GLENN
LOCAL AGENCY FORMATION COMMISSION

NORTHEAST WILLOWS
COMMUNITY SERVICES DISTRICT

MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE

Adopted by Glenn LAFCO Resolution 2015-01
April 13, 2015
GLENN LAFCO

Commissioners:

Mike Yalow (Public Member), Chair
John Viegas (County Member), Vice-Chair
Bruce Roundy (City Member)
Leigh McDaniel (County Member)
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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.

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 NORTHEAST WILLOWS COMMUNITY

2.1 Northeast Willows Background

Northeast Willows is a not a census-designated place (CDP) which means that census data is not available for the community. A map of Northeast Willows is shown at the end of this report. This area is located within the City of Willows’ sphere of influence. The County General Plan and Zoning Designations are shown below and show that the area is predominately residential. Maps showing the General Plan and Zoning Designations are shown at the end of this report.

<table>
<thead>
<tr>
<th>Glenn County General Plan Land Use Designation</th>
<th>Acres within Northeast Willows CSD</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>8.3</td>
<td>7.0%</td>
</tr>
<tr>
<td>Community Commercial</td>
<td>1.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>Multi-Family Residential</td>
<td>1.6</td>
<td>1.0%</td>
</tr>
<tr>
<td>Single Family Residential</td>
<td>111.7</td>
<td>91.0%</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>0.4</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>123 ACRES</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Glenn County Zoning Designations</th>
<th>Acres within Northeast Willows CSD</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Zone: M</td>
<td>8.3</td>
<td>7.0%</td>
</tr>
<tr>
<td>Community Commercial Zone: CC</td>
<td>1.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>Multi-Family Residential Zone: R-M</td>
<td>1.6</td>
<td>1.0%</td>
</tr>
<tr>
<td>Single Family Residential Zone: R-1</td>
<td>111.7</td>
<td>91.0%</td>
</tr>
<tr>
<td>Rural Residential Estate Zone: RE-5</td>
<td>0.4</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>123 ACRES</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

2.2 Northeast Willows Population Data

No census records are available specific to the Northeast Willows CSD area; however, census data from the City of Willows can be used to estimate the population. The number of residential sewer service connections in the District is 300. If each connection represents the average household size in the City of Willows (2.58 persons)\(^1\) the population of the District would be 774. For comparison the City of Willows had a population of 6100 in 2013.\(^2\)

\(^1\)US Census Bureau, [http://quickfacts.census.gov/qfd/states/06/06021.html](http://quickfacts.census.gov/qfd/states/06/06021.html), December 2, 2014
\(^2\)US Census Bureau, [http://quickfacts.census.gov/qfd/states/06/06021.html](http://quickfacts.census.gov/qfd/states/06/06021.html), December 2, 2014
2.2.1 Northeast Willows Housing Data

The last recorded home sale for this area was in August 2014. A two bedroom, one bathroom 932 square foot home sold for $108,000. The home is located on a 6,000 square foot lot.\(^3\) For comparison, the median value of owner-occupied housing units in the City of Willows was $214,500.\(^4\)

2.2.2 Northeast Willows CSD Median Household Income

The Median Household Income is used to determine whether a community is disadvantaged. The State of California Median Household Income is $61,400.\(^5\) If the median household income is less than 80% of the State Median household income (less than $49,120) then the community is disadvantaged. In the case of the Northeast Willows CSD, the Median Household Income cannot be determined from census records; however the Median Household Income for the City of Willows was $41,020\(^6\) so the whole area could be considered disadvantaged.

2.3 Northeast Willows CSD Schools

There are no public schools located within the District. Any children of school age attend schools in Willows.

2.4 Other Services in Northeast Willows

2.4.1 Police Protection

Law enforcement is provided by the Glenn County Sheriff’s Department. However, the City of Willows Police Department often answers calls in this area.

2.4.2 Fire Protection

Fire services are provided by the Willows Fire Department and Willows Rural Department. The Willows Fire Department consists of a full-time fire chief, captain, three engineers and volunteer firefighters. Dispatch services are provided by the Willows Fire Department.

2.4.3 Storm Drains

Since the Northeast Willows CSD is in the unincorporated area of Glenn County, their storm drains are maintained by the County of Glenn Public Works Department. The area is also part of the North Willows County Service Area (CSA) governed by the Board of Supervisors with the help of an advisory committee, for maintenance of storm drainage facilities.

2.4.4 Street and Sidewalk Maintenance

The County of Glenn is responsible for street and sidewalk maintenance in the Northeast Willows CSD.

2.4.5 Northeast Willows Water Service

The community depends on California Water Service for their potable water and landscape water needs.

2.4.6 Medical Services

The nearest emergency medical service is Glenn General Hospital at 1133 W. Sycamore Street, Willows. This facility provides medical services including physical examinations, family planning, women’s health, immunizations, health education, mental health counselling, nutritional counselling and laboratory services.

2.4.7 Power

Electrical power and gas are provided by Pacific Gas and Electric Company.
3 NORTHEAST WILLOWS COMMUNITY SERVICE DISTRICT (NWCS)

3.1 Northeast Willows CSD Background

The Northeast Willows Community Services District was formed in 1965 pursuant to the Community Services District Law (Government Code Section 61000 et seq) to provide for the collection, treatment or disposal of sewage, waste and storm water of the district and its inhabitants. However, the District only provides directly for the collection of wastewater and wastewater treatment is provided by the City of Willows under a Joint Powers Agreement.

The District worked with the County of Glenn to apply for grant applications in the 1970s but the wastewater collection lines were not constructed until 1988-1989 after the State Water Resources Control Board, Central Valley Region, made the project a Category A project.7

3.2 History of Annexations to Northeast Willows CSD

There have been no annexations to the District since it was formed in 1965. The District boundary map is shown at the end of this report.

3.3 Northeast Willows CSD Contact Information

The Northeast Willows Community Services District contact information is as follows:

Lisa Davis, District Secretary, 420 Second Street, Willows CA 95988.
Phone: (530) 370-4417. District email address is northeastwillowscsd@gmail.com.
Counsel for the District is J. Mark Atlas, 332 W. Sycamore Street, Willows CA 95988.

3.4 Northeast Willows CSD Board of Directors

The Northeast Willows CSD Board of Directors is as follows:

Terry Michael Baker term ends 2017
Norman Earl Bernard term ends 2015
Ray E. Crabtree term ends 2015
Susan T. Crabtree term ends 2017
Lucas J. Weinrich term ends 2015

The Board of Directors meets the second Wednesday of each month, more if needed. Meetings are held at 5:15 pm at the Glenn County Planning and Public Works Agency Conference Room, 777 North Colusa Street, Willows, CA. The District is fortunate to have a full five member Board of Directors. The Board members are paid $50 per meeting. The Board members are required to file the financial disclosure forms to comply with the California Fair Political Practices Commission.

7 California Regional Water Quality Control Board Central Valley Region Resolution No. 87-143 ACCEPTING THE GLENN COUNTY MORATORIUM ON SEPTIC TANK SYSTEMS IN THE COMMUNITY OF NORTHEAST WILLOWS, August 14, 1987.
3.5 **NWCSW Wastewater Collection and Treatment Service**

### 3.5.1 Wastewater Collection System

The City of Willows owns the wastewater collection system within the City and the treatment and disposal system that provides sewerage service to the Northeast Willows CSD. The City provides or can contract for all maintenance, including routine inspection, rodding, balling, flushing, plugging, and the making of minor repairs, excluding replacement and installation of lines and pipes, to the entire sewage collection system, main trunk sewers and facilities. In practice, the City of Willows contract staff provides collection and treatment, maintain and clean the system, and inspect any new connections or upgrades.

The loan from the USDA Rural Development which paid for part of the wastewater lines is apportioned to each landowner based on street frontage and will be paid off in 2029. The loan payments are collected with the property taxes and the Glenn County Department of Finance supervises the transfer of the payments to the USDA as a lump sum. Individual landowners may pay off the entire amount but few have been able to do this.

### 3.5.2 Wastewater Treatment System

The Northeast CSD wastewater treatment facilities are located at 1600 S. Tehama Street, Willows. The wastewater treatment plant (WWTP) is governed by Waste Discharge Requirement Order No. R5-2006-0009 adopted by the California Regional Water Quality Control Board, Central Valley Region.

The WDR Order regulates the discharge of wastewater from the Willows WWTP to Agricultural Drain C and Glenn-Colusa Irrigation District Lateral 26-2, both are tributaries to the Colusa Basin Drain.

### 3.5.3 NWCSW Waste Discharge Specifications

There are no waste discharge specifications specifically for the Northeast Willows CSD because the wastewater collected is treated by the City of Willows.

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8 Skyler Lipski, Public Works Director, City of Willows, November 12, 2014
3.5.4 **NWCS District Equipment**

The Northeast Willows CSD owns the following buildings, equipment and land:

<table>
<thead>
<tr>
<th>Asset ID</th>
<th>Class</th>
<th>Date Purchased</th>
<th>Description</th>
<th>Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0006074</td>
<td>EQ</td>
<td>3/22/2007</td>
<td>Recording monitor for pumps</td>
<td>6,352.00</td>
</tr>
<tr>
<td>0006176</td>
<td>EQ</td>
<td>10/17/2008</td>
<td>Generator for lift station</td>
<td>15,242.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>06880000-NE WILLOWS COMMUNITY SERVICES DISTRICT</strong></td>
<td><strong>21,594.00</strong></td>
</tr>
</tbody>
</table>

The fixed assets are summarized as follows:

<table>
<thead>
<tr>
<th>NORTHEAST WILLOWS COMMUNITY SERVICES DISTRICT FIXED ASSETS SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>(EQ) Equipment</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
</tr>
</tbody>
</table>

3.5.5 **Northeast Willows Sewer Service Fees**

The District’s sewer service rate has to be the rate reflected for the appropriate use shown on the City’s schedule, plus the District’s monthly charge of $6.50. Therefore, for example, the single-family residential rate for the fiscal year is $40.19 + $6.50 = $46.69 x 12 months = $560.28. Parcels with two dwelling units are charged $1120.56. Parcels with three dwelling units are charged $1680.84.

All residential sewer service fees are collected by Glenn County as part of the property tax billing. Commercial businesses are billed by the California Water Service based on the amount of water used with the minimum charge the same as the residential charge. All funds for the District are kept by the County of Glenn.

3.6 **NWCS District Budget 2014-2015**

The following table shows the Northeast Willows Community Services Budget for 2014-2015. The major income to the District is the Sewer Service Charge shown as the Special Assessment. Property taxes make up a small portion of the budget.

---

8 Glenn County Department of Finance, Susan Storz, August 29, 2014.
9 Glenn County Department of Finance, Susan Storz, August 29, 2014.
## Northeast Willows Community Services District Budget 2014-2015

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14010</td>
<td>Property Tax-Current Secured</td>
<td>5,250</td>
</tr>
<tr>
<td>14020</td>
<td>Property Tax-Current Unsecured</td>
<td>250</td>
</tr>
<tr>
<td>44300</td>
<td>Interest</td>
<td>500</td>
</tr>
<tr>
<td>52580</td>
<td>HOPTTR (Homeowner Property Tax Relief)</td>
<td>65</td>
</tr>
<tr>
<td>61152</td>
<td>Special Assessment (annual payment for sewer service)</td>
<td>171,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE ACCOUNTS</strong></td>
<td></td>
<td><strong>177,065</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01018</td>
<td>Director Salaries ($50 per meeting per board member)</td>
<td>3,000</td>
</tr>
<tr>
<td>03150</td>
<td>Insurance (Golden State Risk Management Authority)</td>
<td>500</td>
</tr>
<tr>
<td>03180</td>
<td>Maintenance of structures and improvements</td>
<td>1</td>
</tr>
<tr>
<td>03220</td>
<td>Office Expense</td>
<td>450</td>
</tr>
<tr>
<td>03230</td>
<td>Professional Services (Contract for secretary, attorney)</td>
<td>17,400</td>
</tr>
<tr>
<td>03240</td>
<td>Publications (Legal Notices)</td>
<td>250</td>
</tr>
<tr>
<td>03280</td>
<td>Special Department Expense</td>
<td>3,800</td>
</tr>
<tr>
<td>04300</td>
<td>Utilities (PG&amp;E to operate lift station on Cherry Street)</td>
<td>800</td>
</tr>
<tr>
<td>05510</td>
<td>Depreciation</td>
<td>45,860</td>
</tr>
<tr>
<td>05600</td>
<td>Contribution to Other Agencies (Payment to City of Willows)</td>
<td>150,000</td>
</tr>
<tr>
<td>05700</td>
<td>Administrative Expense (Department of Finance charges)</td>
<td>5,000</td>
</tr>
<tr>
<td>05730</td>
<td>A-87 Cost Allocation (use of County Department of Finance)</td>
<td>646</td>
</tr>
<tr>
<td>14010</td>
<td><strong>TOTAL EXPENSE ACCOUNTS</strong></td>
<td><strong>227,707</strong></td>
</tr>
</tbody>
</table>

Although the budgeted expenses exceed the revenue, depreciation is not money that is paid out. In most cases the actual expenses will be less than the total budgeted amount so the District may not need to use reserves to meet the budget.

### 3.7 NWCS District Audit

A budget is a plan for spending money but an audit examines funds actually spent. The Northeast Willows CSD had an audit completed for the fiscal years ending June 30, 2010 and 2009. The following information from the audit is included to show the financial picture of the District as on June 30, 2010.

#### 3.7.1 NWCS District Net Position and Fund Balance

The total Net Position for the District as of June 30, 2010 is shown below:

---

11 Glenn County Department of Finance, August 28, 2014.
### NORTHEAST WILLOWS COMMUNITY SERVICES DISTRICT
#### STATEMENT OF NET POSITION JUNE 30, 2010

<table>
<thead>
<tr>
<th>Waste Disposal Fund</th>
<th>Waste Disposal Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash/Treasury</td>
<td>339,009</td>
</tr>
<tr>
<td>Interest received</td>
<td>598</td>
</tr>
<tr>
<td>Imprest Cash</td>
<td>25</td>
</tr>
<tr>
<td>Prop 1A Loan to State</td>
<td>479</td>
</tr>
<tr>
<td><strong>Capital Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Structures &amp; Improvements</td>
<td>1,130,580</td>
</tr>
<tr>
<td>S&amp;I Accumulated Depreciation</td>
<td>(904,464)</td>
</tr>
<tr>
<td>Equipment</td>
<td>21,594</td>
</tr>
<tr>
<td>Equip Accumulated Depreciation</td>
<td>(5,589)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>582,232</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>148,060</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>479</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>148,539</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Capital Assets</td>
<td>242,121</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>191,572</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>433,693</td>
</tr>
</tbody>
</table>

The above table shows how the Net Position for 2010 is calculated and this is then compared to the Net Position for the previous year in the table below:

---

<table>
<thead>
<tr>
<th>Waste Disposal Fund</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Wastewater fees</td>
<td>172,396</td>
</tr>
<tr>
<td>Administration fees</td>
<td>178</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>172,574</td>
</tr>
<tr>
<td><strong>Operating Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Wastewater disposal</td>
<td>- 148,060</td>
</tr>
<tr>
<td>Services/supplies</td>
<td>- 18,885</td>
</tr>
<tr>
<td>County charges</td>
<td>6,302</td>
</tr>
<tr>
<td>Depreciation</td>
<td>47,383</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENDITURES</strong></td>
<td>220,630</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>(48,056)</td>
</tr>
<tr>
<td><strong>Non-Operating Revenues and Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>2,140</td>
</tr>
<tr>
<td>Allocation of County taxes</td>
<td>5,309</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>73</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING REVENUES (EXPENSES)</strong></td>
<td>7,522</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures before transfers</td>
<td>(40,534)</td>
</tr>
<tr>
<td><strong>Net Position at beginning of year</strong></td>
<td>474,227</td>
</tr>
<tr>
<td><strong>Net Position at end of year</strong></td>
<td>433,693</td>
</tr>
</tbody>
</table>

Although the Net Position declined in 2010 the District is still financially sound. The amount charged to depreciation is not an actual loss of cash. Most wastewater collection systems are considered as an enterprise fund and so the income from sources other than fees (interest and taxes) is shown separately. As is common with most districts, the income from taxes is small and the primary source of income is the sewer service fees.
3.7.2 Cash\textsuperscript{14}

The June 30, 2009 and 2010 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, 2010: $339,009  
The District holds $25 in petty cash.

3.7.3 Capital Assets\textsuperscript{15}

The June 30, 2009 and 2010 Audit reports the Capital assets activity for the Northeast Willows CSD as follows:

<p>| Northeast Willows Community Services District Capital Assets Activity for the year ended June 30, 2010 |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Balance July 1, 2009</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance June 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciable Capital Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater System</td>
<td>1,130,580</td>
<td></td>
<td>1,130,580</td>
</tr>
<tr>
<td>Equipment</td>
<td>21,594</td>
<td></td>
<td>21,594</td>
</tr>
<tr>
<td>Total Capital assets depreciated</td>
<td>1,152,174</td>
<td></td>
<td>1,152,174</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(862,670)</td>
<td>47,383</td>
<td>(910,053)</td>
</tr>
<tr>
<td>Net Capital Assets</td>
<td>$289,504</td>
<td>47,383</td>
<td>$242,121</td>
</tr>
</tbody>
</table>

3.7.4 Risk Management\textsuperscript{16}

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.

\textsuperscript{14} Northeast Willows Community Services District, Willows, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2010 and 2009, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, June 20, 2011, Page 12.

\textsuperscript{15} Northeast Willows Community Services District, Willows, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2010 and 2009, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, June 20, 2011, Pages 12 and 13.

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.

3.7.5 Fund Deficits\(^\text{17}\)

The audit for the year ending June 30, 2010 reported an operating deficit in Waste Disposal Fund in the amount of ($48,056).

3.7.6 No Commitment Debt\(^\text{18}\)

The District is responsible for collecting assessments and making the required bond payments from a 1915 Act Limited Obligation Improvement Bond. The Bonds are not a general obligation of the District and neither the faith and credit nor the taxing power of the district is pledged to the payment of the bonds. The principal amount of debt outstanding at June 30, 2010 was $205,000. Payments are scheduled through 2029.

\(^{17}\) Northeast Willows Community Services District, Willows, California, Basic Financial Statements for the Fiscal Years Ended June 30, 2010 and 2009, Prepared by Robert A. Gustafson, Certified Public Accountant, 7076-A Skyway Paradise, Ca 95969, Phone 530-872-1000, June 20, 2011, Page 5.

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.

<table>
<thead>
<tr>
<th>District/County</th>
<th>Number of Connections</th>
<th>Monthly Sewer Service Rate (Base Rate-Single Family Residential)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbuckle PUD/Colusa</td>
<td>820</td>
<td>$15.00(^{19})</td>
</tr>
<tr>
<td>Lassen Co. Waterworks</td>
<td>172(^{20})</td>
<td>$25.00(^{21})</td>
</tr>
<tr>
<td>District 1 (Bieber)/Lassen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamilton City CSD/Glenn</td>
<td>708</td>
<td>$31.93(^{22})</td>
</tr>
<tr>
<td>Maxwell PUD/Colusa</td>
<td>400</td>
<td>$48.00 plus $358.62/year(^{23})</td>
</tr>
<tr>
<td>Westwood CSD</td>
<td>781</td>
<td>$34.22(^{24})</td>
</tr>
<tr>
<td>City of Colusa/Colusa</td>
<td>2082</td>
<td>$65.77(^{25})</td>
</tr>
<tr>
<td>City of Orland</td>
<td>2615</td>
<td>$31.78(^{26}) (for residences outside of city limits)</td>
</tr>
<tr>
<td>City of Willows/Glenn</td>
<td>2255</td>
<td>$40.19(^{27})</td>
</tr>
<tr>
<td>Susanville Sanitary District/Lassen</td>
<td>3747</td>
<td>$15.15(^{28})</td>
</tr>
<tr>
<td>City of Williams/Colusa</td>
<td>1360</td>
<td>$74.27(^{29})</td>
</tr>
</tbody>
</table>

The residents of the Northeast Willows CSD pay an additional $6.50 per month to support the District in addition to the fee paid to the City of Willows so their fee is $46.69 per month.

\(^{19}\) Arbuckle PUD, PO Box 207, Arbuckle, CA 95912, Phone: (530) 476-2054, Fax: 530-476-2761, E-Mail: apud@frontiernet.net
\(^{20}\) Lassen County Waterworks District 1 (Bieber), Stephen Jackson, Manager, Phone: 530-294-5524, March 1, 2011.
\(^{21}\) 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.
\(^{22}\) Hamilton City CSD, HCCSD Sewer Fees 2014-15
\(^{23}\) Maxwell PUD, Maxwell, CA, Diana Mason, Phone: 438-2505, August 7, 2012.
\(^{24}\) Westwood CSD, Susan Coffi, E-Mail: office@westwoodcsd.org, September 6, 2012.
\(^{25}\) City of Colusa, Water Department, Phone 458-4740 Ex100, September 12, 2012.
\(^{26}\) City of Orland, Angela Crook, Assistant City Manager/City Clerk, 815 Fourth Street, Orland CA 95963, October 24, 2014
\(^{27}\) City of Willows, Skyler Lipski, Public Works Director, Phone: 530-934-7041, September 5, 2012.
\(^{28}\) Susanville Sanitary District, PO Box 162, Susanville, Ca 96130, Phone: 530-257-5685, Fax: 530-251-5328, September 11, 2012.
\(^{29}\) City of Williams, Greg Endeman, gendeman@cityofwilliams.org, October 1, 2012.
5 NORTHEAST WILLOWS CSD MUNICIPAL SERVICE REVIEW

5.1 Growth and Population Projections for the Northeast Willows Area

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

5.1.1 Northeast Willows Area Population Projections

Glenn County population growth from 2000 to 2014 is shown below:30

<table>
<thead>
<tr>
<th>Year</th>
<th>Glenn County</th>
<th>Unincorporated Area</th>
<th>City of Willows</th>
<th>City of Orland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>26,453</td>
<td>13,952</td>
<td>6,220</td>
<td>6,281</td>
</tr>
<tr>
<td>2001</td>
<td>26,584</td>
<td>14,030</td>
<td>6,237</td>
<td>6,317</td>
</tr>
<tr>
<td>2002</td>
<td>26,702</td>
<td>14,157</td>
<td>6,218</td>
<td>6,327</td>
</tr>
<tr>
<td>2003</td>
<td>26,974</td>
<td>14,340</td>
<td>6,247</td>
<td>6,387</td>
</tr>
<tr>
<td>2004</td>
<td>27,210</td>
<td>14,529</td>
<td>6,244</td>
<td>6,437</td>
</tr>
<tr>
<td>2005</td>
<td>27,394</td>
<td>14,625</td>
<td>6,235</td>
<td>6,534</td>
</tr>
<tr>
<td>2006</td>
<td>27,628</td>
<td>14,647</td>
<td>6,174</td>
<td>6,807</td>
</tr>
<tr>
<td>2007</td>
<td>27,872</td>
<td>14,661</td>
<td>6,203</td>
<td>7,008</td>
</tr>
<tr>
<td>2008</td>
<td>28,066</td>
<td>14,695</td>
<td>6,210</td>
<td>7,161</td>
</tr>
<tr>
<td>2009</td>
<td>28,088</td>
<td>14,669</td>
<td>6,186</td>
<td>7,233</td>
</tr>
<tr>
<td>2010</td>
<td>28,120</td>
<td>14,671</td>
<td>6,164</td>
<td>7,285</td>
</tr>
<tr>
<td>201331</td>
<td>28,238</td>
<td>14,504</td>
<td>6,137</td>
<td>7,597</td>
</tr>
<tr>
<td>2014</td>
<td>28,353</td>
<td>14,516</td>
<td>6,154</td>
<td>7,683</td>
</tr>
</tbody>
</table>

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

1-1) The population of the Northeast Willows area is not expected to increase substantially.


5.2 **Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Northeast Willows**

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 Northeast Willows Area Disadvantaged Unincorporated Community Status**

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 $49,120) then the community is disadvantaged. In the case of the Northeast Willows area, no data is available to determine the median household income.

5.2.2 **MSR Determinations on Disadvantaged Unincorporated Communities near Northeast Willows**

2-1) It is undetermined whether the community of Northeast Willows is a Disadvantaged Unincorporated Community. However, it is served by the same water, wastewater and fire protection services as residents of the City of Willows.
5.3  **Capacity and Infrastructure Northeast Willows CSD**

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

**5.3.1 Northeast Willows CSD Infrastructure**

The Northeast CSD was formed to dispose of sewage, waste and stormwater for the District’s residents. The infrastructure for these services has been described above in this report.

**5.3.2 MSR Determinations on Infrastructure for Northeast Willows CSD**

3-1) No major upgrades are proposed to Northeast Willows CSD infrastructure.

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 Northeast Willows CSD**

The financial information for the Northeast Willows 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 Northeast Willows CSD**

4-1) The Northeast Willows CSD maintains good financial records and has an annual budget and the required independent audit.

4-2) The Northeast Willows CSD maintains all funds with the County of Glenn.

4-3) The Northeast Willows CSD has been able to manage deficits by maintaining adequate reserves.

4-4) The Northeast Willows CSD uses the Golden State Risk Management Authority for insurance needs which is cost effective.

4-5) The Northeast Willows 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.
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 Northeast Willows CSD Facilities

The Northeast Willows CSD facilities are described above in this report. The District is located adjacent to the City of Willows and the residents pay a proportionate cost for the wastewater treatment facility. The District cooperates with Glenn County to manage finances and to collect the sewer service fees as part of the property tax billing. The District also works with other County departments such as the Planning and Public Works Agency which provides a meeting place for the Board of Directors.

There is little incentive for the City of Willows to annex the Northeast Willows area because the City would not receive sufficient property taxes to pay for the services needed in the area such as upgrading the streets to City standards.

### 5.5.2 MSR Determinations on Shared Facilities for Northeast Willows CSD

5-1) The Northeast Willows CSD is located adjacent to the City of Willows and shares wastewater treatment facilities.

5-2) The Northeast CSD cooperates with other governmental agencies.

5-3) Any decisions on shared facilities would have to ensure that all entities would benefit.
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 Northeast Willows CSD Government Structure

The Northeast Willows CSD government is described above in this report.

5.6.2 MSR Determinations on Local Accountability and Governance

6-1) The Northeast Willows CSD has a full five-member Board of Directors appointed by the Glenn County Board of Supervisors in lieu of election.

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 NORTHEAST WILLOWS 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

<table>
<thead>
<tr>
<th>SPHERE TYPE</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth sphere</td>
<td>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.</td>
</tr>
<tr>
<td>Coterminous sphere</td>
<td>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.</td>
</tr>
<tr>
<td>Zero sphere</td>
<td>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.</td>
</tr>
<tr>
<td>Smaller-than-agency sphere</td>
<td>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.</td>
</tr>
<tr>
<td>Overlapping sphere</td>
<td>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.</td>
</tr>
<tr>
<td>Provisional sphere</td>
<td>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.</td>
</tr>
<tr>
<td>Service specific zone within a sphere</td>
<td>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.</td>
</tr>
</tbody>
</table>
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 an SOI option for the Northeast Willows 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 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.\textsuperscript{32}

6.1.6 Recommendation for Northeast Willows CSD Sphere of Influence

The proposed Sphere of Influence for the Northeast Willows CSD is shown on a map at the end of this report. The proposed Sphere of Influence is recommended to be the same as the District Boundary.

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

6.2.1 Glenn County General Plan and Zoning for Northeast Willows CSD Area

The Glenn County land use designations and zoning for the Northeast Willows CSD are shown on maps at the end of this report. The zoning is primarily residential.

6.2.2 SOI Determinations on Present and Planned Land Use for Northeast Willows CSD Area

1-1] The majority of the land within the Northeast Willows CSD is designated and zoned for single family homes.

1-2] The Northeast Willows 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.

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6.3 Present and Probable Need for Public Facilities and Services in the Northeast Willows CSD Area

6.3.1 Municipal Service Background

The Northeast Willows CSD has served the area since 1965. The District provides for the collection of wastewater and works with the City of Willows to provide wastewater treatment as described above in this report.

6.3.2 SOI Determinations on Facilities and Services Present and Probable Need for Northeast Willows CSD

2-1] The residents of Northeast Willows (at present 302 parcels) and future residents will continue to need the services provided by the Northeast Willows CSD.

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

6.4.1 Capacity Background

The capacity of the Northeast Willows CSD is described above in this report.

6.4.2 SOI Determinations on Public Facilities Present and Future Capacity for Northeast Willows CSD

3-1] The Northeast Willows CSD is maintaining capacity for the wastewater collection and treatment system by contracting with the City of Willows.
6.5 **Social or Economic Communities of Interest for Northeast Willows CSD**

6.5.1 **Northeast Willows CSD Community Background**

The community is contiguous to the city of Willows and depends on the city for schools, churches, services and shopping needs. There is a limited social community fostered by neighborhood concerns. The economic community works to maintain the sewer service which has improved the value of the property within the District.

6.5.2 **SOI Determinations on Social or Economic Communities of Interest for Northeast Willows CSD**

4-1] The community of Northeast Willows functions more as a neighborhood than as a complete community.

4-2] Northeast Willows shares it’s western and southern borders with the City of Willows.

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.

6.6.2 **Northeast Willows CSD Disadvantaged Unincorporated Community Status**

5-1] The area would need to conduct a household income survey to determine if it would qualify as a Disadvantaged Unincorporated Community. The nearest community it could be annexed to is the City of Willows.
ABBREVIATIONS

AB  Assembly Bill
BMPs  best management practices
CA  California
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
CSD  Community Services District
District  Northeast Willows 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)
FY  Fiscal Year
GCID  Glenn-Colusa Irrigation District
GSRMA  Golden State Risk Management Authority
HOPTR  Home Owner Property Tax Relief
JPA  Joint Powers Authority
LAFCO  Local Agency Formation Commission
MSR  Municipal Service Review (LAFCO)
NWCSD  Northeast Willows Community Services District
PG&E  Pacific Gas and Electric Company
PL  Public Law
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOI</td>
<td>Sphere of Influence (LAFCO)</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
</tr>
<tr>
<td>USFWS</td>
<td>United States Fish and Wildlife Service</td>
</tr>
<tr>
<td>WDR</td>
<td>Waste Discharge Requirements</td>
</tr>
<tr>
<td>WWTP</td>
<td>Wastewater Treatment Plant</td>
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</tbody>
</table>
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.33

**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.34

**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.

**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.

33 [http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)
34 [http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)
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Northeast Willows Community Service District and Sphere of Influence

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City of Willows

County of Glenn

Boundaries
- NE Willows CSD
- NE Willows CSD Sphere of Influence
- Willows City Limits

0 0.25 0.5 Miles

Glenn LAFCO  Glenn County, California