

**GLENN  
LOCAL AGENCY FORMATION COMMISSION**

**HAMILTON CITY  
COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND  
SPHERE OF INFLUENCE**

**Adopted December 8, 2014  
by Glenn LAFCO Resolution 2014-05**

**2014**

**GLENN LAFCO**

**Commissioners:**

Bruce Roundy, Chairman

Terry Taylor-Vodden

Mike Murray

Mike Yalow

John Viegas

Selina Edwards (City Alternate)

Christine A. Stifter (Public Alternate)

Steve Soeth (County Alternate)

LAFCO Executive Officer: Christy Leighton

Phone: 530-934-4597

**TABLE OF CONTENTS**

<b>1</b>	<b>INTRODUCTION</b> .....	<b>1</b>
1.1	Role and Responsibility of LAFCO .....	1
1.2	Purpose of a Municipal Service Review .....	1
1.3	Purpose of a Sphere Of Influence .....	2
1.4	Disadvantaged Unincorporated Communities .....	3
<b>2</b>	<b>HAMILTON CITY COMMUNITY</b> .....	<b>4</b>
2.1	Hamilton City Background .....	4
2.2	Hamilton City Proposed Levee Improvement Project .....	4
2.2.1	Levee Improvement Project Background .....	5
2.2.2	Recommended Levee Plan .....	6
2.3	Hamilton City Population Data .....	7
2.3.1	Hamilton City Household Composition and Size .....	7
2.3.2	Hamilton City Age Distribution .....	7
2.3.3	Hamilton City Housing Data .....	7
2.3.4	Hamilton City Median Household Income .....	7
2.4	Hamilton City Schools .....	8
2.5	Other Services in Hamilton City .....	8
2.5.1	Police Protection .....	8
2.5.2	Fire Protection .....	8
2.5.3	Storm Drains .....	8
2.5.4	Street and Sidewalk Maintenance .....	9
2.5.5	Hamilton City Water Service .....	9
2.5.6	Medical Services .....	9
<b>3</b>	<b>HAMILTON CITY COMMUNITY SERVICES DISTRICT</b> .....	<b>10</b>
3.1	Hamilton City CSD Background .....	10
3.2	History of Annexations to Hamilton City CSD .....	10
3.2.1	1984 Annexation of Holly Sugar Subdivision to Hamilton City CSD	11
3.2.2	1990 Annexation of High School Property .....	11
3.2.3	1998 Annexation of Pallasades Subdivision to Hamilton City Community Services District and to Butte County Mosquito Abatement District .....	11
3.2.4	Discussion of Land North of High School .....	11
3.3	Hamilton City CSD Contact Information .....	12
3.4	Hamilton City CSD Board of Directors .....	12
3.5	HCCSD Wastewater Collection and Treatment Service .....	12
3.5.1	Wastewater Collection System .....	12
3.5.2	Wastewater Treatment System .....	12
3.5.3	HCCSD Waste Discharge Specifications .....	13
3.5.4	HCCSD Equipment .....	14
3.5.5	HCCSD Sewer Service Fees .....	15
3.5.6	HCCSD Health and Sanitation Budget .....	16
3.6	Pallasades Storm Drain Retention Pond .....	19
3.7	HCCSD Street Lights .....	20
3.7.1	Street Light Budget .....	20
3.7.2	Street Light Fees and Income .....	21
3.8	HCCSD Library Services .....	22
3.9	HCCSD Park and Recreation Services .....	24

**GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE**

3.10	HCCSD Audit .....	25
3.10.1	HCCSD Net Position and Fund Balance .....	26
3.10.2	Cash .....	28
3.10.3	Capital Assets .....	28
3.10.4	Risk Management .....	29
3.10.5	Deferred Compensation Plan .....	29
3.10.6	Post-Employment Benefits .....	29
3.10.7	Fund Deficits .....	30
3.10.8	Loans .....	30
<b>4</b>	<b>SEWER SERVICE COST COMPARISONS .....</b>	<b>31</b>
<b>5</b>	<b>HAMILTON CITY CSD MUNICIPAL SERVICE REVIEW .....</b>	<b>32</b>
5.1	Growth and Population Projections for the Hamilton City Area .....	32
5.1.1	Hamilton City Area Population Projections .....	32
5.1.2	MSR Determinations on Growth and Population Projections for the Hamilton City Area .....	32
5.2	Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Hamilton City .....	33
5.2.1	Determination of Hamilton City CSD Area Disadvantaged Unincorporated Community Status .....	33
5.2.2	MSR Determinations on Disadvantaged Unincorporated Communities near Hamilton City .....	33
5.3	Capacity and Infrastructure Hamilton City CSD .....	34
5.3.1	Hamilton City CSD Infrastructure .....	34
5.3.2	MSR Determinations on Infrastructure for Hamilton City CSD .....	34
5.4	Financial Ability to Provide Services .....	35
5.4.1	Financial Considerations for Hamilton City CSD .....	35
5.4.2	MSR Determinations on Financing for Hamilton City CSD .....	35
5.5	Status of and Opportunities for Shared Facilities .....	36
5.5.1	Hamilton City CSD Facilities .....	36
5.5.2	MSR Determinations on Shared Facilities for Hamilton City CSD .....	36
5.6	Accountability for Community Service Needs, Government Structure and Operational Efficiencies .....	37
5.6.1	Hamilton City CSD Government Structure .....	37
5.6.2	MSR Determinations on Local Accountability and Governance .....	37
<b>6</b>	<b>HAMILTON CITY CSD SPHERE OF INFLUENCE UPDATE .....</b>	<b>38</b>
6.1	SOI Requirements .....	38
6.1.1	LAFCO's Responsibilities .....	38
6.1.2	SOI Determinations .....	38
6.1.3	Possible Approaches to the SOI .....	39
6.1.4	SOI Update Process .....	40
6.1.5	SOI Amendments and CEQA .....	40
6.1.6	Recommendation for Hamilton City CSD Sphere of Influence .....	41
6.2	Present and Planned Land Uses in the Hamilton City CSD Area, Including Agricultural and Open Space Lands .....	41
6.2.1	Glenn County General Plan and Zoning for Hamilton City CSD SOI Area .....	41
6.2.2	SOI Determinations on Present and Planned Land Use for Hamilton City CSD Area .....	42



**GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE**

6.3	Present and Probable Need for Public Facilities and Services in the Hamilton City CSD Area . . . . .	43
6.3.1	Municipal Service Background . . . . .	43
6.3.2	SOI Determinations on Facilities and Services Present and Probable Need for Hamilton City CSD . . . . .	43
6.4	Present Capacity of Public Facilities Present and Adequacy of Public Services . . . . .	43
6.4.1	Capacity Background . . . . .	43
6.4.2	SOI Determinations on Public Facilities Present and Future Capacity for Hamilton City CSD . . . . .	43
6.5	Social or Economic Communities of Interest for Hamilton City CSD . . . . .	44
6.5.1	Hamilton City CSD Community Background . . . . .	44
6.5.2	SOI Determinations on Social or Economic Communities of Interest for Hamilton City CSD . . . . .	44
6.6	Disadvantaged Unincorporated Community Status . . . . .	44
6.6.1	Disadvantaged Unincorporated Communities . . . . .	44
6.6.2	Hamilton City CSD Disadvantaged Unincorporated Community Status . . . . .	44
<b>ABBREVIATIONS . . . . .</b>		<b>45</b>
<b>DEFINITIONS . . . . .</b>		<b>47</b>
<b>REFERENCES . . . . .</b>		<b>50</b>
<b>PREPARERS . . . . .</b>		<b>51</b>
<b>MAPS . . . . .</b>		<b>52</b>
	Hamilton City Flood Damage Reduction and Ecosystem Restoration, California, Final Feasibility Report EIR/EIS . . . . .	52
	Hamilton City and Boundaries . . . . .	53
	County General Plan Designations with Hamilton City Proposed Sphere of Influence . . . . .	54
	County Zoning with Hamilton City Proposed Sphere of Influence . . . . .	55

## **1 INTRODUCTION**

### **1.1 Role and Responsibility of LAFCO**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCO’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCO to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301).

CKH Act Section 56301 further establishes that

*“one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”*

Based on that legislative charge, LAFCO serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses.

While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCO’s SOI determinations.

### **1.2 Purpose of a Municipal Service Review**

As described above, MSRs are designed to equip LAFCO with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCO broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services.

The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update.

A written statement of the study's determinations must be made in the following areas:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. 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;
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

The MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

### **1.3 Purpose of a Sphere Of Influence**

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, "sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State's growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCOs to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors.

The requirement for LAFCOs to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)). A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it.

LAFCO is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

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 that 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. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

#### **1.4 Disadvantaged Unincorporated Communities**

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. On March 26, 2012,

CKH Act Section 56375(a)(8)(A) prohibits LAFCO from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCO.

The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).



## 2 HAMILTON CITY COMMUNITY

### 2.1 Hamilton City Background

Hamilton City (formerly, Hamilton)<sup>1</sup> is a census-designated place (CDP) which means that census data is available for the community. The population was 1,759 at the 2010 census, down from 1,903 at the 2000 census. Hamilton City is located 9.5 miles east of Orland, and 10 miles west of Chico at an elevation of 151 feet. The community is located along the Sacramento River near Mile 199.

The town began in 1905 with the founding of a large sugar beet processing plant later belonging to Holly Sugar Corporation. What is known today as the Holly Sugar Plant was built in 1906 by James Hamilton and the Alta California Sugar Beet Company. The name of the company was changed in 1908 to Sacramento Valley Sugar Company. It was sold in 1936 to Holly Sugar Corporation. Imperial Sugar Company of Sugar Land, Texas acquired the Holly Sugar Corporation in 1989. In 1996 Imperial acquired Spreckels Sugar Company.<sup>2</sup> The large silos of the former Holly Sugar Plant (formerly served by California Northern Railroad) are visible from all over town and the surrounding area in Glenn and Butte counties. The first post office at Hamilton City opened in 1906.<sup>3</sup>

The Irvine Finch Boating Access Area is located on the right (west) side of the Sacramento River, near State Highway 32, about a one-half mile east of Hamilton City, River Mile 200.<sup>4</sup> The parking lot at Irvine Finch is located outside the levee. Irvine Finch is a remnant walnut orchard. Recreation uses available at the Irvine Finch River Access include boat, kayak, canoe and inner tube launching, camping, picnicking, and fishing. Facilities available include the following:

Parking:	Paved parking lot
Boating Facilities:	Boat Ramp(s), Boat Trailer Parking
Pedestrian Access:	ADA Accessible, Trails
Picnic Facilities:	Picnic Table(s), Barbecue Grill(s)/Pit(s)
Water:	Potable Water, Drinking Fountains
Bathrooms:	Flush Toilets and Sinks

### 2.2 Hamilton City Proposed Levee Improvement Project<sup>5</sup>

The Hamilton City Levee Improvement Project would be funded primarily by the US Government with local funding added by Reclamation District 2140 and the State of California Reclamation Board. The following information is a summary of the project from the Feasibility Report and EIS/EIR.

---

<sup>1</sup> Durham, David L. (1998). *California's Geographic Names: A Gazetteer of Historic and Modern Names of the State*. Quill Driver Books. p. 246. [ISBN 9781884995149](https://www.amazon.com/dp/0921028495).

<sup>2</sup> Imperial Sugar Company website: <http://www.imperialsugarcompany.com/about-us/history/>, August 15, 2014.

<sup>3</sup> Durham, David L. (1998). *California's Geographic Names: A Gazetteer of Historic and Modern Names of the State*. Quill Driver Books. p. 246. [ISBN 9781884995149](https://www.amazon.com/dp/0921028495).

<sup>4</sup> [http://www.sacramentoriver.org/access\\_site.php?access\\_site\\_id=28](http://www.sacramentoriver.org/access_site.php?access_site_id=28), July 5, 2014

<sup>5</sup> U.S. Army Corp of Engineers, HAMILTON CITY FLOOD DAMAGE REDUCTION AND ECOSYSTEM RESTORATION, CALIFORNIA, FINAL FEASIBILITY REPORT AND ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT, July 2004, Summary.

### **2.2.1 Levee Improvement Project Background**

*Hamilton City is along the west bank of the Sacramento River in Glenn County, California, about 85 miles north of the City of Sacramento. The community has long been at risk of flooding from the Sacramento River. Portions of Hamilton City and the surrounding area flooded in 1974. Extensive flood fighting has been necessary in 1983, 1986, 1995, 1997, and 1998 to avoid failure of the private "J" levee. Residents of the town were evacuated six times in the past 20 years: 1983, 1986, twice in 1995, 1997, and 1998. The community of Hamilton City relies on the existing "J" levee to contain flows in the Sacramento River.*

*The "J" levee does not meet US Army Corps or any other levee construction standards and could fail at river levels well below the top of the levee. Although with flood fighting the "J" levee has historically passed high flood events, statistically it only has about a 66 percent reliability of passing a 10-year event assuming significant flood fighting efforts. This would also equate to a 90 percent reliability of passing an event smaller than a 10-year event. Another way to state this is that on an annual basis, there is a 9 percent chance of flooding in any given year, again assuming flood-fighting efforts. For some perspective, the flood event in 1997 was considered to be an 11-year event. In the Hamilton City area, native habitat and natural function of the Sacramento River have been altered by construction of the "J" levee and conversion of the floodplain to agricultural and rural development.*

*The Sacramento River, Chico Landing to Red Bluff Project placed bank protection at 29 bank protection sites totaling approximately 86,915 feet (16.5 miles). Sites are situated primarily at outer bends of meanders in the river, which has limited the rivers ability to meander. Native habitat has been reduced to remnant patches along the river and in historic oxbows. These ecosystem alterations greatly diminished the abundance, richness, and complexity of riparian and other floodplain habitat in the study area and the species dependent upon that habitat.*

*The Corps initiated the feasibility study at the request of The Reclamation Board of the State of California (The Reclamation Board), as part of the Sacramento and San Joaquin River Basins Comprehensive Study (Comprehensive Study) initiated by the Corps and The Reclamation Board in 1998. The Comprehensive Study was authorized in the 1998 Energy and Water Development Appropriations Act, Public Law (PL) 105-62 and by the California State Legislature in September 1997. It was recognized that a multipurpose project could be developed in the Hamilton City area to demonstrate how a project could reduce flood damages and restore the ecosystem simultaneously. The Corps and The Reclamation Board are the lead agencies in the Hamilton City Flood Damage Reduction and Ecosystem Restoration Feasibility Study and shared the cost of the study equally. The Reclamation Board received a*

State of California grant from the CALFED Bay-Delta Authority to help fund the non-Federal share of the feasibility study cost.

## **2.2.2 Recommended Levee Plan**

*Alternative 6 is determined to be the alternative plan that reasonably maximizes both ecosystem restoration and flood damage reduction benefits compared to costs and therefore has been identified as the recommended plan. A map at the end of this report shows the recommended plan.*

*It should be noted that, because Alternative 5 has the greatest habitat benefits, Alternative 5 was identified as both the USFWS Preferred Alternative and the Environmentally Preferred Alternative. However, since the additional output of Alternative 5 is relatively small and the cost is relatively great, Alternative 6 was determined to be the recommended plan. This plan consists of constructing a setback levee about 6.8 miles long that would have varying heights and consequently, varying levels of performance for flood damage reduction. The entire length of setback levee would have gravel road for patrolling, and would be fenced along the landside. From the northern part of the study area to south of Dunning Slough, a distance of 4.4 miles, the levee would be on average 7.5 feet high (6 feet for the "J" levee replacement levee, and an additional 1.5 feet for the flood damage reduction increment).*

*This portion of the levee would provide a 90 percent confidence of passing a 75-year event thereby providing improved flood protection to the community of Hamilton City. The top-of-levee elevation for this portion of the levee would be set at the 320-year water surface elevation (WSEL). Some agricultural lands north of the community of Hamilton City would have improved protection but would not be removed from the FEMA regulated floodplain. South of Dunning Slough, the levee height would drop to 6 feet for a distance of about 4,000 feet, providing a 90 percent confidence of passing a 35-year event. The top-of-levee would be set at the 100-year WSEL. This change reflects the difference in land use behind the levee at this point, which is largely agricultural.*

*Just north of County Road 23, the setback levee would become a training dike, dropping down to a height of 3 feet for about 1.6 miles. The training dike would perform with a 90 percent confidence of passing the 11-year event and the top-of-levee would be set at the 20-year WSEL. The training dike would reduce the frequency of flooding to adjacent agricultural lands and reduce damages from scouring flows. Large flood events would overtop the training dike, spilling into the orchards without the damaging scouring flows and avoid adverse hydraulic effects to downstream property owners. The training dike would also reduce the potential for backwaters flooding Hamilton City.*



## **2.3 Hamilton City Population Data**

### **2.3.1 Hamilton City Household Composition and Size**

The 2010 US Census reported that Hamilton City had a population of 1,759 living in 510 households, out of which 269 (52.7%) had children under the age of 18 living in them, 54 households (10.6%) were made up of individuals and 24 (4.7%) had someone living alone who was 65 years of age or older. The average household size was 3.45. There were 431 families (84.5% of all households); the average family size was 3.66.

### **2.3.2 Hamilton City Age Distribution**

The population was spread out in age as follows:

HAMILTON CITY AGE DISTRIBUTION 2010		
Under the age of 18	530 people	30.2%
18 to 24	203 people	11.5%
25 to 44	493 people	28.0%
45 to 64	359 people	20.4%
65 years of age or older	<u>174 people</u>	<u>9.9%</u>
TOTAL	1759 people	100.0%

The median age of Hamilton City residents was 29.6 years. For every 100 females there were 103.8 males. For every 100 females age 18 and over, there were 106.6 males.

### **2.3.3 Hamilton City Housing Data**

There were 539 housing units of which 289 (56.7%) were owner-occupied, and 221 (43.3%) were occupied by renters. The homeowner vacancy rate was 2.0%; the rental vacancy rate was 5.1%. There were 947 people (53.8% of the population) living in owner-occupied housing units and 812 people (46.2%) living in rental housing units.

The estimated Hamilton City median house or condo value in 2011 was \$163,967 (it was \$83,200 in 2000) compared to \$355,600 for the State of California. Mean housing prices by type were as follows:

Hamilton City Mean Housing Prices 2011	
All housing units:	\$222,419
Detached houses:	\$229,714
Mobile homes:	\$181,429

The Median gross rent in 2011 was \$649 per month.<sup>6</sup>

### **2.3.4 Hamilton City Median Household Income**

The Hamilton City estimated median household income in 2011 was \$27,381 (it was \$33,169 in 2000) compared to \$57,287 median household income for the State of

<sup>6</sup> <http://www.city-data.com/city/Hamilton-City-California.html>, June 17, 2014.

California.<sup>7</sup> The median household income is used to determine whether a community is disadvantaged. If the median household income is less than 80% of the State Median household income (less than \$45,830) then the community is disadvantaged. In the case of Hamilton City, the Median Household Income is clearly less than 80% of the State Median Household Income.

## **2.4 Hamilton City Schools**

The Hamilton Union High School District and Hamilton Union Elementary School Districts unified in 2009 to become the Hamilton Unified School District. Hamilton Unified School District includes Hamilton High School, Hamilton Elementary School, Ella Barkley High School, Hamilton Adult School, Hamilton High Community Day School, and Hamilton Elementary Community Day School.

Hamilton High School is well known locally because of its sports and agricultural program as well as being recognized as a California Distinguished School.

## **2.5 Other Services in Hamilton City**

### **2.5.1 Police Protection**

Law enforcement is provided by the Glenn County Sheriff's Department.

### **2.5.2 Fire Protection**

Fire services are provided by the Hamilton City Fire Protection District which covers the town as well as the surrounding area, including a mutual aid agreement with Butte County Fire, the Capay Volunteer Fire Department and Ord Bend Volunteer Fire Department, eight miles south. The Fire District consists of a full-time fire chief, a part-time division chief, and volunteer firefighters. Dispatch services for HCFPD are provided by the Tehama-Glenn Unit Headquarters of CALFIRE in Red Bluff.

### **2.5.3 Storm Drains**

The Hamilton City CSD appreciates the work of the Glenn County Planning and Public Works Agency on the storm drains in the community.<sup>8</sup> A brief description of storm drain projects follows:

The Glenn County Planning and Public Works Agency Road Division has been working on three phases of a fourteen phase storm drain project in the Townsite of Hamilton City. The funding for these three phases was obtained through a Community Development Block Grant (CDBG) in conjunction with the federally funded American Recovery and Reinvestment Act (ARRA). Phases III and V were storm drain installations and Phase IV was curb and gutter. Phase III was on Fourth Street and Capay Avenue. Phase V was on Broadway, Fifth Street and Los Robles Avenue. Phase IV was curb and gutter North of Fifth Street between Walsh Avenue and Canal Street (Highway 45).

<sup>7</sup> <http://www.city-data.com/city/Hamilton-City-California.html>, June 17, 2014.

<sup>8</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014.



Minimal work on Phase IV remains and will be completed as soon as the weather cooperates. The Glenn County Planning and Public Works Agency thanks the public for remaining understanding of any and all inconveniences encountered during construction. The Glenn County Planning and Public Works Agency in conjunction with the Glenn County Human Resource Agency is currently applying for CDBG funds to continue work on additional phases of the overall drainage plan for the Townsite of Hamilton City.<sup>9</sup>

#### **2.5.4 Street and Sidewalk Maintenance**

The County of Glenn is responsible for street and sidewalk maintenance in Hamilton City. The County has improved the community with the construction of curbs, gutters and sidewalks. However, the HCCSD noted that these improvements caused some problems in the community they were designed to help including difficult grade elevation differences in the street-to-curb and curb-to-property interfaces and the destruction of many mature and healthy shade trees.<sup>10</sup>

#### **2.5.5 Hamilton City Water Service**

Water is provided by the California Water Service - Chico District. Contact information for the California Water Service is as follows:

California Water Service-Chico District, Mike Pembroke, District Manager  
2222 Drive Martin Luther King Jr. Parkway, Chico, CA 95928  
Phone: 530-893-6300<sup>11</sup>

Water Rates include a base rate and an additional charge for water used as follows:<sup>12</sup>

##### CALIFORNIA WATER SERVICE CHARGES HAMILTON CITY

###### Service Charge

5/8 inch by ¾ inch meter	\$14.55 per month
¾ inch meter	\$21.83 per month

Rates increase as size of meter increases

###### Quantity Rates

First 1,000 cubic feet, per 100 cubic feet	\$0.9209
Next 2,100 cubic feet per 100 cubic feet	\$0.9868
All over 3,100 cubic feet per 100 cubic feet	\$1.0525

###### Additional Charges

Three additional surcharges are included based on the quantity of water used.

#### **2.5.6 Medical Services**

The Ampla Health facility at 278 Main Street, Hamilton City, provides medical services including physical examinations, family planning, women's health, immunizations, health education, mental health counselling, nutritional counselling and laboratory services.<sup>13</sup>

<sup>9</sup> Glenn County Planning and Public Works Agency, Newsletter March-April 2012.

<sup>10</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014.

<sup>11</sup> <http://www.usspecbook.com/entity.php?e=27025>, July 11, 2014.

<sup>12</sup> <https://www.calwater.com/rates/rates-and-tariffs/ch/>, July 11, 2014

<sup>13</sup> Ampla Health (formerly Del Norte Clinics, Inc.), Corporate Office, 935 Market Street, Yuba City, CA 95991.

### **3 HAMILTON CITY COMMUNITY SERVICES DISTRICT (HCCSD)**

#### **3.1 Hamilton City CSD Background**

The Hamilton City Community Services District was formed in 1964 pursuant to the Community Services District Law (Government Code Section 61000 *et seq*) to provide wastewater collection and treatment service, street lights, library services and park and recreation services. At the time of formation<sup>14</sup> the urgent need was to construct and operate the wastewater collection system and treatment plant.<sup>15</sup> The history of the additional services added to the Hamilton City CSD's responsibilities is as follows:

1. In 1972, the District paid PG&E to enhance the street lighting capability. This was in addition to the street lights paid for by the County of Glenn.
2. In 1974, the District paid the California Water Service for the fire hydrants. This service was discontinued with a change in the State Law (Public Utilities Code Section 2713) which required the water purveyor to provide this service.
3. In 1979, the County stopped paying for the street lights due to post Proposition 13 budget cuts and the District took over responsibility for the additional street lights.
4. In 1993, the District took over the operation of the Chester Walker Memorial Library which was done because the Orland Library proposed to close the Hamilton City Branch Library due to County budget cuts. The District entered into a separate agreement with the County to operate the Library.
5. In 1998, the District took over the day-to-day landscape and grounds maintenance duties for the Community Park, library, the vacant lot on Main Street where the "old" library was and the Community Hall under an agreement with the County of Glenn.
6. In 1998, the District accepted responsibility for maintenance of the Pallisades Subdivision storm water retention pond, funded by the Pallisades County Service Area.
7. In 1998, the District agreed to share maintenance responsibilities for maintenance of Edgewater Park with the Hamilton City School District. (Acquiring the park and the site for a proposed middle school were mitigation measures for the Pallisades subdivision.)

#### **3.2 History of Annexations to Hamilton City CSD**

The following information on annexations to the Hamilton City CSD is included to show how the District boundary came to include the area that it does. The District boundary map is shown at the end of this report.

---

<sup>14</sup> Glenn County Board of Supervisors Resolution 64-343, December 28, 1964.

<sup>15</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 2.

### **3.2.1 1984 Annexation of Holly Sugar Subdivision to Hamilton City CSD**

In 1984, the Holly Sugar Subdivision of 6.39 acres was annexed to the Hamilton City Community Serviced District as recorded in Book 751 Page 289. The District and the County agreed that no property tax would be exchanged which means that the District would not receive any portion of the property taxes paid to the County but would recoup costs from service charges.<sup>16</sup>

### **3.2.2 1990 Annexation of High School Property**

In 1990, two and one-tenth acres of land belonging to the Hamilton Union High School District was annexed to the Hamilton City Community Services District as recorded in Document 90-4505.<sup>17</sup> This is the site of the preschool and child care center operated by the High School District.

### **3.2.3 1998 Annexation of Pallasades Subdivision to Hamilton City Community Services District and to Butte County Mosquito Abatement District**

In 1998 the Pallasades Subdivision was annexed to the Hamilton City Community Services District and to the Butte County Mosquito Abatement District as recorded in Document 1998-0016846.<sup>18</sup> This annexation included 27.8 acres south of State Highway 32 for the Pallasades subdivision, 8.2 acres reserved for a school (still vacant) and 8.7 acres for a Park (now Edgewater Park). The District and the County agreed that no property tax would be exchanged which means that the District would not receive any portion of the property taxes paid to the County but would recoup costs from service charges. The District Resolution in favor of this annexation was Resolution 97-02 adopted on August 18, 1997.

Since there is no development on the land adjacent to State Highway 32 and no development on the land reserved for the school, the District receives no revenue from these parcels.

### **3.2.4 Discussion of Land North of High School**

In 1999, the Hamilton Union High School District discussed annexation of land north of the High School which includes the Maintenance Building.<sup>19</sup> The Hamilton Union High School District was advised that they could provide sewer service to the building or agree with the Hamilton City Community Services District to provide the service without annexing to the Hamilton City CSD and without getting an Out-of-Agency agreement approval from Glenn LAFCO because government entities are allowed to provide services to other government entities (California Government Code Section 56133 (e)).

---

<sup>16</sup> Glenn LAFCO 84-05, Annexation of Holly Sugar Subdivision to Hamilton City Community Services District.

<sup>17</sup> Glenn LAFCO 90-04, Hamilton Union High School District Annexation to Hamilton City Community Services District.

<sup>18</sup> Glenn LAFCO 97-02, Pallasades Annexation to Hamilton City Community Services District.

<sup>19</sup> Glenn LAFCO 98-04, Annexation to Hamilton City Community Services District.

### **3.3 Hamilton City CSD Contact Information**

The Hamilton City Community Services District contact information is as follows:

Hamilton City CSD, PO Box 116, Hamilton City CA 95951, Phone: 826-3208.  
E-Mail: [hccsd@sbcglobal.net](mailto:hccsd@sbcglobal.net)

The District office is located at 211 Main Street in Hamilton City.

Staff for the District includes the following:

General Manager:	Jose Puente
Board Secretary:	Madrean Benton
Office Manager:	Hilda Knecht
Plant Operator:	Larry Lanham
Librarian:	Carolyn McCain

### **3.4 Hamilton City CSD Board of Directors**

The Hamilton City CSD Board of Directors is as follows:

Wayne Gunter	term ends 2015
Larry Knecht	term ends 2015
Tom Anderson	term ends 2017
Berenice Llamas	term ends 2017
Roger Fritter	term ends 2017

The Board of Directors meets on the second Monday of each month at 7:00 p.m. at the District Office, 211 Main Street, Hamilton City.<sup>20</sup> The District complies with the State Law by having a full five member Board of Directors.

### **3.5 HCCSD Wastewater Collection and Treatment Service**

#### **3.5.1 Wastewater Collection System**

The Hamilton City CSD wastewater collection system has a capacity of 500,000 gpd. As specified in the California Regional Water Quality Control Board Central Valley Region, Order No. 98-081, the 30-day average dry-weather discharge is 500,000 gallons. The wastewater collection system does have some inflow and infiltration (I&I) problems but the District has implemented a plan and will begin construction to improve the system to correct this problem.<sup>21</sup>

#### **3.5.2 Wastewater Treatment System**

The Hamilton City CSD wastewater treatment facilities are located southeast of Hamilton City (Assessor's Parcel Number 032-250-002-9). The wastewater treatment plant

<sup>20</sup> Hamilton City CSD, Madrean Benton, Secretary, Phone: 530-826-3208, June 17, 2014.

<sup>21</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 3.



(WWTP) is governed by Waste Discharge Requirement Order No. 98-081 adopted by the California Regional Water Quality Control Board, Central Valley Region.

The wastewater treatment facility was constructed from 1966 to 1969 and started operation in 1969.<sup>22</sup> At that time, the District constructed the stabilization ponds and discharged the treated wastewater to Dunning Slough. Later the District ceased discharging to the Slough and on March 26, 1976, the California Regional Water Quality Control Board revised the waste discharge requirements to prohibit discharges of waste from the facility to surface waters. On January 23, 1987, the Regional Water Quality Control Board updated the waste discharge requirements and included a limit on the 30-day average daily dry weather discharge flow to the ponds to 0.5 million gallons.

The wastewater treatment facility includes seven stabilization ponds designed to treat a maximum daily dry weather influent flow of 0.5 million gallons. The ponds range in size from two to four acre-feet. Total pond storage, while providing a minimum vertical clearance of two feet from the surface of wastewater in the ponds to the top of pond levees (freeboard<sup>23</sup>) is approximately 18 acre-feet.<sup>23</sup>

### **3.5.3 HCCSD Waste Discharge Specifications**

The following are the waste discharge specifications that the Hamilton City CSD must meet according to the California Regional Water Quality Control Board:<sup>24</sup>

1. *The 30-day average daily dry weather discharge flow shall not exceed 0.5 million gallons.*
2. *Objectionable odors originating at this facility shall not be perceivable beyond the limits of the wastewater treatment and disposal areas.*
3. *As a means of discerning compliance with Discharge Specification No. 2, the dissolved oxygen content in the upper zone (one foot) of wastewater in ponds shall not be less than 1.0 mg/l.*
4. *Ponds shall not have a pH less than 6.5 or greater than 8.5.*
5. *The discharge shall no cause degradation of any water supply.*
6. *Reclaimed wastewater shall meet the criteria contained in Title 22, Division 4, CCR (Section 60301, et seq.).*
7. *A two-foot freeboard shall be maintained in the storage ponds at all times.*

---

<sup>22</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 4.

<sup>23</sup> California Regional Water Quality Control Board Central Valley Region, Order No. 98-081 WASTE DISCHARGE REQUIREMENTS FOR HAMILTON CITY WASTEWATER TREATMENT PLANT HAMILTON CITY COMMUNITY SERVICE DISTRICT GLENN COUNTY.

<sup>24</sup> California Regional Water Quality Control Board Central Valley Region, Order No. 98-081 WASTE DISCHARGE REQUIREMENTS FOR HAMILTON CITY WASTEWATER TREATMENT PLANT HAMILTON CITY COMMUNITY SERVICE DISTRICT GLENN COUNTY.



**GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE**

8. *On or about 1 October of each year, available pond storage capacity shall at least equal the volume necessary to comply with Discharge Specification No. 7.*
9. *Ponds shall be managed to prevent breeding of mosquitoes. In particular,*
  - a. *An erosion control program should assure that small coves and irregularities are not created around the perimeter of the water surface.*
  - b. *Weeds shall be minimized through control of water depth, harvesting, or herbicides.*
  - c. *Dead algae, vegetation, and debris shall not accumulate on the water surface.*
10. *Public contact with wastewater shall be precluded through such means as fences, signs, and other acceptable alternatives.*

**3.5.4 HCCSD Equipment**

The Hamilton City CSD owns the following buildings, equipment and land:

<b>HAMILTON CITY COMMUNITY SERVICES DISTRICT FIXED ASSETS<sup>25</sup></b>				
<b>Asset ID</b>	<b>Class</b>	<b>Date Purchased</b>	<b>Description</b>	<b>Purchase Price</b>
0003297	EQ	03/01/1989	Backhoe/Loader/excavation hoe	19,610
0003338	LAND	01/01/1900*	Land	4,000
0003699	BD	01/01/1900*	30' by 40' building with electricity	15,803
0004099	EQ	07/01/1992	71 GMC Truck	6,971
0004307	BD	05/01/1994	Shed	9,131
0005307	LAND	01/14/1998	8.7 acre park site	261,000
0005539	EQ	11/21/2000	Sewer Rat Color Mainline Video	12,154
0005960	EQ	11/18/2004	Tractor	22,687
0005961	EQ	11/18/2004	1070 Loader	7,026
0005962	EQ	11/18/2004	Servis 1548 Hydraulic Boom Flail cutter	15,283
0006122	EQ	11/20/2007	Pro Cam Camera System	6,890
0006156	EQ	09/20/2007	Hydro Jetter 7040-SC Trailer	48,819
0006223	BD	06/30/2009	Office Remodel	9,760
0200320	LAND	01/01/1900*	19.54 acres portion of Dunning	5,862
0200321	LAND	01/01/1900*	Lot #16, #17, #18K	2,093
0200322	BD	01/01/1900*	Construction of Sewer System	323,861
0200323	BD	01/01/1900*	FO Office	17,634
0200324	BD	01/01/1900*	Paving Road	1,290
0200437	EQ	08/01/1976	9A154747 Massey Ferguson Tractor	6,784
<b>TOTAL 06800000 HAMILTON CITY COMMUNITY SERVICES DISTRICT</b>				<b>796,658</b>

\* Use of this date means purchase date is unknown.

<sup>25</sup> Glenn County Department of Finance, Susan Storz, August 19, 2013.

The fixed assets are summarized as follows:

<b>HAMILTON CITY COMMUNITY SERVICES DISTRICT FIXED ASSETS SUMMARY<sup>26</sup></b>	
(BD) Buildings	\$377,479
(EQ) Equipment	\$146,224
(LD) Land	\$272,955
<b>Grand Total</b>	<b>\$796,658</b>

### 3.5.5 HCCSD Sewer Service Fees

The following table shows the Sewer Service Fees and Income for the Hamilton City CSD for 2014-15.

<b>Hamilton City CSD Sewer Fees and Income 2014-2015</b>					
<b>Type of Service</b>	<b>EDU</b>	<b>Number of Sewer Connect</b>	<b>2-Month Sewer Charge</b>	<b>2-Month Sewer Income</b>	<b>Yearly Sewer Income</b>
Residence	1	585	\$63.86	\$37,358.10	\$224,148.60
Residential-2	2	12	\$127.72	\$1,532.64	\$9,195.84
Residential-3	3	6	\$191.58	\$1,149.48	\$6,896.88
Residential-6	6	1	\$383.16	\$383.16	\$2,298.96
Residential-8	8	2	\$510.88	\$1,021.76	\$6,130.56
Business	1	21	\$63.86	\$1,341.06	\$8,046.36
Business B	2	3	\$127.72	\$383.16	\$2,298.96
Business C	3	4	\$191.58	\$766.32	\$4,597.92
Business E	39	1	\$2,490.54	\$2,490.54	\$14,943.24
Industrial	2	2	\$127.72	\$255.44	\$1,532.64
Industrial C	3	1	\$1,914.58	\$191.58	\$1,149.48
Government A	1	4	\$63.86	\$255.44	\$1,532.64
Government C	14	1	\$894.04	\$894.04	\$5,364.24
Government D	24	1	\$1,532.64	\$1,532.64	\$9,195.84
School 1	30	1	\$1,915.80	\$1,915.80	\$11,494.80
School 2	21	1	\$1,341.06	\$1,341.06	\$8,046.36
School 3	1	6	\$63.86	\$383.16	\$2,298.96
Street Lights, no sewer	1	23			
Vacant lots, no sewer		33			
<b>Total</b>	<b>848</b>	<b>708</b>		<b>\$53,195.38</b>	<b>\$319,172.28</b>

<sup>26</sup> Glenn County Department of Finance, Susan Storz, August 19, 2013.

Sewer service fees for other jurisdictions are shown in Chapter 4 of this report. For most wastewater collection and treatment systems the fees are expected to pay for the entire cost of the service. The HCCSD believes that the sewer service rate structure implemented in July 2013 will be adequate to meet the needs of the District for the foreseeable future.<sup>27</sup>

### 3.5.6 HCCSD Health and Sanitation Budget

The Hamilton City Community Services District Budget for wastewater collection and treatment is presented below in two parts with the Revenues shown first and the Expenses shown on the following page.

<b>Hamilton City CSD Sewer Service Budget 2014-15 Revenue</b>				
	06800000	<b>2012-13 Actual</b>	<b>2013-14 Budget</b>	<b>2014-15 Budget</b>
<b>Taxes</b>				
14030	Property Tax-Prior Secured	1,067	1,067	1,067
77000	Property Tax-Current Secured	5,553	5,553	5,553
77001	Property Tax-Current Unsecured	43	43	43
77002	Property Tax-Prior Secured	(6)	(6)	(6)
77004	SB 813 Current Secured	5	5	5
77006	SB 813 Prior Secured	1	1	1
	<b>TOTAL TAXES</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>
<b>Use of Money/Property</b>				
44300	Interest	71	-	-
75000	Interest	457	720	720
	<b>TOTAL USE OF MONEY/PROPERTY</b>	<b>528</b>	<b>720</b>	<b>720</b>
<b>Charges for Current Services</b>				
65609	Annexation Fee	-	500	500
66551	Administration Fees	9,000	9,000	9,000
68200	Sanitation Services	204,658	312,108	319,173
68201	Sewer Hook-Up Fee	2,844	2,044	2,044
	<b>TOTAL CHARGES CURRENT SERVICE</b>	<b>216,502</b>	<b>323,652</b>	<b>330,717</b>
<b>Miscellaneous Revenues</b>				
68252	Penalties	8,086	7,500	7,500
74112	Miscellaneous revenues	1,533	1,000	1,000
74116	Cancel Stale Checks	66	-	-
74121	A-87 Cost Allocation Rebate	-	950	950
74140	Bad Check Recovery	150	200	200
	<b>TOTAL Miscellaneous Revenues</b>	<b>9,835</b>	<b>9,650</b>	<b>9,650</b>
	<b>TOTAL REVENUES</b>	<b>233,528</b>	<b>334,022</b>	<b>341,087</b>

Although the expense budget shown below shows that the planned expenses will be less than the planned revenues, the year that shows the actual expenses shows a deficit so that is a concern.

<sup>27</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 4.

GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

Hamilton City CSD Sewer Service Budget 2014-15 Expenses				
	06800000	2012-13 Actual	2013-14 Budget	2014-15 Budget
Salaries and Benefits				
01010	Salaries and Wages	134,497	141,000	141,200
01012	Additional Help	749	4,000	4,000
01013	Overtime Pay	3,361	3,400	3,400
01014	Vacation Pay	987	9,734	6,000
01018	Commission and Director Salaries	1,170	1,200	1,200
01030	Social Security	8,655	9,200	9,200
01031	Medicare Coverage	2,024	2,203	2,203
01034	Retirement Portion	3,482	3,802	3,802
01040	Group Health Insurance	5,866	7,000	10,000
01045	Unemployment Insurance	1,602	1,700	1,700
01050	Worker Compensation Insurance	6,037	7,140	6,580
	<b>TOTAL SALARIES AND BENEFITS</b>	<b>168,430</b>	<b>190,379</b>	<b>189,285</b>
Services and Supplies				
03110	Clothing and Personal Supplies	742	300	300
03120	Communications	4,267	4,000	4,000
03140	Household Expense	701	500	500
03150	Insurance	1,032	1,291	1,280
03170	Maintenance-Equipment	19,315	12,000	12,000
03180	Maintenance-Structures	225	1,000	1,000
03200	Memberships	13,435	14,000	18,000
03220	Office Expense	5,557	5,500	5,500
03230	Professional Services	30,377	16,000	12,000
03240	Publications	386	150	150
03250	Rent/Lease Equipment	2,339	2,800	2,800
03270	Small Tools and Instruments	1,773	400	400
03280	Special Department Expense	1,920	1,000	1,000
04291	Food and Lodging	959	750	750
04292	Gas and Oil	3,827	3,500	3,500
04294	Mileage	501	750	750
04300	Utilities	7,707	6,800	6,800
	<b>TOTAL SERVICES AND SUPPLIES</b>	<b>95,063</b>	<b>70,741</b>	<b>70,730</b>
Other Charges				
03225	Bad check Expense	150	100	100
05500	Taxes and Assessments	646	750	750
05510	Depreciation	14,190	14,000	14,000
05700	Administrative Expense	514	650	650
05730	A-87 Cost Allocation	2,503	-	-
	<b>TOTAL OTHER CHARGES</b>	<b>18,003</b>	<b>15,500</b>	<b>15,500</b>
	<b>TOTAL EXPENSES</b>	<b>281,496</b>	<b>276,620</b>	<b>275,515</b>
	Net Return/(Cost)	(47,968)	57,402	65,720

GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

The following budget accounts for the USDA loan for sewer upgrades.

<b>Hamilton City CSD Property Tax Intergovernment Budget 2014-15</b>				
	06825000	<b>2012-13 Actual</b>	<b>2013-14 Budget</b>	<b>2014-15 Budget</b>
<b>REVENUES</b>				
Taxes				
77000	Property Tax-Current Secured	6,752	13,000	12,325
77001	Property Tax-Current Unsecured	529	5,000	500
77002	Property Tax-Prior Secured	(42)	150	150
77003	Property Tax-Prior Unsecured	(6)	65	65
77004	SB 813 Current Secured	125	200	200
77006	SB 813 Prior Secured	25	165	165
	<b>TOTAL TAXES</b>	<b>7,383</b>	<b>14,080</b>	<b>13,405</b>
Use of Money/Property				
44300	Interest	13	-	13
	<b>TOTAL USE OF MONEY AND PROPERTY</b>	<b>13</b>	<b>-</b>	<b>13</b>
Intergovernmental Revenue				
56200	Other government agencies	10,816	10,816	10,813
77175	HOPTR	156	160	145
	<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>10,972</b>	<b>10,976</b>	<b>10,961</b>
Miscellaneous Revenue				
74112	Miscellaneous Revenue	451	-	-
	<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>451</b>	<b>-</b>	<b>-</b>
Other Financing Sources				
78203	Loan Proceeds	-	111,000	-
	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>111,000</b>	<b>-</b>
	<b>TOTAL REVENUES</b>	<b>18,189</b>	<b>136,056</b>	<b>24,379</b>
<b>EXPENSES</b>				
Salaries and Benefits				
01010	Salaries and Wages	4,982	11,000	10,260
01030	Social Security	309	680	640
01031	Medicare Coverage	72	150	150
01034	Retirement Portion	63	160	124
01045	Unemployment Insurance	173	350	329
01050	Worker Compensation Insurance	-	-	2,632
	<b>TOTAL SALARIES AND BENEFITS</b>	<b>5,599</b>	<b>12,340</b>	<b>14,135</b>
Other Charges				
03150	Insurance	-	-	1,280
05730	A-87 Cost Allocation	-	-	1,949
05866	Inter Exp #6865 HC Edgewater	1,500	1,500	1,500
	<b>TOTAL OTHER CHARGES</b>	<b>1,500</b>	<b>1,500</b>	<b>3,449</b>
Fixed Assets				
07200	Buildings and Improvements	-	111,000	-
	<b>TOTAL FIXED ASSETS</b>	<b>-</b>	<b>111,000</b>	<b>-</b>
	<b>TOTAL EXPENSES</b>	<b>7,099</b>	<b>124,840</b>	<b>17,584</b>
	Net Return (Cost)	11,720	11,216	6,795

Hamilton City CSD 2013 USDA Loan				
	06815000	2012-13 Actual	2013-14 Budget	2014-15 Budget
<b>REVENUES</b>				
Financing Sources				
78203	Loan Proceeds	-	1,088,000	1,088,000
	<b>TOTAL OTHER FINANCING SOURCES</b>	-	1,088,000	1,088,000
	<b>TOTAL REVENUES</b>		1,088,000	1,088,000
<b>EXPENSES</b>				
Fixed Assets				
07200	Buildings and Improvements	-	1,088,000	1,088,000
	<b>TOTAL FIXED ASSETS</b>	-	1,088,000	1,088,000
	<b>TOTAL EXPENSES</b>	-	1,088,000	1,088,000
	Net Return (Cost)	-	0	0

The purpose of this loan is to upgrade the lift station to the wastewater treatment plant and to replace 800 feet of twelve-inch pipeline to reduce inflow and infiltration (I&I). The loan agreement with the USDA Rural Development will be signed in August 2014.<sup>28</sup>

### 3.6 Pallisades Storm Drain Retention Pond

The following budget shows the revenue and expenses for the Pallisades Subdivision Storm Drain Retention Pond:

Hamilton City CSD Pallisades Benefit Assessment				
	06870000	2012-13 Actual	2013-14 Budget	2014-15 Budget
<b>REVENUES</b>				
<b>Use of Money/Property</b>				
44300	Interest	4	10	10
	<b>Total Use of Money/Property</b>	<b>4</b>	<b>10</b>	<b>10</b>
Charges for Current Services				
61152	Special Assessment	5,958	5,957	5,950
	<b>Total Charges for Current Services</b>	<b>5,958</b>	<b>5,957</b>	<b>5,950</b>
	<b>TOTAL REVENUES</b>	<b>5,962</b>	<b>5,967</b>	<b>5,960</b>
<b>EXPENSES</b>				
<b>Services and Supplies</b>				
03150	Insurance	1,032	1,291	1,280
03170	Maintenance-Equipment	316	379	379
03180	Maintenance-Structures /Improvements	1,070	1,240	1,000
04292	Gas and Oil	793	500	500
	<b>Total Services and Supplies</b>	<b>3,211</b>	<b>3,410</b>	<b>3,159</b>
<b>Other Charges</b>				
05700	Administrative Expense	2,109	2,719	2,719
05730	A-87 Cost Allocation	35	6	5
	<b>Total Other Charges</b>	<b>2,144</b>	<b>2,725</b>	<b>2,724</b>
	<b>TOTAL EXPENSES</b>	<b>5,355</b>	<b>6,135</b>	<b>5,883</b>
	Net Return (Cost)	607	(168)	77

<sup>28</sup> Hamilton City CSD, Jose Puente, Manager, July 15, 2014.



The Pallasades Benefit Assessment Budget shown above is for revenues and expenses related to the assessments and maintenance within the Pallasades Subdivision located within the Hamilton City CSD. Funds from the Pallasades benefit assessment may be used only to maintain the storm water retention ponds which serve that subdivision according to Board of Supervisors Resolution No. 99-196, December 21, 1999. As noted above in the annexation history, the HCCSD receives no general fund property tax moneys from the property owners in this subdivision.<sup>29</sup>

### 3.7 HCCSD Street Lights

#### 3.7.1 Street Light Budget

The Street Light budget shown below is essentially a pass through budget because the primary expense is the utility cost of operating the street lights.

<b>Hamilton City CSD Street Light Budget 2014-15</b>				
06830000		2012-13 Actual	2013-14 Budget	2014-15 Budget
<b>REVENUES</b>				
Taxes				
14048	SB813-Prior Secured	253		
77000	Property Tax-Current Secured	2,899	3,100	2,850
77001	Property Tax-Current Unsecured	141	150	150
77002	Property Tax-Prior Secured	(12)		
77003	Property Tax-Prior Unsecured	(1)		
77004	SB 813 Current Secured	32		
77006	SB 813 Prior Secured	6		
	<b>TOTAL TAXES</b>	<b>3,318</b>	<b>3,250</b>	<b>3,000</b>
Use of Money/Property				
44300	Interest	17		
75000	Interest	55	85	85
	<b>TOTAL USE OF MONEY AND PROPERTY</b>	<b>72</b>	<b>85</b>	<b>85</b>
Intergovernmental Revenue				
77175	HOPTR	39	40	35
	<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>39</b>	<b>40</b>	<b>35</b>
Charges for Current Services				
68300	Lighting Services	12,064	13,440	13,410
	<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>12,064</b>	<b>13,440</b>	<b>13,410</b>
	<b>TOTAL REVENUES</b>	<b>15,493</b>	<b>16,815</b>	<b>16,530</b>
<b>EXPENSES</b>				
Services and Supplies				
04300	Utilities	7,538	9,588	9,588
	<b>TOTAL SERVICES AND SUPPLIES</b>	<b>7,538</b>	<b>9,588</b>	<b>9,588</b>
Other Charges				
05700	Administrative Expense	7,121	7,200	7,200
05730	A-87 Cost Allocation	28	27	20
	<b>TOTAL OTHER CHARGES</b>	<b>7,149</b>	<b>7,227</b>	<b>7,220</b>
	<b>TOTAL EXPENSES</b>	<b>14,687</b>	<b>16,815</b>	<b>16,808</b>
	Net return/(Cost)	806	0	(278)

<sup>29</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 4.



### 3.7.2 Street Light Fees and Income

The Street Light Fees are collected at the same time the sewer service fees are collected.

Hamilton City Community Services District Street Light Fees and Income 2014-15						
Type of Service	EDU	Number of Sewer Connect	Number of Street Light Charges	2-Month Street Light Charge	2-Month Street Light Income	Yearly Street Light Income
Residence	1	585	585	\$2.50	\$1,462.50	\$8,775.00
Residential-2	2	12	24	\$2.50	\$60.00	\$360.00
Residential-3	3	6	18	\$2.50	\$45.00	\$270.00
Residential-6	6	1	6	\$2.50	\$15.00	\$90.00
Residential-8	8	2	16	\$2.50	\$40.00	\$240.00
Business	1	21	26	\$2.50	\$65.00	\$390.00
Business B	2	3	6	\$2.50	\$15.00	\$90.00
Business C	3	4	12	\$2.50	\$30.00	\$180.00
Business E	39	1	39	\$2.50	\$97.50	\$585.00
Industrial	2	2	4	\$2.50	\$10.00	\$60.00
Industrial C	3	1	3	\$2.50	\$7.50	\$45.00
Government A	1	4	4	\$2.50	\$10.00	\$60.00
Government C	14	1	14	\$2.50	\$35.00	\$210.00
Government D	24	1	24	\$2.50	\$60.00	\$360.00
School 1	30	1	30	\$2.50	\$75.00	\$450.00
School 2	21	1	21	\$2.50	\$52.50	\$315.00
School 3	1	6	6	\$2.50	\$15.00	\$90.00
Street Lights, no sewer use	1	23	23	\$2.50	\$57.50	\$345.00
Vacant lots, no sewer connection		33	33	\$2.50	\$82.50	\$495.00
Total Street Lights			894			
Total	848	708			\$2,235.00	\$13,410.00

In 2009,<sup>30</sup> the HCCSD was forced to discontinue paying for several street lights in the Pallisades subdivision when funding for the street light services began to run short. The number of street lights per household in the subdivision is twice that of the rest of the

<sup>30</sup> HCCSD Board Minutes, May 18, 2009, Agenda Item 1.

Community and the HCCSD Board determined that, in fairness to the entire Community, a special fee imposed on the property owners in the subdivision would be the best way to help resolve the revenue shortfall.<sup>31</sup> Accordingly, the District commissioned an engineer's report<sup>32</sup> as required by Proposition 218.<sup>33</sup> The proposed fee increase for the subdivision residents was defeated in large part due to the stringent requirements under Proposition 218<sup>34</sup> for any fee increase for property-related services such as street lights.<sup>35</sup>

### 3.8 HCCSD Library Services

The Library in Hamilton City is open from 2:00 pm to 5:30 pm on Tuesdays, Wednesdays and Thursdays. The main source of support for the Library is the funding from Glenn County. The District notes that the funding for the Library has not appreciably increased in the twenty-one years since the HCCSD took over the operation in 1993. The Library is dependent on the dedication of the Librarian, Ms. Carolyn McCann. The limited hours of operation focus on services for school children leaving a gap in services available to the adult community. The computers available for use in the library are obsolete. The District and the County are struggling to find a means to upgrade the computers and to meet the needs of library patrons.<sup>36</sup>

The Budget for the Library is shown below in separate sections for Revenue and Expenses:

<b>Hamilton City CSD Library Service Budget 2014-15</b>				
06850000		<b>2012-13 Actual</b>	<b>2013-14 Budget</b>	<b>2014-15 Budget</b>
<b>REVENUES</b>				
Use of Money/Property				
44300	Interest	13	40	15
TOTAL USE OF MONEY AND PROPERTY				
Intergovernmental Revenue				
56200	Other government Agencies	12,084	12,084	12,084
77400	Other government Agencies	426	400	200
TOTAL INTERGOVERNMENTAL REVENUE		12,510	12,484	12,284
MISCELLANEOUS REVENUES				
74112	Miscellaneous Revenues	335	300	300
74116	Cancel Stale Checks	20	-	-
TOTAL MISCELLANEOUS REVENUES		355	300	300
<b>TOTAL REVENUES</b>		<b>12,878</b>	<b>12,814</b>	<b>12,599</b>

<sup>31</sup> HCCSD Board minutes, July 14, 2008, Old Business, Item 1.

<sup>32</sup> PMC Report was adopted by the Board, HCCSD Board Minutes February 9, 2009.

<sup>33</sup> California Constitution Article XIII D, Section 6 and Government Code section 53750.

<sup>34</sup> California Constitution Article XIII D, section 6(c), requires approval by a majority of the property owners of the property subject to the fee or charge. This is as opposed to a simple majority of ballots cast.

<sup>35</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 4.

<sup>36</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Pages 6 and 7.

Hamilton City CSD Library Service Budget 2014-15				
06850000		2012-13 Actual	2013-14 Budget	2014-15 Budget
<b>EXPENSES</b>				
Salaries and Benefits				
01010	Salaries and Wages	8,909	9,028	9,162
01030	Social Security	552	560	568
01031	Medicare Coverage	129	131	133
01045	Unemployment Insurance	58	329	329
01050	Worker Compensation Insurance	1,509	1,784	1,316
	<b>TOTAL SALARIES AND BENEFITS</b>	<b>11,157</b>	<b>11832</b>	<b>11,508</b>
Services and Supplies				
03120	Communications	1,080	1,000	1,000
03150	Insurance	1,032	1,291	1,280
03220	Office Expense	133	100	100
03280	Special Department Expense	555	200	200
	<b>TOTAL SERVICES AND SUPPLIES</b>	<b>2,800</b>	<b>2,591</b>	<b>2,580</b>
Other Charges				
05700	Administrative Expense	-	50	50
05730	A-87 Cost Allocation	104	121	72
	<b>TOTAL OTHER CHARGES</b>	<b>104</b>	<b>171</b>	<b>122</b>
	<b>TOTAL EXPENSES</b>	<b>14,061</b>	<b>14,594</b>	<b>14,210</b>
	Net Return (Cost)	(1,182)	(1,770)	(1,611)

Although the Budget for the Library shows a deficit it is difficult to raise funds for library services. The Hamilton City CSD notes that they are operating the library in the most cost-efficient manner possible and that the library has a separate and distinct budget and does not use money from any other District programs.<sup>37</sup> The District hopes to increase community involvement with the Library by starting a Friends of the Library Committee.

<sup>37</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 5.

### 3.9 HCCSD Park and Recreation Services

The Hamilton City Community Services District operates the Edgewater Park with funds from the existing property tax allocation and receives no property tax funds from the Holly Sugar and Pallasades subdivisions. This is because the property tax agreement that was made between the County and the District at the time of annexation stated that the property tax “exchanged” would be zero. The Hamilton City CSD now believes that it is disturbing and patently unfair to the Community overall, that the monies used to pay the cost of maintaining Edgewater Park are derived solely from Hamilton City property owners west of Sacramento Avenue.<sup>38</sup>

<b>Hamilton City CSD Edgewater Park Fund Budget 2014-15</b>				
	06865000	<b>2012-13 Actual</b>	<b>2013-14 Budget</b>	<b>2014-15 Budget</b>
<b>REVENUES</b>				
Use of Money/Property				
44300	Interest	16	45	45
	Total Use of Money/Property	16	45	45
Charges for Current Services				
67067	Inter Rev-#6825 Property Tax	1,500	1,500	1,500
	Total Charges for Current Services	1,500	1,500	1,500
Miscellaneous Revenues				
74117	Donations	375	375	375
	Total Miscellaneous Revenues	375	375	375
	<b>TOTAL REVENUES</b>	<b>1,891</b>	<b>1,920</b>	<b>1,920</b>
<b>EXPENSES</b>				
Services and Supplies				
03140	Household Expense	64	100	100
03150	Insurance	1,032	1,291	1,280
03170	Maintenance-Equipment	77	200	100
03180	Maintenance-Structures/Improvement	-	169	100
04292	Gas and Oil	45	200	100
04300	Utilities	215	150	150
	Total Services and Supplies	1,433	2,110	1,830
Other Charges				
05730	A-87 Cost Allocation	7	88	10
	Total Other Charges	7	88	10
	<b>TOTAL EXPENSES</b>	<b>1,440</b>	<b>2,198</b>	<b>1,840</b>
	Net Return (Cost)	451	(278)	80

The restrooms at the Edgewater Park which were constructed in 2008 and are valued at \$40,599.00 according to the Glenn County Department of Finance.<sup>39</sup>

The HCCSD has cooperated with the County, local volunteer organizations and others to make improvements in both the Community Park and Edgewater Park. This cooperative

<sup>38</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 5.

<sup>39</sup> Glenn County Department of Finance, Susan Storz, August 19, 2013.

spirit has allowed the District to complete much-needed upgrades to outdated and unsafe playground equipment.

The District has recently secured a grant from the US Department of Agriculture to replace the old unusable basketball court. This effort was successful because of the Hamilton City Lions Club which provided matching funds.

The Hamilton City Community Needs Survey was conducted in April and May 2014 and was coordinated by Touchstone Consultants, under Phase 1 of Glenn County CDBG Grant No. 12-CDBG-8390. Preliminary results reported by Touchstone Consultants at a meeting held July 26, 2014 in Hamilton City showed that survey respondents saw a need for a Community Center as well as for park and recreation improvements.<sup>40</sup>

The Hamilton City CSD is concerned that a new Community Center might require the formation of a Recreation District or other funding entity to ensure a stable funding source to pay for the operation and maintenance expenses.<sup>41</sup>

### **3.10 HCCSD Audit**

A budget is a plan for spending money but an audit examines funds actually spent. The Hamilton City CSD had an audit completed for the fiscal year ending June 30, 2013. The District notes that the HCCSD audit for the year ending June 30, 2013 does not reflect the increased rate structure implemented July 1, 2013 for the sewer and street light programs. A condition of the loan from the USDA Rural Development was to increase the sewer service fees.

The District is confident that future audits will show these funds in a more favorable balance.<sup>42</sup> The following information from the audit is included to show the financial picture of the District as on June 30, 2013.

---

<sup>40</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 10.

<sup>41</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 10.

<sup>42</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 5.

**3.10.1 HCCSD Net Position and Fund Balance**

The total Net Position for the District as of June 30, 2013 is shown below:

HAMILTON CITY COMMUNITY SERVICES DISTRICT STATEMENT OF NET POSITION JUNE 30, 2013 <sup>43</sup>							
	Sewer	Property Tax Inter- Govern- ment	Lighting	Library	Edge- water Park	Pall- isades	Total
<b>Assets</b>							
Cash/Treas.	191,196	8,798	23,581	8,507	7,905	2,008	241,995
Imprest cash	500	-	-	40	100	-	640
Accts receiv.	4,078	-	1,303	-	-	-	5,381
Interest receiv.	166	-	20	4	7	1	207
Other govern.	-	3,156	-	37	-	-	3,193
<b>Capital Assets</b>							
-Land	272,955	-	-	-	-	-	272,955
-Structures	377,479	-	-	-	-	-	377,479
-Struct. Deprec.	(280,132)	-	-	-	-	-	(280,132)
-Equipment	146,224	-	-	-	-	-	146,224
-Equip. Deprec.	(127,594)	-	-	-	-	-	(127,594)
<b>TOTAL</b>	<b>584,872</b>	<b>11,963</b>	<b>24,904</b>	<b>8,588</b>	<b>8,012</b>	<b>2,009</b>	<b>640,348</b>
<b>Liabilities</b>							
Accts. Pay.	7,241	242	458	383	30	378	8,732
Due govern.	-	-	-	-	37	-	37
<b>Noncurrent liabilities (Compensated absences)</b>							
Comp Abs.	8,925	-	-	-	-	-	-
<b>TOTAL</b>	<b>16,166</b>	<b>242</b>	<b>458</b>	<b>383</b>	<b>67</b>	<b>378</b>	<b>17,694</b>
<b>Deferred Inflows of Resources</b>							
Def.Rev.	5,251	-	218	-	-	-	5,469
<b>Net Position</b>							
Cap. Assets	388,932	-	-	-	-	-	388,932
Unrestricted	174,523	11,721	24,228	8,205	7,945	1,631	228,253
<b>TOTAL</b>	<b>563,455</b>	<b>11,721</b>	<b>24,228</b>	<b>8,205</b>	<b>7,945</b>	<b>1,631</b>	<b>617,185</b>

Although the Net Position as shown above may seem satisfactory, the changes in fund balances shown below raise some questions.

<sup>43</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 3.



GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

HAMILTON CITY COMMUNITY SERVICES DISTRICT STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE JUNE 30, 2014 <sup>44</sup>							
	Sewer	Property Tax Inter- Govern- ment	Lighting	Library	Edge- water Park	Pall- isades	Total
<b>Operating Revenues</b>							
Charges for services	204,658	-	12,064	-	-	-	216,722
Administration fees	9,000	-	-	-	-	-	9,000
Sewer hookup fees	2,844	-	-	-	-	-	2,844
Penalties	8,086	-	-	-	-	-	8,086
<b>TOTAL OPERATING REVENUES</b>	<b>224,588</b>	<b>-</b>	<b>12,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,652</b>
<b>Operating Expenditures-</b>							
Salaries/benefits	171,181	559	-	11,157	-	-	187,937
Services/Supplies	95,215	-	7,538	2,800	1,433	3,211	110,197
County charges	3,663	-	7,149	104	7	2,144	13,067
Depreciation	16,599	-	-	-	-	-	16,599
<b>TOTAL OPERATING EXPENDITURES</b>	<b>286,658</b>	<b>5,599</b>	<b>14,687</b>	<b>14,061</b>	<b>1,440</b>	<b>5,355</b>	<b>327,800</b>
<b>Operating Income (Loss)</b>	<b>(62,070)</b>	<b>(5,599)</b>	<b>(2,623)</b>	<b>(14,061)</b>	<b>(1,440)</b>	<b>(5,355)</b>	<b>(91,148)</b>
<b>Non-Operating Revenues and Expenditures</b>							
Interest income	528	13	72	13	16	4	646
Inter-government rev.	-	10,975	-	12,510	-	-	23,485
County taxes	6,663	7,383	3,318	-	-	-	17,364
Special assessment	-	-	-	-	-	5,956	5,956
Miscellaneous revenue	1,748	449	36	354	-	-	2,587
Donations	-	-	-	-	373	-	373
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>8,939</b>	<b>18,820</b>	<b>3,426</b>	<b>12,877</b>	<b>389</b>	<b>5,960</b>	<b>50,411</b>
Excess (deficiency) of revenues over expenditures before transfers	(53,131)	13,221	803	(1,184)	(1,051)	605	(40,737)
Transfers in	-	-	-	-	1,500	-	1,500
Transfers out	-	1,500	-	-	-	-	1,500
<b>Net Position at beginning of year</b>	<b>616,586</b>	<b>-</b>	<b>23,425</b>	<b>9,389</b>	<b>7,496</b>	<b>1,026</b>	<b>657,922</b>
<b>Net Position at end of year</b>	<b>563,455</b>	<b>11,721</b>	<b>24,228</b>	<b>8,205</b>	<b>7,945</b>	<b>1,631</b>	<b>617,185</b>

<sup>44</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 4.



The sewer fund and the library fund declined in balance from the beginning of the year to the end of the year so sewer service fees may need to be increased. The following sections show the funds kept as cash and the capital assets.

### 3.10.2 Cash<sup>45</sup>

The June 30, 2013 Audit reports that the District deposits all cash into the Glenn County Treasury which is pooled together with other County and special district funds. Interest from bank accounts and investments of the pool are allocated quarterly to the District based on its average daily balance. The District's cash consisted of the following:

Cash in Glenn County Treasury June 30, 2013: \$241,995

The District hold \$640 in petty cash.

### 3.10.3 Capital Assets<sup>46</sup>

The June 30, 2013 Audit reports the Capital assets activity for the Hamilton City CSD as follows:

<b>Hamilton City Community Services District Capital Assets Activity for the year ended June 30, 2013</b>				
	<b>Balance July 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2013</b>
<b>Nondepreciable Capital Assets</b>				
Land	\$272,955			\$272,955
<b>Depreciable Capital Assets</b>				
Structures and Improvements	377,479			377,479
Equipment	151,516		5,292	146,224
Total Capital assets depreciated	528,995		5,292	523,703
Less: accumulated depreciation	(396,419)	16,599	5,292	(407,726)
Total Capital Assets Depreciated, net	132,576	16,599	10,584	115,977
Net Capital Assets	\$405,531	16,599	10,584	\$388,932

As noted in the table above, the depreciation expense for fiscal year ended June 30, 2013 was \$16,599. Even though capital assets are counted as an asset to the District, these are not funds that can be spent.

<sup>45</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 10.

<sup>46</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Pages 10 and 11.

### **3.10.4 Risk Management<sup>47</sup>**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District has entered into a Joint Powers Authority (JPA). Glenn County and the County's special districts formed the Golden State Risk Management Authority (GSRMA) for the purpose of creating a common pool of funds to be used to meet obligations of the parties to provide coverage for worker's compensation and general liability exposures and to pay for the administration of the program. The Joint Powers Agreement established for its members the Golden State Risk Management Authority Liability and Worker's Compensation Plans.

As defined by GASB Statement No. 10, The Golden State Risk Management Authority is a "risk-sharing "pool". The GSRMA manages one pool for all members. The arrangement allows its members to transfer or pool risks and share in the cost of losses. Premiums due to the Plans are reported when incurred. Each member of the Plans pays an annual premium to the Authority which is evaluated each year.

The agreement for the formation of the Authority provides that the Authority will be self-sustaining through member premiums and will reinsure through a commercial company for claims in excess of self-insured retention amounts. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years and there have been no reduction in insurance coverage from the prior year.

### **3.10.5 Deferred Compensation Plan<sup>48</sup>**

The District offers its employees a deferred compensation plan created in accordance with California Code Section 53212 and Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation plan monies are a deduction from the employees' salary and are invested with an independent retirement trustee. In addition, the District matches employee contributions up to 3% of compensation.

### **3.10.6 Post-Employment Benefits<sup>49</sup>**

The District provides 50% of the health insurance cost for one retired employee. The District's policy states that this benefit may be changed or terminated at any time. Accordingly, no liability is reflected in the audit for the fiscal year ended June 30, 2013.

---

<sup>47</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 11.

<sup>48</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 11.

<sup>49</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 13.

### 3.10.7 Fund Deficits<sup>50</sup>

The audit for the year ending June 30, 2013 reported the following operating deficits:

Sewer Fund:	\$53,131
Library Fund	\$1,184
Edgewater Park:	\$1,051

### 3.10.8 Loans<sup>51</sup>

The audit for the year ending June 30, 2013 reported the following regarding future loans:

*The District has applied for, and been pre-approved for, a USDA loan in the amount of \$1,088,000 to build sewer improvements. In addition, a loan in the amount of \$110,000 from Rural Communities Assistance Corporation for initial expenses, expected to be eventually paid from USDA funding, has been committed. These amount are expected to be financed by a \$10 per month increase in sewer fees.*

---

<sup>50</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 12.

<sup>51</sup> Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013, Page 13.

#### 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. The HCCSD notes that the various jurisdictions may have significant differences in the economies of scale, the ability to cost-share with other programs and the expenses for administrative functions.<sup>52</sup>

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 <sup>53</sup>
Lassen Co. Waterworks District 1(Bieber)/Lassen	172 <sup>54</sup>	\$25.00 <sup>55</sup>
<b>Hamilton City CSD/Glenn</b>	<b>708</b>	<b>\$31.93<sup>56</sup></b>
Maxwell PUD/Colusa	400	\$48.00 plus \$358.62/year <sup>57</sup>
Westwood CSD	781	\$34.22 <sup>58</sup>
City of Colusa/Colusa	2082	\$65.77 <sup>59</sup>
City of Orland	2615	\$15.90 <sup>60</sup>
City of Willows/Glenn	2255	\$40.19 <sup>61</sup>
Susanville Sanitary District/Lassen	3747	\$15.15 <sup>62</sup>
City of Williams/Colusa	1360	\$74.27 <sup>63</sup>

<sup>52</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014.

<sup>53</sup> Arbuckle PUD, PO Box 207, Arbuckle, CA 95912, Phone: (530) 476-2054, Fax: 530-476-2761, E-Mail: [apud@frontiernet.net](mailto:apud@frontiernet.net)

<sup>54</sup> Lassen County Waterworks District 1 (Bieber), Stephen Jackson, Manager, Phone: 530-294-5524, March 1, 2011.

<sup>55</sup> 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.

<sup>56</sup> Hamilton City CSD, HCCSD Sewer Fees 2014-15

<sup>57</sup> Maxwell PUD, Maxwell, CA, Diana Mason, Phone: 438-2505, August 7, 2012.

<sup>58</sup> Westwood CSD, Susan Coffi, E-Mail: [office@westwoodcsd.org](mailto:office@westwoodcsd.org), September 6, 2012.

<sup>59</sup> City of Colusa, Water Department, Phone 458-4740 Ex100, September 12, 2012.

<sup>60</sup> City of Orland, Angela Crook, Assistant City Manager/City Clerk, 815 Fourth Street, Orland CA 95963, December 30, 2014

<sup>61</sup> City of Willows, Skyler Lipski, Public Works Director, Phone: 530-934-7041, September 5, 2012.

<sup>62</sup> Susanville Sanitary District, PO Box 162, Susanville, Ca 96130, Phone: 530-257-5685, Fax: 530-251-5328, September 11, 2012.

<sup>63</sup> City of Williams, Greg Endeman, [gendeman@cityofwilliams.org](mailto:gendeman@cityofwilliams.org), October 1, 2012.



**5 HAMILTON CITY CSD MUNICIPAL SERVICE REVIEW**

**5.1 Growth and Population Projections for the Hamilton City Area**

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

**5.1.1 Hamilton City Area Population Projections**

Glenn County population growth from 2000 to 2014 is shown below:<sup>64</sup>

<b>GLENN COUNTY POPULATION 2000 TO 2010</b>				
<b>Year</b>	<b>Glenn County</b>	<b>Unincorporated Area</b>	<b>City of Willows</b>	<b>City of Orland</b>
<b>2000</b>	26,453	13,952	6,220	6,281
<b>2001</b>	26,584	14,030	6,237	6,317
<b>2002</b>	26,702	14,157	6,218	6,327
<b>2003</b>	26,974	14,340	6,247	6,387
<b>2004</b>	27,210	14,529	6,244	6,437
<b>2005</b>	27,394	14,625	6,235	6,534
<b>2006</b>	27,628	14,647	6,174	6,807
<b>2007</b>	27,872	14,661	6,203	7,008
<b>2008</b>	28,066	14,695	6,210	7,161
<b>2009</b>	28,088	14,669	6,186	7,233
<b>2010</b>	28,120	14,671	6,164	7,285
<b>2013<sup>65</sup></b>	28,238	14,504	6,137	7,597
<b>2014</b>	28,353	14,516	6,154	7,683

The population of Hamilton City was 1,759 at the 2010 census, down from 1,903 at the 2000 census. If the population were to increase it could return to 1900 or 2000 people.

**5.1.2 MSR Determinations on Growth and Population Projections for the Hamilton City Area**

- 1-1) The population of Hamilton City is not expected to increase substantially but may return to the previous high of 1900 residents.

<sup>64</sup> State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 and 2010 Census Counts. Sacramento, California, August 2011.

<sup>65</sup> State of California, Department of Finance, Population Estimate for January 1, 2013 and January 1, 2014, August 5, 2014.



## **5.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Hamilton City**

*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.*

SB 244 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.

### **5.2.1 Determination of Hamilton City Area Disadvantaged Unincorporated Community Status**

The Hamilton City estimated median household income in 2011 was \$27,381 (it was \$33,169 in 2000) compared to \$57,287 median household income for the State of California.<sup>66</sup> The median household income is used to determine whether a community is disadvantaged. If the median household income is less than 80% of the State Median household income (less than \$45,830) then the community is disadvantaged. In the case of Hamilton City, the Median Household Income is clearly less than 80% of the State Median Household Income.

### **5.2.2 MSR Determinations on Disadvantaged Unincorporated Communities near Hamilton City**

- 2-1) The community of Hamilton City is a Disadvantaged Unincorporated Community because the Median Household Income is less than 80% of the State Median Household Income; however, there is no city that can annex this area.

<sup>66</sup> <http://www.city-data.com/city/Hamilton-City-California.html>, June 17, 2014.

### **5.3 Capacity and Infrastructure Hamilton City CSD**

*Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities and service quality.*

#### **5.3.1 Hamilton City CSD Infrastructure**

The Hamilton City CSD provides wastewater collection and treatment service, park service, library service and street lights. The infrastructure for these services has been described above in this report.

#### **5.3.2 MSR Determinations on Infrastructure for Hamilton City CSD**

- 3-1) The Hamilton City CSD wastewater collection system will be improved with a project to replace 800 feet of 12-inch pipeline to reduce inflow and infiltration (I&) which will initially be paid for by a loan and then the loan will be repaid over time with increased sewer service fees.<sup>67</sup>
- 3-2) The Hamilton City CSD wastewater treatment system will be improved with and upgrade to the lift-station which will initially be paid for by a loan and then the loan will be repaid over time with increased sewer service fees.<sup>68</sup>
- 3-3) The Hamilton City CSD park facilities are barely adequate and are maintained to the extent allowed by Glenn County funding and volunteer efforts including help from the Hamilton City Lions Club and the Hamilton City Women's Club.<sup>69</sup>
- 3-4) The Hamilton City Library is barely adequate and it is more cost-effective to have the Hamilton City CSD operate the library directly.
- 3-5) The Hamilton City street lights are adequate.

---

<sup>67</sup> Hamilton City CSD, Jose Puente, General Manager, July 15, 2014.

<sup>68</sup> Hamilton City CSD, Jose Puente, General Manager, July 15, 2014.

<sup>69</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014.

#### **5.4 Financial Ability to Provide Services**

*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 Hamilton City CSD**

The financial information for the Hamilton City CSD is shown above in this report including information on budgets and the most recent independent audit.

##### **5.4.2 MSR Determinations on Financing for Hamilton City CSD**

- 4-1) The Hamilton City CSD maintains good financial records and has an annual budget and the required independent audit.
- 4-2) The Hamilton City CSD maintains all funds with the County of Glenn.
- 4-3) The Hamilton City CSD has been able to manage deficits by maintaining adequate reserves.
- 4-4) The Hamilton City CSD uses the Golden State Risk Management Authority for insurance needs which is cost effective.
- 4-5) Employees of Hamilton City CSD are responsible for contributions to a retirement account.
- 4-6) The Hamilton City CSD raised sewer service fees in 2013 to make sure that expenses are covered and to meet the requirements of the USDA Rural Development Loan. The fee schedule includes provisions to raise the fees every year based on the cost-of-living index as allowed by the State Law.<sup>70</sup>
- 4-7) The Hamilton City CSD could work with the County of Glenn to provide financial information such as the budget and audit on a website available to the public.

---

<sup>70</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014.



## **5.5 Status of and Opportunities for Shared Facilities**

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

### **5.5.1 Hamilton City CSD Facilities**

The Hamilton City CSD facilities are described above in this report. The District is not located near any other population centers that can share facilities such as the wastewater collection and treatment system. The District does cooperate with Glenn County to manage finances, the park land owned by the County and the library. The District also cooperates with the School District, community groups and other County departments such as the Planning and Public Works Agency and the Sheriff's Department.

The District does have administrative capabilities which could be used to assist other Community Services Districts such as the Butte City Community Services District. It might be possible for the Butte City CSD to contract with the Hamilton City CSD to do the billing and other administrative and maintenance tasks required by Butte City CSD. It could be possible to merge the two districts because Community Services Districts are not required to contain only contiguous land. However, a cooperative relationship would be advisable prior to a permanent combination of the districts.

The HCCSD Board of Directors believes that their first responsibility is to the residents of Hamilton City and that any sharing or cooperation would have to provide a benefit to the residents of HCCSD as well as another entity.<sup>71</sup>

### **5.5.2 MSR Determinations on Shared Facilities for Hamilton City CSD**

- 5-1) The Hamilton City CSD is located too far from any other population center in Glenn County to share facilities such as the wastewater collection and treatment system.
- 5-2) The Hamilton City CSD cooperates with other governmental agencies and could possibly provide administrative assistance (such as billing service) to another Community Services District.
- 5-3) Any decisions on shared facilities would have to ensure that all entities would benefit.
- 5-4) Sharing the services of a certified librarian could benefit the library if a financially feasible arrangement could be made.

<sup>71</sup> Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014, Page 7 and 8.

## **5.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies**

*Purpose:*

- 1) *To consider the advantages and disadvantages of various government structures that could provide public services.*
- 2) *To evaluate the management capabilities of the organization.*
- 3) *To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.*

One of the most critical components of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capacity to provide services to affected lands.

Glenn LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure of the ability to provide adequate services to the SOI and potential annexation areas.

### **5.6.1 *Hamilton City CSD Government Structure***

The Hamilton City CSD government is described above in this report.

### **5.6.2 *MSR Determinations on Local Accountability and Governance***

- 6-1) The Hamilton City CSD has a full five-member elected Board of Directors.
- 6-2) The Board of Directors holds regular monthly meetings open to the public and in compliance with the Brown Act.
- 6-3) Consideration should be given to developing a website for the District or perhaps the District could work with the County to have a page on the County's website if this could be done in a cost-effective way.



## **6 HAMILTON CITY CSD SPHERE OF INFLUENCE UPDATE**

### **6.1 SOI Requirements**

#### **6.1.1 LAFCO's Responsibilities**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the SOI of each local agency. A SOI 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 SOI be updated not less than every five years, and §56430 provides that a MSR shall be conducted in advance of the SOI update.

#### **6.1.2 SOI Determinations**

In determining the SOI for each local agency, LAFCO must consider and prepare a 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; and
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. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

**6.1.3 Possible Approaches to the SOI**

SPHERE TYPE	DEFINITION
<b>Growth sphere</b>	Contains territory beyond the jurisdictional boundaries of the local agency and is an indication that the need for public services in the area has been established and the agency has the ability to effectively and efficiently extend the full spectrum of services provided by the agency.
<b>Coterminous sphere</b>	Coincides with the jurisdictional boundaries of the local agency and is an indication that the agency is landlocked, that there is no anticipated need for the agency's services outside of its existing boundaries, or the agency lacks the capacity or ability to serve additional territory or there is insufficient information to make such a determination.
<b>Zero sphere</b>	A zero sphere contains no territory and indicates that the Commission has determined that one or more of the public service functions of the agency are either non-existent, inadequate, no longer needed, or should be reallocated to some other agency of government. Adoption of a zero sphere indicates the agency should ultimately be reorganized or dissolved. The Commission may initiate dissolution of an agency as the law allows.
<b>Smaller-than-agency sphere</b>	Contains less territory than the jurisdictional boundary of the local agency. The smaller-than-agency sphere indicates that territory within the local agency, but not within its sphere, should be detached and either transferred to another local agency or not served by any agency.
<b>Overlapping sphere</b>	If more than one agency appears equally qualified to serve an area, and if fiscal considerations and community input do not clearly favor a specific agency, an overlapping sphere may be appropriate.
<b>Provisional sphere</b>	A designation indicating that LAFCO has identified in its most recent municipal service review the need for an agency to address organizational issues. Agencies given a provisional sphere will be encouraged to discuss reorganization options or alternatives to existing service provision or governmental structure and to provide LAFCO with written results of their discussions and/or studies.
<b>Service specific zone within a sphere</b>	To accommodate situations where territory within an agency's jurisdiction may require some, but not all of the services that the agency is authorized to provide, the LAFCO may designate an area within an SOI to which it may attach specific policies, including limiting the types of services authorized in that area. The intent of a service specific zone is to limit the types of services provided in a defined area and is not intended in any way to circumvent annexation.

#### **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. In updating the SOI, LAFCO is required to conduct a MSR and adopt related determinations.

This report identifies preliminary SOI policy alternatives and recommends SOI options for the Hamilton City CSD. Development of actual SOI updates will involve additional steps, including opportunity for public input at a LAFCO public hearing, and consideration and changes made by Commissioners.

LAFCO must notify affected agencies 21 days before holding a 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.

#### **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, and zero SOIs. 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.3d 480, 493-496 [243 Cal.Rptr. 740] (City of Agoura Hills), the court held that a LAFCO's decision to approve a city's SOI 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.<sup>72</sup>*

**6.1.6 Recommendation for Hamilton City CSD Sphere of Influence**

The proposed Sphere of Influence for the Hamilton City CSD is shown on a map at the end of this report. The proposed Sphere of Influence includes 493 acres. Development within this area should be coordinated with the HCCSD and annexed if possible.

**6.2 Present and Planned Land Uses in the Hamilton City CSD Area, Including Agricultural and Open Space Lands**

**6.2.1 Glenn County General Plan and Zoning for Hamilton City CSD SOI Area**

The Glenn County General Plan designations for the area within Hamilton City CSD and within the Sphere of Influence are shown below:

<b>Glenn County General Plan within the Hamilton City Community Service District</b>	
<b>Land Use Designation</b>	<b>Acres</b>
Single Family Residential	148.4
Multi-Family Residential	19.7
Community Commercial	16.8
Service Commercial	4.7
Highway and Visitor Service Commercial	2.3
Industrial	15.6
Undesignated (Right of Ways)	71.3
<b>Total</b>	<b>278.8</b>

<b>Glenn County General Plan within the Hamilton City Community Service District Sphere of Influence</b>	
<b>Land Use Designations</b>	<b>Acres</b>
Intensive Agriculture	271
Single Family Residential	9
Industrial	213
<b>Total</b>	<b>493</b>

The Glenn County zoning designations for the area within the Hamilton City CSD and within the Sphere of Influence are shown below:

<sup>72</sup> 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.



<b>Glenn County Zoning within the Hamilton City Community Service District</b>	
<b>Zoning Designations</b>	<b>Acres</b>
Single Family Residential Zone: R-1	148.4
Multiple Residential Zone: R-M	19.7
Community Commercial Zone: CC	16.8
Service Commercial Zone: SC	4.7
Highway and Visitor Service Commercial: HVC	2.3
Industrial Zone: M	15.6
Undesignated (Right of Ways)	71.3
<b>Total</b>	<b>278.8</b>

<b>Glenn County Zoning within the Hamilton City Community Service District Sphere of Influence</b>	
<b>Zoning Designations</b>	<b>Acres</b>
Agricultural Preserve: AP-80	124
Exclusive Agricultural Zone: AE-40	147
Single Family Residential Zone: R-1	9
Industrial Zone: M	213
<b>Total</b>	<b>493</b>

Although it is unlikely that land within the Williamson Act (Agricultural Preserve, 80 acre minimum parcel size) would be annexed to the Hamilton City CSD, development of land at higher densities served by community sewer and water would use less agricultural land than development on one, five or twenty acre parcels.

**6.2.2 SOI Determinations on Present and Planned Land Use for Hamilton City CSD Area**

- 1-1] The majority of the land within the Hamilton City CSD is designated and zoned for single family homes.
- 1-2] The Hamilton City CSD does not have authority for land use planning. The District and the Glenn County Planning and Public Works Agency should maintain communication to coordinate infrastructure improvements with land use plans.



### **6.3 Present and Probable Need for Public Facilities and Services in the Hamilton City CSD Area**

#### **6.3.1 *Municipal Service Background***

The Hamilton City CSD has served the community of Hamilton City since 1964. The District provides, wastewater collection and treatment, park and recreation services, street lights and library services as described above in this report.

#### **6.3.2 *SOI Determinations on Facilities and Services Present and Probable Need for Hamilton City CSD***

- 2-1] The 1759 residents of Hamilton City and future residents will continue to need the services provided by the Hamilton City CSD.

### **6.4 Present Capacity of Public Facilities Present and Adequacy of Public Services**

#### **6.4.1 *Capacity Background***

The capacity of the Hamilton City CSD is described above in this report. The District is working to maintain capacity by securing loans for the wastewater collection and treatment system maintenance.

#### **6.4.2 *SOI Determinations on Public Facilities Present and Future Capacity for Hamilton City CSD***

- 3-1] The Hamilton City CSD is maintaining capacity for the wastewater collection and treatment system by improving the large pipelines in the collection system and the lift station to the treatment plant.
- 3-2] The Hamilton City CSD works with the School District, the County and volunteer organizations to maintain capacity for the park and recreation facilities and the library.
- 3-3] The street light system is adequate and can be expanded as needed.

## **6.5 Social or Economic Communities of Interest for Hamilton City CSD**

### **6.5.1 Hamilton City CSD Community Background**

The Hamilton City community was started in the early 1900's and the first post office was established on May 26, 1906.<sup>73</sup> The community has both an elementary school and a high school and pre-school facilities. There are churches and community organizations. The residents must commute to Orland or Chico for most shopping needs; however, a Dollar Store has been proposed for the community

### **6.5.2 SOI Determinations on Social or Economic Communities of Interest for Hamilton City CSD**

4-1] The community of Hamilton City has always been a distinct community and there are no other communities or cities nearby.

## **6.6 Disadvantaged Unincorporated Community Status**

### **6.6.1 Disadvantaged Unincorporated Communities**

The State requires consideration of Disadvantaged Unincorporated Communities to promote annexation of these communities to adjacent cities. In the case of Hamilton City there is no city close enough to annex this area.

### **6.6.2 Hamilton City CSD Disadvantaged Unincorporated Community Status**

5-1] Although Hamilton City could qualify as a Disadvantaged Unincorporated Community due to a low Median Household Income, there is no city near enough to annex this area.

---

<sup>73</sup> Canon, Anna, "Images of America Glenn County", 2014, Page 48.

**ABBREVIATIONS**

AB	Assembly Bill
ADWF	Average Dry Weather Flows (wastewater treatment)
ARRA	American Recovery and Reinvestment Act
AWWF	Average Wet Weather Flows (wastewater treatment)
BMPs	best management practices
BOD	Biological Oxygen Demand (water quality)
CA	California
CALFIRE	California Department of Forestry and Fire Protection
CDBG	Development Block Grant
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
County	Glenn County
CSA	County Service Area
District	Hamilton City Community Services District
DUC	Disadvantaged Unincorporated Community
DWR	Department of Water Resources (California)
EDU	equivalent dwelling unit
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (US Government)
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Maps
FY	Fiscal Year
GCID	Glenn-Colusa Irrigation District
GSRMA	Golden State Risk Management Authority

**GLENN LAFCO  
HAMILTON CITY COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE**

HCCSD	Hamilton City Community Services District
HCFPD	Hamilton City Fire Protection District
I&I, I/I	inflow and infiltration (to sewer lines)
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
MGD	million gallons per day
MSR	Municipal Service Review (LAFCO)
PERS	Public Employee Retirement System (California)
PG&E	Pacific Gas and Electric Company
PL	Public Law
SOI	Sphere of Influence (LAFCO)
US	United States
USDA	United States Department of Agriculture
USFWS	United States Fish and Wildlife Service
WSEL	water surface elevation
WWTP	Wastewater Treatment Plant

## DEFINITIONS

**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.

**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.)

**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.

**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.

**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.

**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.<sup>74</sup>

**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.<sup>75</sup>

**Ranchette:** A single dwelling unit occupied by a non-farming household on a parcel of 2.5 to 20 acres that has been subdivided from agricultural land.

**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 leech 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.

**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.

---

<sup>74</sup> [http://www.californiataxdata.com/A\\_Free\\_Resources/glossary\\_PS.asp#ps\\_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)

<sup>75</sup> [http://www.californiataxdata.com/A\\_Free\\_Resources/glossary\\_PS.asp#ps\\_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)

**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.

**REFERENCES**

- Ampla Health (formerly Del Norte Clinics, Inc.), Corporate Office, 935 Market Street, Yuba City, CA 95991.
- Arbuckle PUD, PO Box 207, Arbuckle, CA 95912, Phone: (530) 476-2054, Fax: 530-476-2761, E-Mail: [apud@frontiernet.net](mailto:apud@frontiernet.net)
- Canon, Anna, "Images of America Glenn County", 2014, Page 48.
- City of Colusa, Water Department, Phone 458-4740 Ex100, September 12, 2012.
- City of Orland, Angela Crook, Assistant City Manager/City Clerk, 815 Fourth Street, Orland CA 95963, December 30, 2014
- City of Williams, Greg Endeman, [gendeman@cityofwilliams.org](mailto:gendeman@cityofwilliams.org), October 1, 2012.
- City of Willows, Skyler Lipski, Public Works Director, Phone: 530-934-7041, September 5, 2012.
- Durham, David L. (1998). *California's Geographic Names: A Gazetteer of Historic and Modern Names of the State*. Quill Driver Books. p. 246. [ISBN 9781884995149](https://www.amazon.com/dp/0921210951).
- Glenn County Department of Finance, Susan Storz, August 19, 2013.
- Glenn County Planning and Public Works Agency, Newsletter March-April 2012.
- Glenn LAFCO 84-05, Annexation of Holly Sugar Subdivision to Hamilton City Community Services District.
- Glenn LAFCO 90-04, Hamilton Union High School District Annexation to Hamilton City Community Services District.
- Glenn LAFCO 97-02, Pallisades Annexation to Hamilton City Community Services District.
- Glenn LAFCO 98-04, Annexation to Hamilton City Community Services District.
- Hamilton City Community Services District, Hamilton City, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2013, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, October 7, 2013.
- Hamilton City CSD, HCCSD Sewer Fees 2014-15
- Hamilton City CSD, Jose Puente, General Manager, July 15, 2014.
- Hamilton City Community Services District, Letter to Glenn LAFCO, September 9, 2014.
- Hamilton City CSD, Madrean Benton, Secretary, Phone: 530-826-3208, June 17, 2014.
- [http://www.californiataxdata.com/A\\_Free\\_Resources/glossary\\_PS.asp#ps\\_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)
- <https://www.calwater.com/rates/rates-and-tariffs/ch/>, July 11, 2014
- <http://www.city-data.com/city/Hamilton-City-California.html>, June 17, 2014.

[http://www.sacramentoriver.org/access\\_site.php?access\\_site\\_id=28](http://www.sacramentoriver.org/access_site.php?access_site_id=28), July 5, 2014

<http://www.usspecbook.com/entity.php?e=27025>, July 11, 2014.

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

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.

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

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.

State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 and 2010 Census Counts. Sacramento, California, August 2011.

State of California, Department of Finance, Population Estimate for January 1, 2013 and January 1, 2014, August 5, 2014.

State of California Regional Water Quality Control Board Central Valley Region, Order No. 98-081 WASTE DISCHARGE REQUIREMENTS FOR HAMILTON CITY WASTEWATER TREATMENT PLANT HAMILTON CITY COMMUNITY SERVICE DISTRICT GLENN COUNTY.

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

U.S. Army Corp of Engineers, HAMILTON CITY FLOOD DAMAGE REDUCTION AND ECOSYSTEM RESTORATION, CALIFORNIA, FINAL FEASIBILITY REPORT AND ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT, July 2004, Summary.

Westwood CSD, Susan Coffi, E-Mail: [office@westwoodcsd.org](mailto:office@westwoodcsd.org), September 6, 2012.

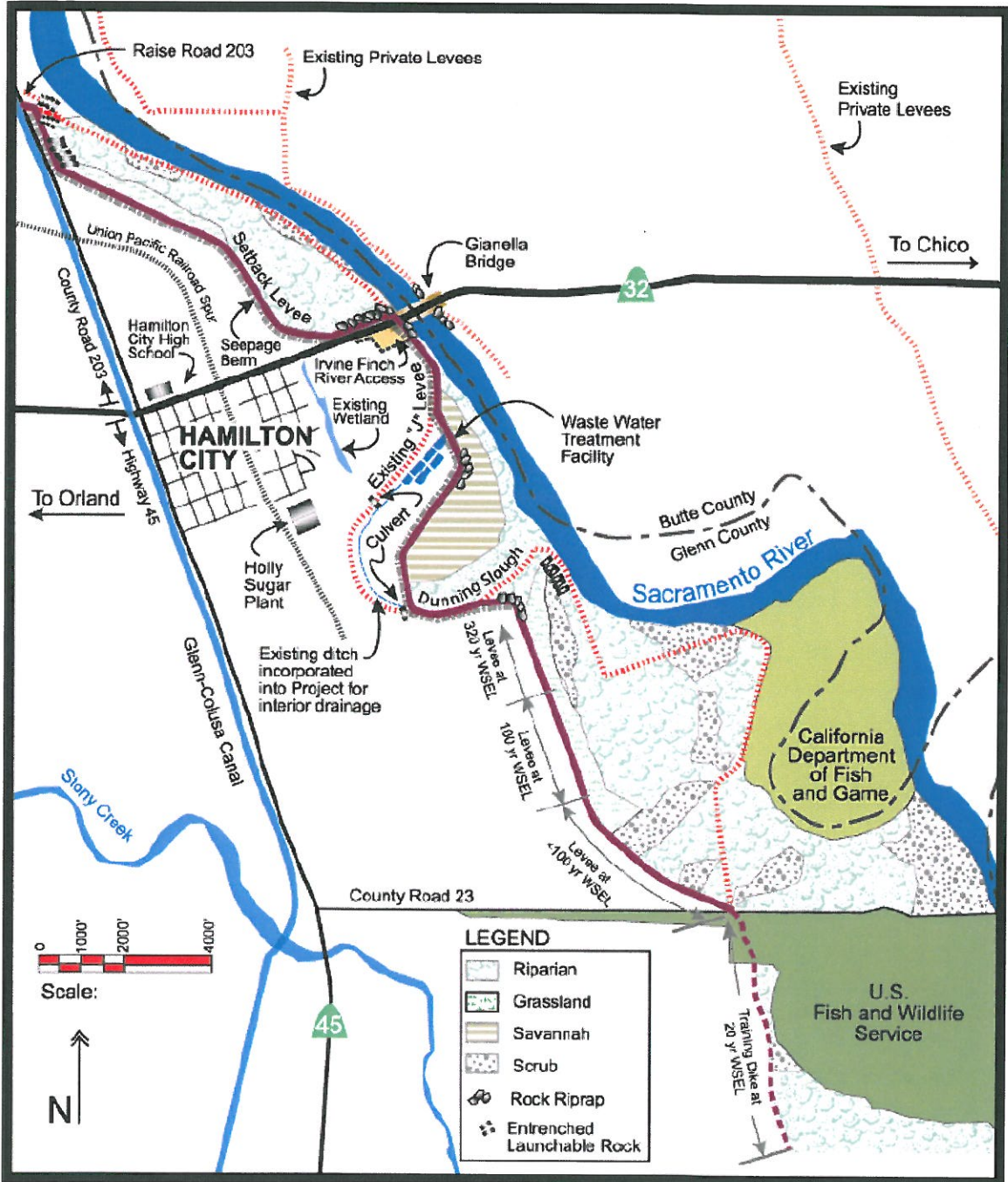
**PREPARERS**

Christy Leighton, Glenn LAFCO Executive Officer  
555 East Willow Street, Willows CA 95988  
Phone: 530-934-4597 [christyleighton@sbcglobal.net](mailto:christyleighton@sbcglobal.net)



MAPS

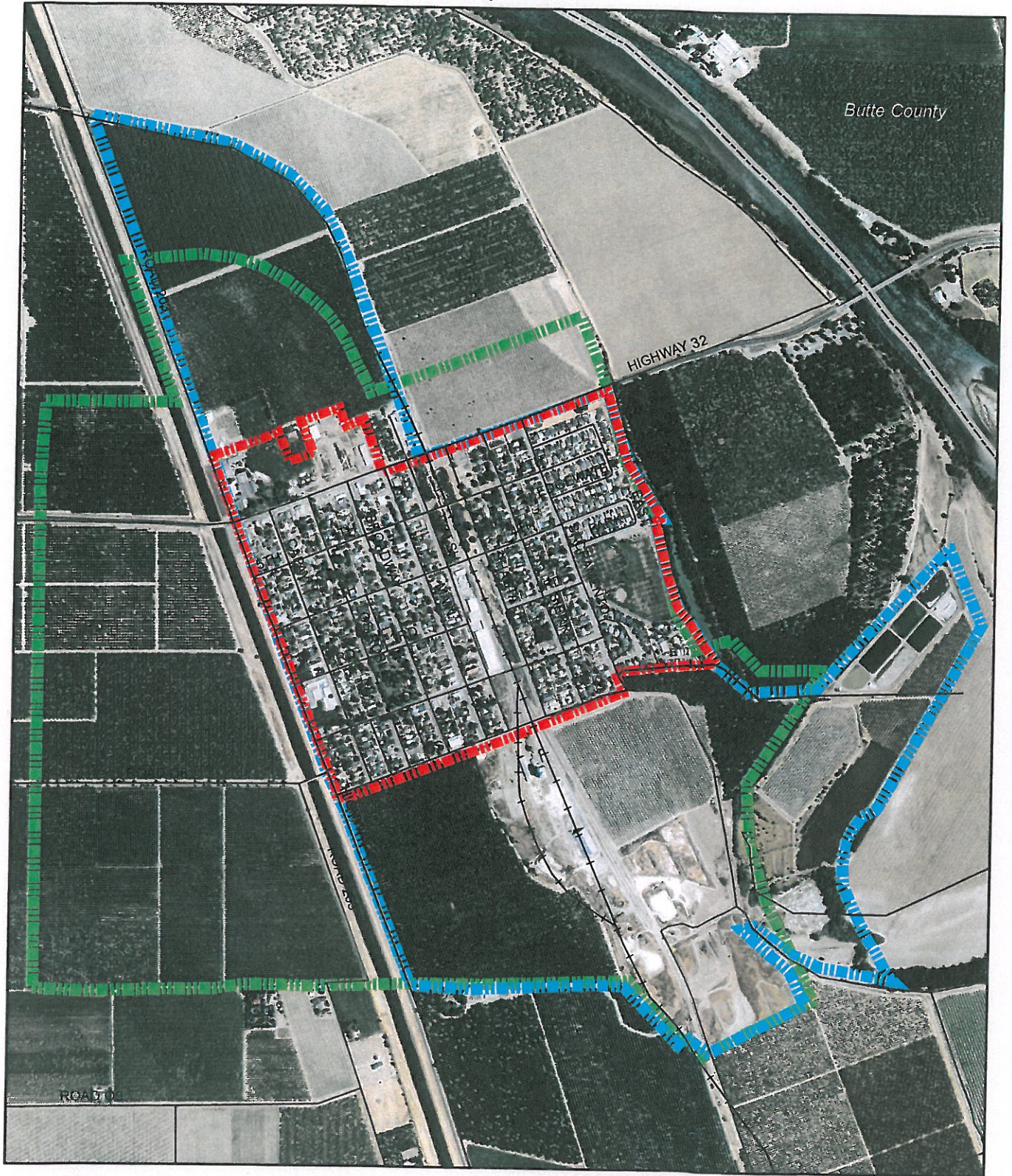
Hamilton City Flood Damage Reduction and Ecosystem Restoration, California  
 Final Feasibility Report/EIR/EIS



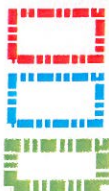


# Hamilton City and Boundaries

Glenn County, California



## Boundaries



HC Community Service District

HCCSD Sphere of Influence

HC Urban Limit Line

0

Air Imagery c 2012

0.5

Glenn LAFCO



1

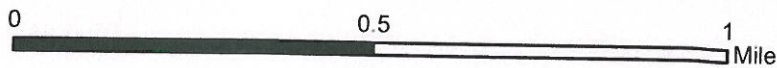
Mile



# County General Plan Designations with Hamilton City Proposed Sphere of Influence

Glenn County, California

Butte County



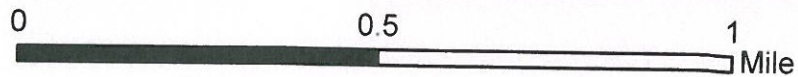
- |   |  |   |
|---|--|---|
|  Single Family Residential   |  Highway and Visitor Service Commercial |  HCCSD Boundary      |
|  Multiple Family Residential |  Service Commercial                     |  HCCSD SOI           |
|  Rural Residential           |  Community Commercial                   |  HC Urban Limit Line |
|  Intensive Agriculture       |  Industrial                             |   |



# County Zoning with Hamilton City Proposed Sphere of Influence

Glenn County, California

Butte County



<b>Residential</b>	<b>Commercial</b>	<b>Agricultural</b>	<b>Industrial</b>	<b>Boundaries</b>
R-1	SC	AE-40	M	HCCSD Boundary
R-M	HVC	AP-80		HCCSD Sphere of Influence
RE-5	CC			HC Urban Limit Line