 Growth and Population Projections for the Willows Area¹¹⁵

Purpose: *To evaluate service needs based on existing and anticipated growth patterns and population projections.*

5.1.1 Willows Area Population Growth

| <u>Year</u> | <u>City of Willows</u> ¹¹⁶ | <u>Glenn County</u> |
|-------------|---------------------------------------|-----------------------|
| 1990 | 6,060 | 24,798 |
| 1995 | 6,290 | 26,337 |
| 2000 | 6,220 | 26,453 |
| 2005 | 6,401 | 28,271 |
| 2008 | 6,502 | 29,195 |
| 2010 | 6,166 ¹¹⁷ | 28,122 |
| 2012 | 6,128 | 27,992 ¹¹⁸ |

¹¹⁵ California Government Code Section 56430. (a) (1)

¹¹⁶ City of Willows, Housing Element 2010, Prepared by PMC, 2729 Prospect Park Drive, Suite 220, Rancho Cordova, CA 95670, Page 32.

¹¹⁷ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/0685684.htm>, April 10, 2014

¹¹⁸ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06021.html>, February 20, 2014.

Both the City of Willows and the County lost population from the 2008 estimate to the 2010 US Census. This is probably due to the Great Recession and the population can be expected to increase slowly in the future. The unemployment rate for Glenn County was 12.8% in February 2014¹¹⁹ so this could also slow population growth.

The State determined that Willows Housing Needs Allocation was 487 units between 2007 and 2014.¹²⁰ If these homes were to be built the population would increase by over 1,000 residents.

5.1.2 MSR Determinations on Growth and Population Projections for the Willows Area

- 1-1) The population of Willows has declined slightly since 2008 but is expected to increase in the future.
- 1-2) The City of Willows has policies and procedures to ensure that build-out of the General Plan will occur in a reasonable manner so as to ensure the adequate provision of services.

5.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to the City's SOI¹²¹

Purpose: To comply with the State Law to examine any unincorporated areas which could be provided with better services by annexing to an adjacent city.

On October 7, 2011, Governor Brown signed SB 244, which makes two principal changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. SB 244 requires LAFCOs to:

- (1) deny any application to annex to a city territory that is contiguous to a disadvantaged unincorporated community (DUC) unless a second application is submitted to annex the disadvantaged community as well; and
- (2) evaluate disadvantaged unincorporated communities in a municipal service review (MSR) upon the next update of a sphere of influence after June 30, 2012.

The intent of the statute is to encourage investment in disadvantaged unincorporated communities that often lack basic infrastructure by mandating cities and LAFCOs to include them in land use planning.

¹¹⁹ State of California, Employment Development Department, <http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/localAreaProfileQSRResults.asp?selectedarea=Glenn+County&selectedindex=11&menuChoice=localAreaPro&state=true&geogArea=0604000021>, April 10, 2014.

¹²⁰ City of Willows, Housing Element 2010, Prepared by PMC, 2729 Prospect Park Drive, Suite 220, Rancho Cordova, CA 95670, Page 77.

¹²¹ California Government Code Section 56430. (a) (2)

SB 244 defines disadvantaged unincorporated community 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.

In California Government Code Section 65302.10 (a) "Community" means an inhabited area within a city or county that is comprised of no less than 10 dwellings adjacent or in close proximity to one another.

SB 244 also requires LAFCOs to consider disadvantaged unincorporated communities when developing spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCO to include in an MSR (in preparation of a sphere of influence update):

- 1) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and
- 2) The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCO to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery.

The definition of a DUC adopted by Glenn LAFCO is as follows:

1. Definition of Disadvantaged Unincorporated Community. A Disadvantaged Unincorporated Community is defined as a developed area that has been identified as such by LAFCO, the County or the City of Orland or the City of Willows, or one that meets all the following standards:

- a) Substantially developed with primarily residential uses*
- b) Contains at least 25 parcels in close proximity to each other that do not exceed 1.5 acres in size*
- c) Does not have reliable public water, sewer or structural fire protection service available*
- d) Contains at least 12 registered voters*
- e) Has a median household income level of less than 80% of the statewide median household income*

5.2.1 Determination of Willows Area Disadvantaged Unincorporated Community Status

The community of Northeast Willows might appear to be a disadvantaged unincorporated community because the Median Household Income (2008-2012) in Glenn County is \$42,641 which is lower than eighty percent (\$49,120) of the State Median Household Income of \$61,400.¹²² However, the Median Household Income (2008-2012) for the City of Willows is slightly lower at \$41,020.¹²³

Also, this community does not meet the requirement of “unreliable public services”. The Northeast Willows area has the same public sewer and water service available to the residents of the City of Willows and also the same fire protection service.

5.2.2 MSR Determinations on Disadvantaged Unincorporated Communities near Willows

- 2-1) There are no Disadvantaged Unincorporated Communities which could benefit from being annexed to the City of Willows.

5.3 Capacity and Infrastructure City of Willows

Purpose: To evaluate the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.¹²⁴

5.3.1 City of Willows Infrastructure

The City of Willows infrastructure is described above in Chapter 3 of this report.

¹²² US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06021.html>, January 20, 2014.

¹²³ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/0685684.htm>, April 10, 2014.

¹²⁴ California Government Code Section 56430. (a)(3).

5.3.2 MSR Determinations on Infrastructure for City of Willows

- 3-1) The City of Willows wastewater treatment system has been upgraded and is adequate to meet future needs and maintains compliance with the Central Valley Regional Water Quality Control Board requirements.
- 3-2) Severn Trent Services, a private company, is responsible for managing the City of Willows wastewater treatment facility.¹²⁵
- 3-3) The wastewater collection system is old and will need to be upgraded over time.¹²⁶
- 3-4) The City of Willows domestic water is supplied by the California Water Service Company except for a small area on the south side of Willows where water is supplied by the City.
- 3-5) The City of Willows uses both paid and volunteer fire fighters and cooperates with the Willows Rural Fire Protection District to provide fire protection and emergency medical assistance.
- 3-6) When volunteer fire fighters are used a larger staff and more training is required than if there were only paid staff.
- 3-7) The City may need to encourage more individuals to become volunteer fire fighters in the future and may need to encourage City employees or work with specific businesses to get them to encourage their employees to take the training to become volunteer fire fighters and emergency medical responders if possible.
- 3-8) The City of Willows has adequate police protection.
- 3-9) The City of Willows has adequate street lighting and traffic control.
- 3-10) The City of Willows has adequate streets but it will take increasing amounts of funding to maintain them.¹²⁷
- 3-11) The City of Willows maintains adequate parks because the Willows Unified School District allows the use of school playing fields by the City.
- 3-12) The City of Willows maintains adequate library, recreation and museum services. The City relies on full-time employees, part-time employees and volunteers to staff these services.
- 3-13) City offices are adequate except for the Police Department space.¹²⁸

¹²⁵ City of Willows Sewer Update, 2014.

¹²⁶ City of Willows Sewer Update, 2014.

¹²⁷ City of Willows Pavement Management Program Road Maintenance Needs, March 25, 2014.

¹²⁸ City of Willows, Karen Mantele, Principal Planner, May 7, 2014.

5.4 Financial Ability to Provide Services¹²⁹

Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.

5.4.1 Financial Considerations for City of Willows

The City of Willows finances are described above in this report.

5.4.2 MSR Determinations on Financing for City of Willows

- 4-1) The City of Willows posts the Budget and the Financial Statements (Audit) on the website.
- 4-2) The City of Willows has an independent audit prepared each year in a timely manner.
- 4-3) The City of Willows may need to increase fees for sewer and water services to make sure that the fees cover the cost without reliance on the General Fund.
- 4-4) The City of Willows is working to develop updated master plans for wastewater collection, streets, storm drains, parks and public buildings and may then develop a capital improvement plan based on the needs shown in the master plans.
- 4-5) The City of Willows belongs to the Northern California Cities Self Insurance Fund Joint Powers Authority.
- 4-6) The City uses grant funding where possible.
- 4-7) The City charges development fees so new development will pay a fair share for facilities already in place at the time of development.

¹²⁹ California Government Code Section 56430. (a)(4)

5.5 Status of and Opportunities for Shared Facilities¹³⁰

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

5.5.1 City of Willows Facilities

The City of Willows has existing and planned arrangements for shared facilities and resources that reduce overall costs and improve service provision.

5.5.2 MSR Determinations on Shared Facilities for City of Willows

- 5-1) The City of Willows works with the City of Orland to use one librarian for both libraries.
- 5-2) The City of Willows works with the County of Glenn to maintain library service for Bayliss and Elk Creek.
- 5-3) The City of Willows and the City of Orland share building inspector resources and public works equipment.¹³¹
- 5-4) The City of Willows works with the Willows Rural Fire Protection District to coordinate use of fire protection equipment and training and deployment of volunteer fire fighters.
- 5-5) The City of Willows Fire Department provides fire dispatch service for Willows Rural, Elk Creek, Artois, Kanawha, Bayliss, Glenn-Codora, Butte City, and Ord fire protection districts.¹³²
- 5-6) The City of Willows Police Department cooperates with the Glenn County Sheriff, City of Orland Police Department, and the California Highway Patrol. Dispatch is provided by the Glenn County Sheriff.¹³³
- 5-7) The City of Willows cooperates with the Northeast Willow Community Services District to provide wastewater collection and treatment for the area within the CSD.
- 5-8) The City of Willows coordinates with Caltrans on traffic and maintenance issues for State Highway 162 where it is within the City limits.

¹³⁰ California Government Code Section 56430. (a)(5)

¹³¹ City of Orland Planning Department, Memo to Glenn LAFCO, February 19, 2014

¹³² City of Willows, Fire Department, Wayne Peabody, Fire Chief, May 19, 2014.

¹³³ City of Willows, Karen Mantele, Principal Planner, May 7, 2014.

5.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies¹³⁴

Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of the organization and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

5.6.1 City of Willows Government Structure

The City of Willows is a General Law city that operates under the City Council/City Manager form of municipal government, and therefore its residents are offered a range of opportunities to oversee the activities of elected, appointed and paid representatives. Elections, publicized meetings and hearings, as well the reports completed in compliance with State and Federal reporting requirements, ensure that City representatives are held responsible to the community. The City's website provides up-to-date public access to meeting agendas, service departments, documents for public review, and other resources.

5.6.2 MSR Determinations on Local Accountability and Governance

- 6-1) Elections, publicized meetings and hearings, as well the reports completed in compliance with State and Federal reporting requirements, ensure that City of Willows representatives are held responsible to the community.
- 6-2) The City of Willows' website provides up-to-date public access to meeting agendas, service departments, documents for public review, and other resources.
- 6-3) The City of Willows complies with the Brown Act.

¹³⁴ California Government Code Section 56430. (a)(6).

6 CITY OF WILLOWS SPHERE OF INFLUENCE UPDATE

6.1 SOI Requirements

6.1.1 LAFCO's Responsibilities

A Sphere of Influence is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each Sphere of Influence be updated not less than every five years as necessary, and §56430 provides that a Municipal Service Review shall be conducted in advance of the Sphere of Influence update.

6.1.2 SOI Determinations

In determining the Sphere of Influence for each local agency, LAFCO must consider and prepare a written statement of determinations with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open space lands
2. The present and probable need for public facilities and services in the area
3. The present capacity of public facilities and adequacy of public services which the agency provides, or is authorized to provide
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency
5. Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence

6.1.3 Possible Approaches to the SOI

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) Coterminous Sphere:

A Coterminous Sphere means that the Sphere of Influence for a city or special district that is the same as its existing boundaries of the city or district.

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside the district boundaries and inside the sphere of influence.

3) Detachable Sphere:

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere of influence.

4) Zero Sphere:

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) Consolidated Sphere:

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) Limited Service Sphere:

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to "establish the nature, location, and extent of any functions of classes of services provided by existing districts" recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

7) Sphere Planning Area:

LAFCO may choose to designate a sphere planning area to signal that it anticipates expanding an agency's SOI in the future to include territory not yet within its official SOI.

6.1.4 SOI Update Process

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years, as necessary. In updating the SOI, LAFCO is required to conduct a Municipal Service Review (MSR) and adopt related determinations.

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

6.1.5 SOI Amendments and CEQA

LAFCO has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCO may require the requester to pay a fee to cover LAFCO costs, including the costs of appropriate environmental review under CEQA. LAFCO may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCO may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCO staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are likely exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, zero SOIs and coterminous SOI's. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth-inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth inducing.

Remy et al. write:

*"In City of Agoura Hills v. Local Agency Formation Commission (2d Dist.1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCO's decision to approve a city's sphere of influence that in most respects was coterminous with the city's existing municipal boundaries was not a "project" because such action did not entail any potential effects on the physical environment."*¹³⁵

¹³⁵ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA, February 2007, page 111.

6.1.6 Recommendation for City of Willows Sphere of Influence

The recommendation for the City of Willows Sphere of Influence is to adopt the same Sphere of Influence as shown in the City's General Plan. The proposed Sphere of Influence includes land with Williamson Act Contracts. If this land were to be annexed to the City of Willows the land would still be under these contracts. Brief information on termination and cancellation of these contracts is shown in Appendix B at the end of this report.

The Sphere of Influence also includes the Northeast Willows CSD.

6.2 Present and Planned Land Uses in the City of Willows Area, Including Agricultural and Open Space Lands

6.2.1 Glenn County General Plan for City of Willows SOI Area

The following table shows the County land use designations within the proposed City of Willows Sphere of Influence:

| Proposed City of Willows SOI | |
|--|----------------|
| Glenn County General Plan Land Use Designations¹³⁶ | Acres |
| Intensive Agriculture | 806.4 |
| General Agriculture | 149.8 |
| Agricultural/Residential | 84.5 |
| Rural Residential | 152.9 |
| Suburban Residential | 354.6 |
| Single Family Residential | 200.3 |
| Multi-Family Residential | 21.1 |
| Community Commercial | 15.1 |
| Service Commercial | 97.8 |
| Highway and Visitor Service Commercial | 15.5 |
| Public Facilities | 268.2 |
| Industrial | 65.2 |
| Business Park | 43.1 |
| TOTAL | 2,274.5 |

A map showing the location of these land use designations is found at the end of this report.

¹³⁶ Glenn County Planning and Public Works Agency, Andy Popper, Senior Planner, April 14, 2014.

The following table shows the County Zoning designations within the proposed City of Willows Sphere of Influence:

| Proposed City of Willows SOI¹³⁷ | |
|--|---------------|
| County Zoning Designations | Acres |
| Agricultural Preserve: AP-80 (Williamson Act Contract) | 389.7 |
| Exclusive Agricultural Zone: AE-80 | 91.7 |
| Exclusive Agricultural Zone: AE-40 | 325.0 |
| Exclusive Agricultural Zone: AE-20 | 149.8 |
| Agricultural Transitional Zone: AT-10 | 84.5 |
| Rural Residential Estate Zone: RE-5 | 152.9 |
| Rural Residential Estate Zone: RE-1 | 1.6 |
| Single Family Residential Zone: R-1 | 200.3 |
| Rural Residential Estate Zone-North Willows: RE-NW | 353.0 |
| Multiple Residential Zone: R-M | 21.1 |
| Community Commercial Zone: CC | 1.1 |
| Service Commercial Zone: SC | 97.8 |
| Highway and Visitor Service Commercial: HVC | 15.5 |
| Planned Development Commercial District: PDC | 14.0 |
| Airport Zone: AV | 268.2 |
| Industrial Zone: M | 65.2 |
| Industrial Park or MP District: MP | 43.1 |
| TOTAL | 2274.5 |

A map showing the location of these zoning designations is found at the end of this report.

6.2.2 SOI Determinations on Present and Planned Land Use for City of Willows Area

- 1-1] The County Land Use Designations and Zoning will govern land uses in the Sphere of Influence area until the land is annexed to the City.
- 1-2] The City and the County should maintain communication regarding land use permits and changes within the Sphere of Influence.

¹³⁷ Glenn County Planning and Public Works Agency, Andy Popper, Senior Planner, April 14, 2014.

6.3 Present and Probable Need for Public Facilities and Services in the Willows Area¹³⁸

6.3.1 Municipal Service Background

The municipal services provided by the City of Willows are needed for the 6,128¹³⁹ residents of the City and for future residents.

6.3.2 SOI Determinations on Facilities and Services Present and Probable Need for City of Willows

2-1] It is expected that the City of Willows will be able to provide adequate service provision for future populations, and that the level of service provision will improve as new developments are constructed within the City and the tax base expands.

6.4 Present Capacity of Public Facilities Present and Adequacy of Public Services¹⁴⁰

6.4.1 Capacity Background

The City of Willows provides city administration, planning, building inspection, parks and recreation, library, police protection, fire protection, wastewater collection and treatment, partial water service, streets, and storm drains. These services are adequate for the residents of Willows but will not have additional capacity without substantial investment.

6.4.2 SOI Determinations on Public Facilities Present and Future Capacity for City of Willows

3-1] The City of Willows maintains the highest level of service possible given budget constraints, often due to the dedication and commitment of staff members.

3-2] The City of Willows coordinates services with Glenn County, the City of Orland, adjacent special districts and State and Federal agencies to the extent possible.

¹³⁸ California Government Code Section 56425 (e)(2)

¹³⁹ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/0685684.htm>, April 10, 2014

¹⁴⁰ California Government Code Section 56425 (e)(3)

6.5 Social or Economic Communities of Interest for City of Willows

6.5.1 City of Willows Community Background

The City of Willows is both a social and an economic community. The City of Willows provides a page on its website for the Chamber of Commerce. The City assists the community to provide special events such as Lamb Derby and the July Fourth Fireworks to promote community spirit. The City has a Community Promotion item in the Community Activities Budget and various City Department (Recreation, Fire, Police) also help with these activities.

Northeast Willows is a separate community mainly for the purpose of maintaining the Northeast Willows CSD to provide wastewater collection service and to work with the City of Willows on wastewater treatment service. The JPA with the Northeast Willows CSD and the location map of the CSD are shown in Appendix A at the end of this report.

6.5.2 SOI Determinations on Social or Economic Communities of Interest for City of Willows

- 4-1] The City of Willows is both a social and an economic community.
- 4-2] The City of Willows provides facilities and services which enhance both social and economic values for City residents such as parks, recreation programs and library services.

6.6 Disadvantaged Unincorporated Community Status¹⁴¹

6.6.1 Disadvantaged Unincorporated Communities

Senate Bill 244 was a significant piece of LAFCO related legislation passed in 2011. This bill required LAFCO to make determinations regarding “Disadvantaged Unincorporated Communities” (DUCs). Disadvantaged Unincorporated Communities are defined as inhabited territory that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual household income (MHI).

6.6.2 City of Willows Disadvantaged Unincorporated Community Status

- 5-1] There are no Disadvantaged Unincorporated Communities which could benefit from being annexed to the City of Willows.

¹⁴¹ California Government Code Section 56425 (e)(5)

APPENDIX A JOINT POWERS AGREEMENT WITH NORTHEAST WILLOWS CSD

FROST, KRUP & ATLAS

AN ASSOCIATION OF ATTORNEYS
134 WEST SYCAMORE STREET
WILLOWS, CALIFORNIA 95988
TELEPHONE (530) 934-5416
FACSIMILE (530) 934-3508

J. MARK ATLAS

JMA@JMATLASLAW.COM

CHARLES H. FROST (1912 - 2007)
LEONARD G. KRUP

January 23, 2008

Steve Holsinger
City Manager
City of Willows
201 North Lassen
Willows, CA 95988

Re: Northeast Willows Community Services District

Dear Mr. Holsinger:

Enclosed please find a fully executed original of the *Restated and Amended Joint Exercise of Powers Agreement for Sanitary Sewer Services Between Northeast Willows Community Services District and the City of Willows*.

By copy of this letter I am sending an original to Christy Leighton for the District's file. I have retained a copy for our file.

Thank you.

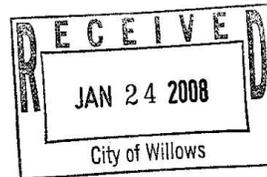
Sincerely yours,



Karen K. Simas
Secretary

Enclosures

cc: Christy Leighton (w/encl.)



RESOLUTION NO. 28 - 07

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING
AN EXTENSION OF THE RESTATED AND JOINT EXERCISE OF POWERS
AGREEMENT FOR SANITARY SEWER SERVICES BETWEEN NORTHEAST
WILLOWS COMMUNITY SERVICES DISTRICT AND
THE CITY OF WILLOWS AND AUTHORIZING THE CITY MANAGER TO EXECUTE
THE AGREEMENT ON BEHALF OF THE CITY OF WILLOWS

Whereas, the City Council of the City of Willows and the Northeast Willows Community Services District mutually agree that is necessary for both entities to utilize the City's Wastewater Treatment Facility; and

Whereas, the City of Willows is willing to allow the District to utilize the Wastewater Treatment Facility providing the District pays its fair share of expenses; and

Whereas, the Restated and Amended Joint Exercise of Powers Agreement, incorporated here as Exhibit 'A' shall become effective December 23, 2007

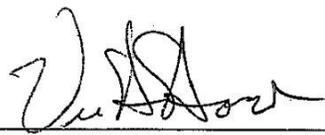
Now Therefore Be It Resolved the City Council of the City of Willows does hereby approve the Restated and Joint Exercise of Powers Agreement for Sanitary Sewer Services between the Northeast Willows Community Services District and the City of Willows; as incorporated by reference, and the City Manager is hereby authorized to sign the same, on behalf of the City.

IT IS HEREBY CERTIFIED that the foregoing Resolution No. 28-07 was duly introduced and legally adopted by the City Council of the City of Willows at its regular meeting held on this 27th day of November 2007, by the following roll call vote:

AYES: Baker, Yoder, Towne, Thrailkill & Holvik
NOES: None
ABSENT: None
ABSTAIN: None

Approved

Attested



Vincent H Holvik, Mayor



Natalie Butler, City Clerk

"EXHIBIT A"

RESTATED AND AMENDED
JOINT EXERCISE OF POWERS AGREEMENT
FOR SANITARY SEWER SERVICES
BETWEEN NORTHEAST WILLOWS COMMUNITY SERVICES DISTRICT
AND THE CITY OF WILLOWS

This RESTATED AND AMENDED JOINT EXERCISE OF POWERS AGREEMENT is made and entered into as of the 23rd day of December 2007, between the CITY OF WILLOWS, a Municipal Corporation ("City"), and the NORTHEAST WILLOWS COMMUNITY SERVICES DISTRICT, a Public Agency ("District").

RECITALS

As a basis and premise for this Agreement, it is understood and acknowledged:

1. On December 23, 1987 the City and the District entered into this Joint Exercise of Powers Agreement for Sanitary Sewer Services ("1987 Agreement") for a term of 20 years, the term of which will expire on December 23, 2007;
2. The City and the District wish to extend the 1987 Agreement, and in doing so, to restate and amend its terms, as more fully set forth herein;
3. The District comprises certain lands lying adjacent to and northeast of the city limits of the City;
4. At the time of execution of the 1987 Agreement, wastewater disposal in the District was by individual septic tank systems with sub-surface disposal of effluent. The soils in the District do not permit such systems to operate properly, and there had been a number of failures such that the County of Glenn placed a moratorium in the District on all new septic tank permits;

5. The District obtained funds to conduct a pollution study, which confirmed the failures of on-site septic systems, and the potential of a public health hazard;

6. The District actively pursued and secured the financing through State and Federal agencies for the construction of a District-owned sanitary sewage collection system with sewer mains and outfall mains within its boundaries, for the collection and conveyance of wastewater into the City's system, and, during construction, the District's collection system was connected to the City's system;

7. The City owns, operates and maintains facilities for the collection, transmission, treatment and disposal of wastewater and sewage which presently serves the City and, by virtue of the connections between the City's system and the District's collection system, all lands within the District. In accordance with the 1987 Agreement, the District acquired certain capacity rights in the City's wastewater treatment facility together with capacity rights in a portion of City's collection system;

8. The 1987 Agreement apportioned the cost of construction, reconstruction, enlargement, maintenance and operation of the existing and proposed facilities and for the treatment and disposal of all wastewater sewage and industrial waste both in the City and in the District;

9. The City and the District each has the power and authority to provide for the collection, transmission, treatment and disposal of wastewater, and are authorized to contract with each other regarding the joint exercise of any common power under Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code; and,

10. It is the desire and intent of the parties hereto, without in any way surrendering the sovereignty of their respective governmental authority, to enter into this

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Restated and Amended Joint Exercise of Powers Agreement to renew and extend the provisions of the 1987 Agreement District.

AGREEMENT

THEREFORE, in consideration of the mutual promises of the parties, it is agreed as follows:

1. ACCEPTANCE OF SEWAGE: The District will continue to have capacity rights in the City's collection and treatment plant facilities in such a manner that the District shall have the permitted capacity rights in the sewage wastewater treatment system of the City as set forth herein.

a. Permitted Flow Capacity: The City shall permit the District to deliver sewage for treatment and disposal up to 90,000 gallons per day during dry weather periods, and 135,000 gallons per day during wet weather periods.

b. Annexation to City: If any of the District's lands are annexed to the City, the District's capacity rights in the City's treatment plant and facilities shall be reduced by an amount equal to the capacity rights allocated by the District to said annexed lands.

c. Exceeding Permitted Flows: The allocated capacity rights of the District shall not be exceeded except by mutual agreement. If either of the flows set forth in Paragraph 1.a, above is exceeded by more than 10% for more than a seven day consecutive period, the City may request in writing, and the District will authorize testing of the District's collection system as set forth in Paragraph 3.d, below at a cost not to exceed \$5,000.00.

d. Exceeding Permitted Flows at the City's Option: The City shall have the option, in its sole discretion, to accept sewage emanating from the District in an amount in excess of the above-defined permitted flows, provided capacity is available in the wastewater

treatment facility. The City's acceptance of such excess shall in no way constitute an allotment of additional capacity by the City to the District in excess of that provided in Paragraph 1.a, above without the City's express approval.

e. Metering, Testing and Inspection: The District shall construct at its sole cost, control, testing and inspection manholes at all points of connection of the District's system to the City's system. The District shall also install such metering devices, whether flow meters or hour meters, as the parties hereto agree upon for the purpose of measuring the quantity of its sewage delivered to the City's collection system. Pursuant to this Paragraph, in 2007 the District installed a new flow meter. The City shall download or otherwise transfer the records of the flow meter measurements no less often than monthly. The City shall provide a report of such readings to the District within five days after the end of each calendar quarter. Nothing in the foregoing sentence shall be interpreted to mean that the District may not download the data from the metering device directly itself or request copies of the City's downloads, in electronic format, more frequently, but if the District does request such records more often than quarterly, the City shall provide them as soon as is reasonably possible.

2. OWNERSHIP OF THE CITY FACILITIES: The District shall, by virtue of this Agreement, acquire a continuing right to have its sewage treated and disposed of by the City as provided herein. Except as expressly provided herein, nothing in this Agreement and no use resulting to the District by reason of such treatment and disposal shall be deemed to give any ownership, easement, or other property right in any of the treatment and disposal facilities or in the lands or easements on which said facilities are presently located and used in common hereunder, and it shall have no right to claim that it has a right to pass wastewater through said system other than the right provided herein.

3. WASTEWATER QUALITY:

a. Requirements: The City will treat all sewage emanating from the District sufficiently to meet effluent and receiving water requirements established by the State and Federal governments.

b. Unpolluted Water Prohibited: No leaders from roofs or surface drains for rain water may be connected to any sewers of the City or the District. No surface or storm waters, excessive infiltration, cooling water or unpolluted industrial wastewater shall be permitted to enter either sewer system.

c. Types of Waste Allowed: Except as hereinafter provided, the District shall take all reasonable steps not to discharge or cause or permit to be discharged into the District or the City disposal system, any waters or waste other than the usual and ordinary types of wastewater generated by residential users.

d. Measurements and Tests: In the event that the metering provided for in Section 1.d indicates the District is exceeding the permitted flows, the City will, as soon as possible, send a report of the meter readings to the District. The City and the District shall as soon as practical thereafter cooperate in the testing of the integrity of the District collection system referred to in Section 1.e, or take such other steps as they agree are reasonable and necessary, in order to identify the source of the excess flows, and to identify reasonable measures to reduce the flows. Such costs shall be paid in accordance with Paragraph 7.b. At any time the City shall have the right to conduct such other tests, at its own expense, as the City deems necessary to verify the District's compliance with the wastewater quality standards.

4. CONNECTION CHARGES:

a. City Connection Charges and Permit Fees. Any parcels in the District which desire to connect to the collection system shall pay all sewer connection fees and charges computed in accordance with the City's sewer connection policy in force and effect at the time of such connection, including, but not limited to, the City's connection or capital charges, wastewater system impact fees and encroachment permit fees. The District shall cause such fees to be paid directly to the City, or to be collected and paid to the City, at the time such connections are made. The City may inspect the connections, for which the City will charge the property owner its then current inspection fee.

b. District Connection Charges. Nothing in this Paragraph 4 shall be construed to limit in any way the District's authority to adopt, implement and collect any connection fees or charges on behalf of itself.

5. DISTRICT'S CONTRIBUTION TOWARD OPERATION AND MAINTENANCE OF THE DISTRICT'S SEWAGE COLLECTION SYSTEM, CITY'S TRUNKLINE, AND WASTEWATER TREATMENT PLANT AND RELATED FACILITIES:

a. District's Sewer Collection Facility: The District shall submit to the City for the City's review and approval all plans and specifications for any modification of the District's sewage collection system.

b. Sewer Service Charge: The District shall pay a sewer service charge to the City, for the City's operation and maintenance of the District's sewage collection system, the City's sewer trunkline utilized by the District, and the City's wastewater treatment facility, as herein specified. "Sewer service charge" shall mean the monthly charge upon each sewer

connection of a property owner and sewer user in the District, which is equal to the monthly charge set forth in the City's Code of Ordinances, which the City makes upon similar sewer connections of property owners and sewer users in the City, either residential, commercial or industrial. On or before the fifteenth day of May of each year, the City will provide actual notice to the District of the sewer service charge for the next fiscal year. Absent such notice, the District may assume that the monthly charge shall be the same as the previous year, and will conduct its proceedings for collection of such charges from the District's property owners accordingly. The City will credit the sewer service charge paid by the District to the City's funds in the same manner as it credits such charges collected from the City's own property owners and sewer users.

c. Annexation to the City: If during the term of this Agreement any portion of the lands within the District which are served by sewer connections included in the formula for payment by the District to the City under Paragraph 5b, above are annexed to the City, then the payment by the District to the City under such paragraph shall be proportionately reduced for the remainder of the term of this Agreement.

d. Annual Review of Sewer Service Charges: Within 30 days after the end of each fiscal year, representatives of the City and the District, together with representatives of the Glenn County Department of Finance will meet to review the parcels in the District that are subject to payment of the City's sewer service charge.

6. FUTURE FACILITY REQUIREMENTS: If it shall be necessary for the City to improve sewage treatment due to laws or regulations of higher authorities, or if it shall be necessary to install additional facilities or to improve, extend or enlarge any part of said facilities used to serve the District, except as provided in Paragraph 7b, the City shall make no charge to the District for the cost thereof which is not also made to all other of the City's property owners

and sewer users, whether the cost of such additional facilities or other improvements is to be raised by special assessment, revenue bonds, an increase in the monthly sewer service charge, or by any other means. An order in lawful form by any such higher authority shall be considered conclusive by the parties hereto as to the necessity of an expenditure of funds for such improvement, treatment or for such additional facilities.

7. OPERATION, MAINTENANCE AND REPLACEMENT:

a. Responsibilities:

1. City: The City shall operate, maintain, and control its wastewater treatment facility in a manner that will satisfy all applicable effluent and receiving water requirements of the State and Federal governments. The City will furthermore take all reasonable steps necessary to avoid the assessment of any fines or penalties levied on the City for its failure to meet such State or Federal requirements. The City shall use reasonable diligence to provide regular and uninterrupted service to the District, but shall not be liable for damages, breach of contract, or otherwise to the District for failure, suspension, diminution or other variations of service occasioned by or in consequence of any causes beyond the City's control.

2. District: The District shall give reasonable notice to the City insofar as possible of any material changes proposed in volume or characteristics of sewage to be discharged to the City.

b. Maintenance and Repairs of the District's Sewage Collection System: The City shall provide or contract for all maintenance, including routine inspection, rodding, balling, flushing, plugging, and the making of minor repairs, excluding replacement and installation of lines and pipes, to the entire sewage collection system, main trunk sewers and facilities of the sanitary sewer service areas within the boundaries of and which serve the

District. The City shall pay for such maintenance from the annual sewer service charges that the District has paid under the provisions of Paragraph 5, up to the total amount per year of \$5,000.00 (the "annual O&M cap). During the Initial Transition Term provided in Section 11.b, the annual O&M cap shall be \$7,250.00. Commencing on July 1, 2009, the annual O&M cap shall revert to \$5,000.00; *provided that*, the cap shall be adjusted annually to reflect the change in the Consumer Price Index – All Urban Users ("CPI-U") for consumer goods and services for the Metropolitan Statistical Area that includes the City and the District. The parties will execute a letter agreement each year acknowledging the CPI-U adjustment. Once the total of all maintenance costs on the District's sewage collection system in a fiscal year exceeds the O&M cap, the District shall be responsible for paying all additional maintenance costs during the year; *provided that* the City shall not incur any costs for such maintenance without first obtaining the District's written authorization. Within five days after the end of each calendar month, the City will provide a written report of all repair costs incurred in the preceding month.

c. Inspection of Repairs: All such repairs shall be in conformity with the City's standards adopted for the construction of sewer lines within the incorporated limits. The City's engineer shall have a reasonable period of time to approve all engineering plans for such major repairs and extensions prior to the District's advertising for construction bids, and the City shall have the right to inspect all construction to insure its compliance with the aforesaid standards. The District shall reimburse the City for reasonable engineering fees incurred by the City for the aforementioned approval of plans and inspection of construction, improvement, and extensions within the District. The reasonableness of such fees and expenses shall be determined by the City engineer or other engineer selected by the City, and the District engineer, for the approval of the City Council and the District Board of Directors.

d. Applicability of City Rules and Regulations: Any and all reasonable rules and regulations adopted or promulgated by the City relative to the operation and maintenance of its collector and trunk sewer system, for application within the incorporated limits of the City, shall have equal application within the boundaries of the District, so long as those rules and regulations are consistent with the California Community Services District Law.

8. AGREEMENT NOT EXCLUSIVE: This Agreement is not exclusive and the District may at any time make or contract for other arrangements to dispose of sewage from any extended service area within the District which is not connected to the City system and served and maintained pursuant to this Agreement

9. JOINT MEETINGS: To facilitate and coordinate sewer plant operations, expansion programs, and payment requirements under the terms and provisions of this Agreement, the City Council of the City and the Board of Directors of the District shall have such joint meetings at their mutual convenience as they deem necessary.

10. ATTORNEY'S FEES: In any action or proceeding by either party to enforce this contract or any provisions thereof, the prevailing party shall be entitled to all costs incurred and to reasonable attorney's fees that may be fixed by the court.

11. TERM OF AGREEMENT:

a. Fiscal Year Term: The term of this Agreement shall be for one year at a time, and, unless otherwise agreed by the parties, shall commence on July 1 of each year through June 30 of the following year, that is, it shall run concurrently with the City's and the District's fiscal year.

b. Initial Transition Term: To facilitate transition of the term of this Agreement from the 1987 Agreement, the initial term of the Agreement shall be from December 23, 2007 to June 30, 2009.

c. Automatic Renewal: The Agreement will automatically renew for each subsequent fiscal year unless either the City or the District gives written notice to the other party no less than 60 days before expiration of the then-current term. If either party gives the other the 60-day termination notice, then the term of the Agreement shall automatically convert to a single, final term of five years from the date of expiration of the term during which the notice was given. Unless extended by written agreement of the parties, this Agreement shall expire at the conclusion of the five-year extended term.

12. RESOLUTION OF DISPUTES: Upon 30 days' written notice given to the other party, the City and the District will meet and confer regarding any disputes over administration, interpretation or implementation of this Agreement, operation of the sewage collection system, or other issues, as are set forth in the notice. Nothing in this meet and confer provision shall be interpreted as prohibiting either party from giving the 60-day notice of termination of the Agreement in accordance with Paragraph 11.c, above.

13. DEVELOPMENT WITHIN THE DISTRICT AND NEW CONSTRUCTION:

a. Water Service Ordinance: No later than July 1, 2008, the District shall draft and propose for adoption an ordinance requiring that all new construction within the District must be connected to the California Water Service or other municipal water system available in the District, and that such connections shall be fitted with a water meter.

b. Density of Development: The District will convey to the Glenn County Planning Department, at all appropriate times, the lack of capacity of the District's sewage collection system to provide sewage collection to development that is any more dense than single family residences constructed on lots that are no smaller than 50 frontage feet measured along the narrowest dimension.

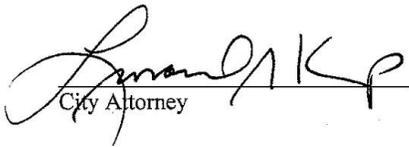
IN WITNESS THEREOF, the CITY OF WILLOWS, a Municipal Corporation, has caused this Agreement to be executed by and through its City Manager, pursuant to Resolution No. 28-07 authorizing such execution; and the NORTHEAST WILLOWS COMMUNITY SERVICES DISTRICT has caused this Agreement to be executed by its respective officials, pursuant to Resolution No. 2007-07 adopted by its Board of Directors.

DATE: November 27, 2007

CITY OF WILLOWS

By: 
City Manager

APPROVED AS TO FORM:


City Attorney

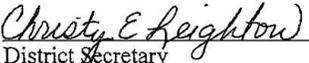
DATE: January 22, 2007

NORTHEAST WILLOWS COMMUNITY
SERVICES DISTRICT

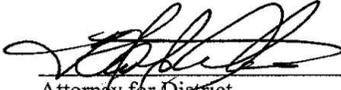
By: 
Chairman, Board of Directors

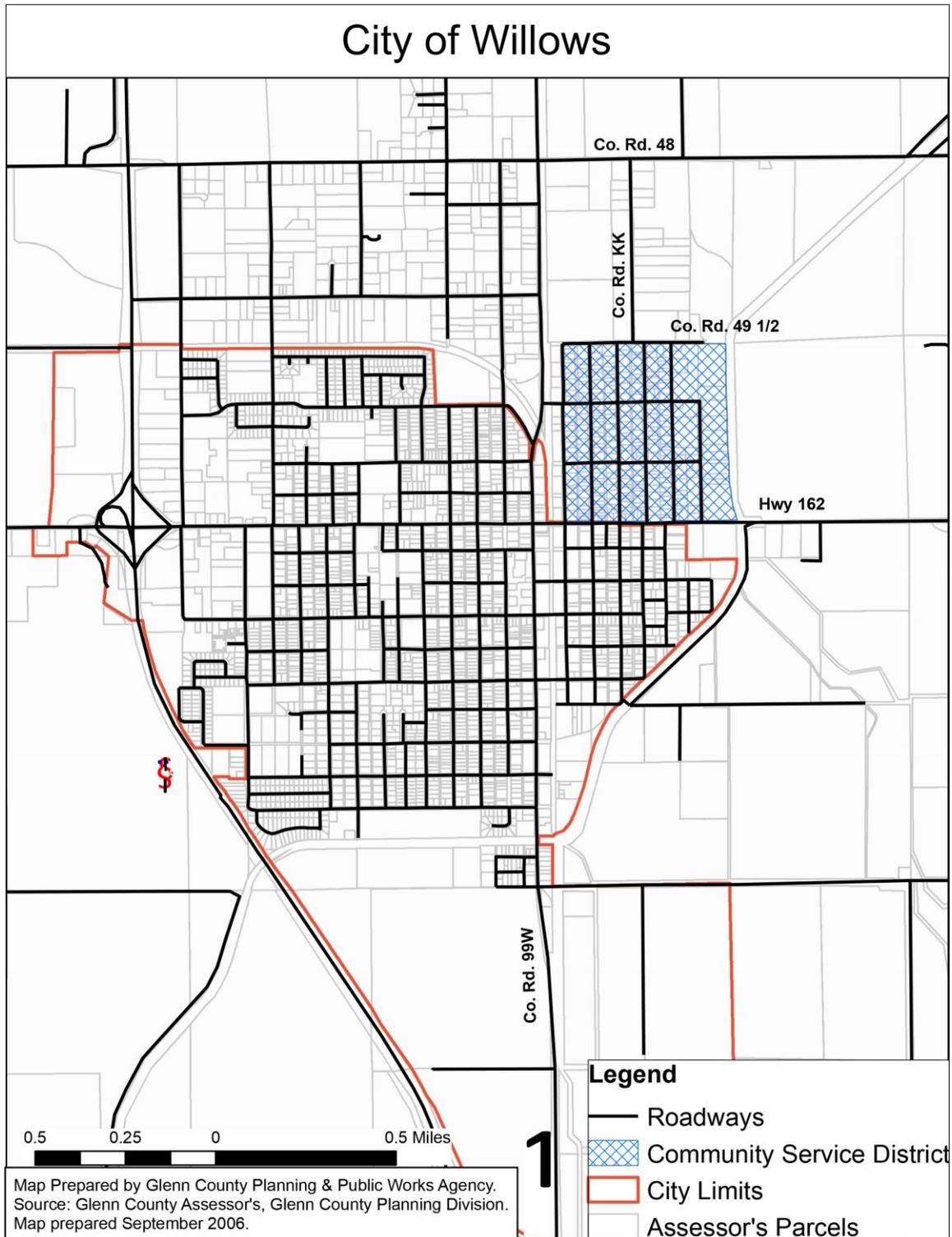
301

ATTEST:


District Secretary

APPROVED AS TO FORM:


Attorney for District



APPENDIX B WILLIAMSON ACT CANCELLATION¹⁴²

Williamson Act Contract Termination

The preferred method of contract termination is nonrenewal. To terminate a Williamson Act contract, a landowner files a notice of nonrenewal. Starting at the next contract anniversary date, the contract winds down over the remaining (usually nine-year) term, with the property taxes gradually rising to the full unrestricted rate at the end of the nonrenewal period. If the land is restricted by a Farmland Security Zone Contract, the contract winds down over the remaining 19 years, with the property taxes gradually rising to the full unrestricted rate at the end of the nonrenewal period.

Williamson Act Contract Cancellation

Williamson Act contract cancellation is an option under limited circumstances and conditions set forth in Government Code (GC) §51280 et seq. In such cases, landowners may petition a board/council for Williamson Act contract cancellation. The board/council may grant tentative cancellation only if it makes required statutory findings (GC §51282(a)).

If the required findings are met, the landowner is required to pay a cancellation fee equal to 12.5 percent of the cancellation valuation (unrestricted fair market value) of the property (GC §51283(b)). In some cases, the contract specifies a higher cancellation fee and if the land is restricted by a Farmland Security Zone Contract, the cancellation fee is 25 percent.

Williamson Act Cancellation Petition

The petition must contain a proposal for a specified alternative use for the property, and a list of all government agencies known to have permit authority related to the proposed use (GC §51282(e)). Additionally, all the information in support of and relevant to the required cancellation findings should be included for the board's consideration and deliberation on the matter (i.e. a description of proximate land, including whether the land is under contract, vicinity and location maps of the land).

Findings for Williamson Act Cancellation

The board or council may grant tentative approval for cancellation of a Williamson Act contract only if it makes either public interest or consistency finds. In some cases, the contract or local government may require both public interest and consistency findings to be made in order to cancel the contract.

Cancellation of a Farmland Zone Security contract requires both the public interest and consistency findings be made and approval of the Director of the Department of Conservation. In the resolution tentatively approving the cancellation of a Farmland Security Zone contract, the board/council must find that no beneficial public purpose is

¹⁴² State Department of Conservation,
http://www.conservation.ca.gov/dlrp/lca/basic_contract_provisions/Pages/contract_cancellations.aspx, April 15, 2014.

served by the continuation of the contract and that the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and local government. (GC§51297)

In order to find that the cancellation is consistent with the purposes of the Williamson Act, the board/council must also find:

1. That the cancellation is for land on which a notice of nonrenewal has been served.
2. That cancellation is not likely to result in the removal of adjacent lands from agricultural use.
3. That cancellation is for an alternative use which is consistent with the applicable provisions of the city or county general plan.
4. That cancellation will not result in discontinuous patterns of urban development.
5. That there is no proximate, noncontracted land which is both available and suitable for the proposed use or that development of the contracted land would provide more contiguous patterns of urban development (GC §51282(b)).

In order to find that the cancellation is in the public interest, the board/council must find:

1. That other public concerns substantially outweigh the objectives of the Williamson Act; and,
2. That there is no proximate, noncontracted land which is both available and suitable for the proposed use, or, that development of the contracted land would provide more contiguous patterns of urban development (GC §51282(c)).

The uneconomic character of an existing agricultural use shall not by itself be sufficient reason for cancellation of the contract. The uneconomic character of the existing use may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put (GC §51282(b)).

ABBREVIATIONS

| | |
|-------|--|
| AB | Assembly Bill |
| APC | Annual Pension Cost |
| CA | California |
| CALBO | California Building Officials |
| CCF | 100 cubic feet (water) |
| CEQA | California Environmental Quality Act |
| CHRP | Cops Hiring Recovery Program (US Department of Justice) |
| CIP | Capital Improvement Program |
| City | City of Willows |
| CKH | Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 |
| CSD | Community Services District |
| DUC | Disadvantaged Unincorporated Community |
| EDU | equivalent dwelling unit |
| EMT | Emergency Medical Technician |
| ERAF | Educational revenue Augmentation Fund |
| FICA | Federal Insurance Contributions Act (Social Security) |
| FPD | Fire Protection District |
| GCID | Glenn-Colusa Irrigation District |
| gpm | gallons per minute |
| GSRMA | Golden State Risk Management Authority |
| I-5 | Interstate Highway 5 |
| I&I | infiltration and inflow |
| IAPMO | International Association of Plumbing and Mechanical Officials |
| ICBO | International Conference of Building Officials |
| JPA | Joint Powers Agreement |
| LAFCO | Local Agency Formation Commission |

**GLENN LAFCO
CITY OF WILLOWS
MSR-SOI**

| | |
|---------|---|
| LAIF | Local Agency Investment Fund |
| mgd | million gallons per day |
| MSR | Municipal Service Review (LAFCO) |
| NEWCSD | Northeast Willows Community Services District |
| OJP | Office of Justice Programs (US Department of Justice) |
| PCI | Pavement Condition Index |
| PERS | Public Employee Retirement System (California) |
| PG&E | Pacific Gas and Electric Company |
| PMP | Pavement Management Plan |
| PPW | Parks and Public Works |
| PVC | Polyvinyl Chloride Pipe |
| PW | Public Works |
| SB | Senate Bill |
| SLESF | Supplemental Law Enforcement Services Fund (California) |
| SOI | Sphere of Influence (LAFCO) |
| SPP | Solar Power Partners, LP |
| TCEDC | Tri-County Economic Development Corporation |
| TOT | Transient Occupancy Tax |
| USDA | United States Department of Agriculture |
| USDA-RD | United State Department of Agriculture-Rural Development Services |
| VCP | Vitrified Clay Pipe |
| VIPS | Volunteers in Police Service |
| VLFs | Vehicle License Fees |
| WWTP | Wastewater Treatment Plant |

DEFINITIONS

Ad valorem property tax: The phrase ad valorem is Latin for "according to value". In the case of municipal property taxes, property owners have their property assessed on a periodic basis by a public tax assessor. The assessed value of the property is then used to compute an annual tax, which is levied on the owner by his or her municipality. Ad valorem taxes are incurred through ownership of an asset, in contrast to transactional taxes, such as sales taxes, which are incurred only at the time of transaction.¹⁴³

Agriculture: Use of land for the production of food and fiber, including the growing of crops and/or the grazing of animals on natural prime or improved pasture land.

Aquifer: An underground, water-bearing layer of earth, porous rock, sand, or gravel, through which water can seep or be held in natural storage. Aquifers generally hold sufficient water to be used as a water supply.

Bond: An interest-bearing promise to pay a stipulated sum of money, with the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes.

Business (proprietary fund) type activities: The City of Willows charges a fee to customers to cover all or most of the cost of the services provided. The City's sewer and water services are reported in this category.¹⁴⁴

California Environmental Quality Act (CEQA): A State Law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an environmental impact report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project.

Community Facilities District: Under the Mello-Roos Community Facilities Act of 1982 (Section 53311, et seq.) a legislative body may create within its jurisdiction a special tax district that can finance tax-exempt bonds for the planning, design, acquisition, construction, and/or operation of public facilities, as well as public services for district residents. Special taxes levied solely within the district are used to repay the bonds.

Community Services District (CSD): A geographic subarea of a county used for planning and delivery of parks, recreation, and other human services based on an assessment of the service needs of the population in that subarea. A CSD is a taxation district with independent administration.

Environmental Impact Report (EIR): A report required pursuant to the California Environmental Quality Act that assesses all the environmental characteristics of an area, determines what effects or impact will result if the area is altered or disturbed by a proposed action, and identifies alternatives or other measures to avoid or reduce those impacts. (See California Environmental Quality Act.)

¹⁴³ <http://www.investopedia.com/terms/a/advaloremtax.asp>, April 15, 2014.

¹⁴⁴ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Page 2.

Governmental activities: All of the City of Willows basic services are considered to be governmental activities, including general government, community development, public safety, public works, and community services. Property taxes, sales taxes, Vehicle License Fees (VLFs), transient occupancy taxes, and franchise fees finance most of these activities.¹⁴⁵

Impact Fee: A fee, also called a development fee, levied on the developer of a project by a county, or other public agency as compensation for otherwise-unmitigated impacts the project will produce. California Government Code Section 66000, et seq., specifies that development fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged. To lawfully impose a development fee, the public agency must verify its method of calculation and document proper restrictions on use of the fund.

Infrastructure: Public services and facilities such as sewage-disposal systems, water-supply systems, and other utility systems, schools and roads.

Inhabited territory: Inhabited territory means territory within which there reside 12 or more registered voters. The number of registered voters as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the executive officer. All other territory shall be deemed "uninhabited."¹⁴⁶

Land Use Classification: A system for classifying and designating the appropriate use of properties.

Leapfrog Development: New development separated from existing development by substantial vacant land.

Local Agency Formation Commission (LAFCO): A five-or seven-member commission within each county that reviews and evaluates all proposals for formation of special districts, incorporation of cities, annexation to special districts or cities, consolidation of districts, and merger of districts with cities. Each county's LAFCO is empowered to approve, disapprove, or conditionally approve such proposals. The LAFCO members generally include two county supervisors, two city council members, and one member representing the general public. Some LAFCOs include two representatives of special districts.

Local Agency Investment Fund (LAIF): The Local Agency Investment Fund (LAIF) is a special fund of the California State Treasury through which local governments may pool investments. The City and the Agency each may invest up to \$40,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.¹⁴⁷

Mello-Roos Bonds: Locally issued bonds that are repaid by a special tax imposed on property owners within a community facilities district established by a governmental entity. The bond proceeds can be used for public improvements and for a limited number of services. Named after the program's legislative authors.

¹⁴⁵ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Page 2.

¹⁴⁶ California Government Code Section 56046

¹⁴⁷ City of Willows, Glenn County, California, Financial Statements Together with Auditor's opinion for the year ended June 3, 2013, prepared by Roy R. Seiler, Certified Public Accountant, 201C North Tehama, Willows, Phone: 530-934-8841, Fax: 530-934-8849, December 20, 2013, Note 2.

National Pollutant Discharge Elimination System (NPDES): Water pollution degrades surface waters making them unsafe for drinking, fishing, swimming, and other activities. As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. Point sources are discrete conveyances such as pipes or man-made ditches. Individual homes that are connected to a municipal system, use a septic system, or do not have a surface discharge do not need an NPDES permit; however, industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters. In most cases, the NPDES permit program is administered by authorized states. Since its introduction in 1972, the NPDES permit program is responsible for significant improvements to water quality.¹⁴⁸

Ordinance: A law or regulation set forth and adopted by a governmental authority.

Pavement Condition Index (PCI): Pavement Condition Index is a numerical index between 0 and 100 which is used to indicate the general condition of a pavement. It is widely used in transportation and civil engineering. It is a statistical measure and requires manual survey of the pavement. PCI was developed by the US Army Corps of Engineers. The method is based on a visual survey of the number and types of distresses in a pavement. The result of the analysis is a numerical value between 0 and 100, with 100 representing the best possible condition and 0 representing the worst possible condition.

Proposition 13: (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Prop. 13, property taxes cannot exceed 1% of the value of the property and assessed valuations cannot increase by more than 2% per year. Property is subject to reassessment when there is a transfer of ownership or improvements are made.¹⁴⁹

Proposition 218: (Article XIII D of the California Constitution) This proposition, named "The Right to Vote on Taxes Act", filled some of the perceived loopholes of Proposition 13. Under Proposition 218, assessments may only increase with a two-thirds majority vote of the qualified voters within the District. In addition to the two-thirds voter approval requirement, Proposition 218 states that effective July 1, 1997, any assessments levied may not be more than the costs necessary to provide the service, proceeds may not be used for any other purpose other than providing the services intended, and assessments may only be levied for services that are immediately available to property owners.¹⁵⁰

Sanitary Sewer: A system of subterranean conduits that carries refuse liquids or waste matter to a plant where the sewage is treated, as contrasted with storm drainage systems (that carry surface water) and septic tanks or leach fields (that hold refuse liquids and waste matter on-site).

Sphere of Influence (SOI): The probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCO) of the county.

Tri-County Economic Development Corporation: The Tri-County Economic Development Corporation (TCEDC) is a private, non-profit corporation that works as the economic development planning and coordinating agency for the tri-county region, composed of Butte, Glenn and Tehama counties and the eight member cities located therein.

¹⁴⁸ USEPA, <http://cfpub.epa.gov/npdes/>, October 14, 2010.

¹⁴⁹ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

¹⁵⁰ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

Urban: Of, relating to, characteristic of, or constituting a city. Urban areas are generally characterized by moderate and higher density residential development (i.e., three or more dwelling units per acre), commercial development, and industrial development, and the availability of public services required for that development, specifically central water and sewer service, an extensive road network, public transit, and other such services (e.g., safety and emergency response). Development not providing such services may be “non-urban” or “rural”. CEQA defines “urbanized area” as an area that has a population density of at least 1,000 persons per square mile (Public Resources Code Section 21080.14(b)).

Urban Services: Utilities (such as water, gas, electricity, and sewer) and public services (such as police, fire protection, schools, parks, and recreation) provided to an urbanized or urbanizing area.

Zoning: The division of a city by legislative regulations into areas, or zones, that specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the general plan.

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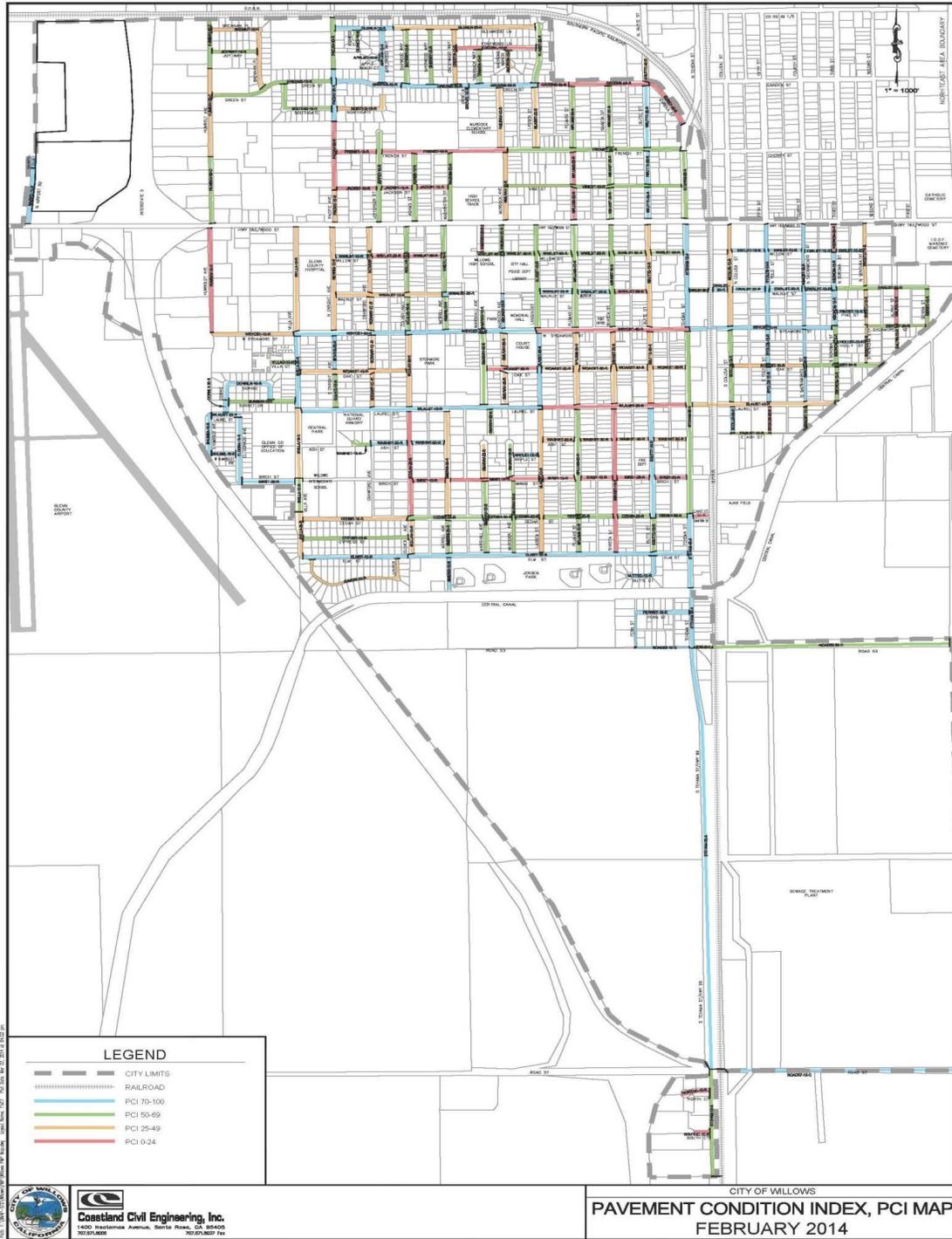
**GLENN LAFCO
CITY OF WILLOWS
MSR-SOI**

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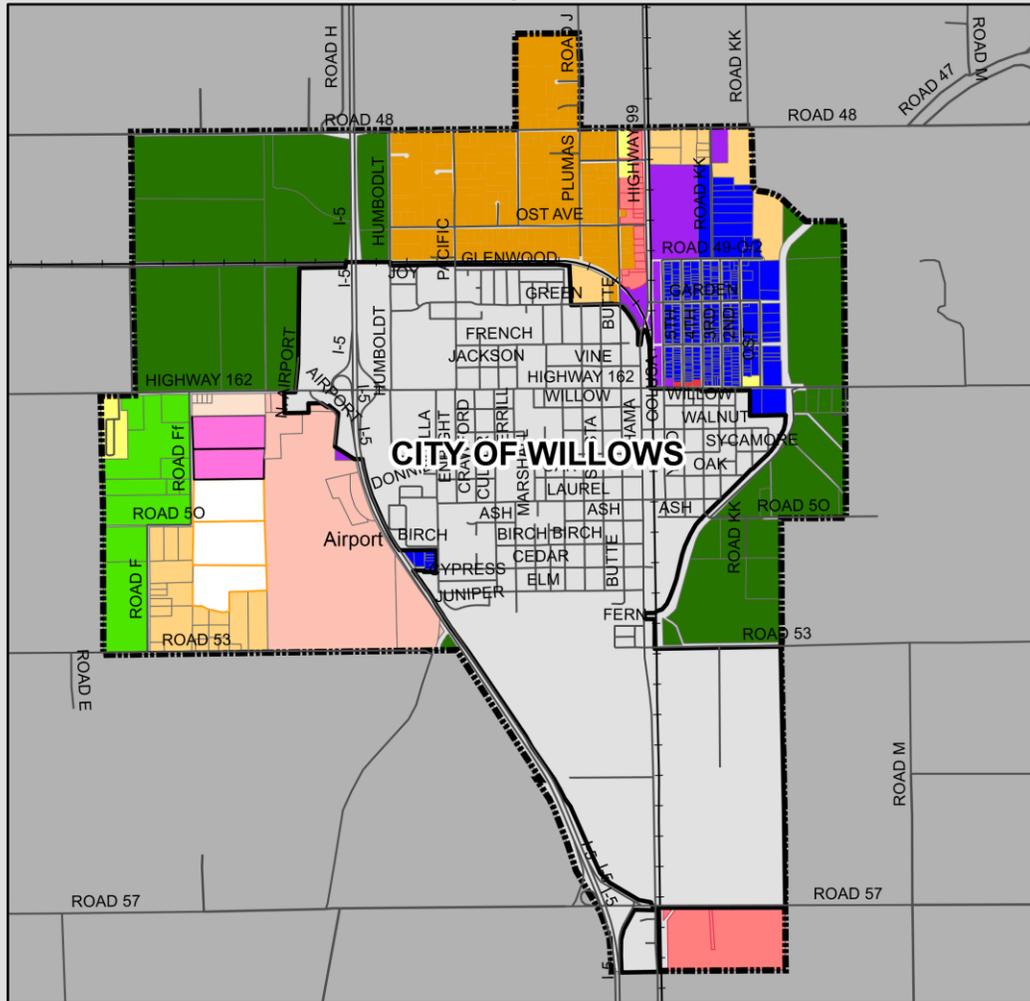
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Glenn County Planning and Public Works Agency
777 N. Colusa Street, Willows CA 95988

**GLENN LAFCO
CITY OF WILLOWS
MSR-SOI**



County General Plan Designations within the City of Willows Proposed Sphere of Influence

Glenn County, California

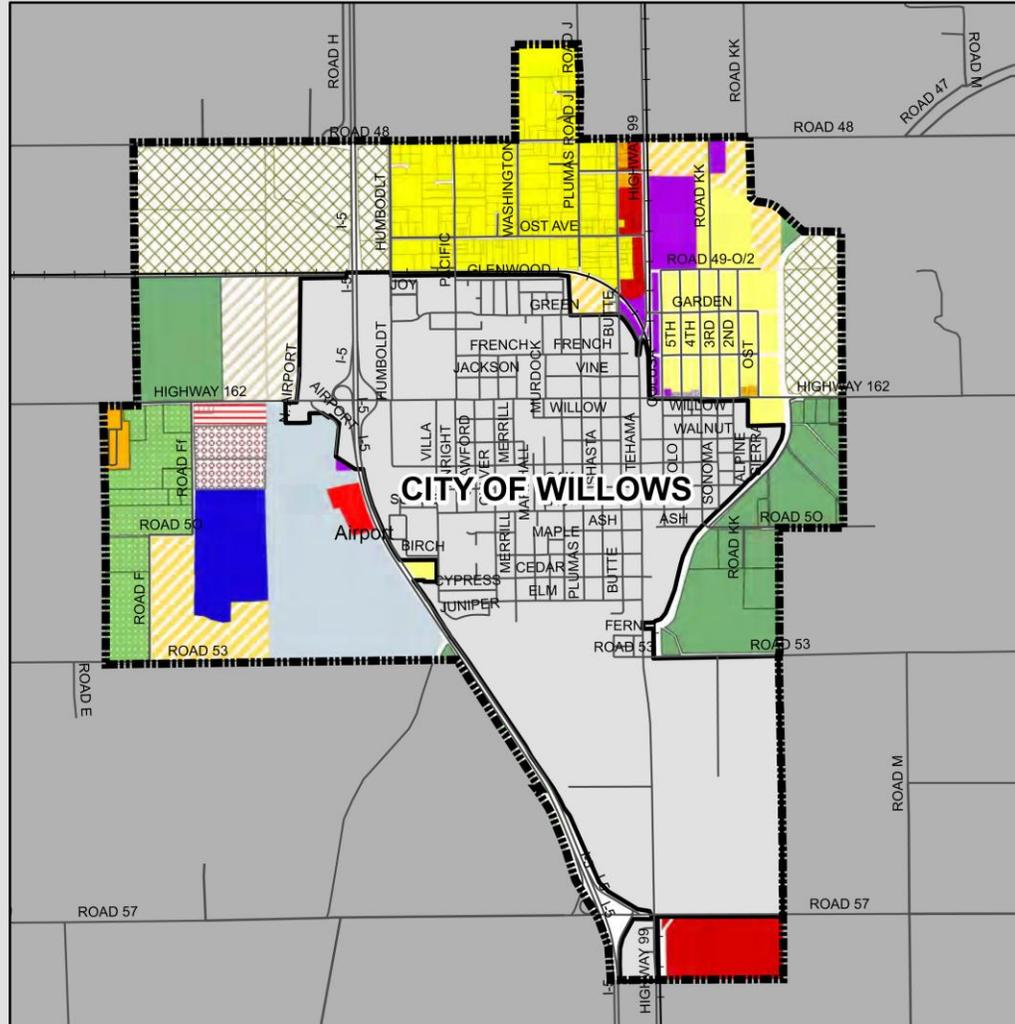


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|---|-----------------------------|--|--|
|  | Multiple Family Residential |  | 0 1 2 Miles |
|  | Single Family Residential |  | Community Commercial |
|  | Agricultural/Residential |  | Highway and Visitor Service Commercial |
|  | Rural Residential |  | Service Commercial |
|  | Suburban Residential |  | Business Park |
|  | General Agriculture |  | Public Facilities |
|  | Intensive Agriculture |  | Industrial |
| | |  | Willows SOI (Proposed) |
| | |  | Willows City Limits |

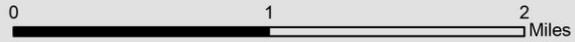


County Zoning within the City of Willows Proposed Sphere of Influence

Glenn County, California



| | | | | |
|--------------------|---------------------|-------------------|-------------------|------------------------|
| Residential | Agricultural | Commercial | Industrial | Boundaries |
| R-M | AT-10 | CC | AV | Willows SOI (Proposed) |
| R-1 | AE-20 | SC | M | Willows City Limits |
| RE-NW | AE-40 | HVC | MP | Assessor Parcels |
| RE-1 | AE-80 | PDC | | |
| RE-5 | AP-80 | | | |



Glenn LAFCO