

CITY COUNCIL

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

CITY MANAGER  
Steve Holsinger

CITY CLERK  
Natalie Butler



201 North Lassen Street  
Willows, CA 95988  
(530) 934-7041  
[www.cityofwillows.org](http://www.cityofwillows.org)

**CITY COUNCIL REGULAR MEETING AGENDA**

**Tuesday, May 27, 2014**

**7:00 p.m.**

1. Call to Order Willows City Council Regular Meeting - 7:00 p.m.
2. Pledge of Allegiance
3. Roll Call
4. **Agenda Review:** (Requested Changes by Council or Staff).
  - a) Consider acceptance, by motion, of City Council May 27, 2014, Agenda.
5. **Presentations & Proclamations:**
  - a) Mayor Cobb will present a Proclamation in recognition and support of the American Cancer Society "Relay for Life of Glenn County".
6. **Public Comment / Written Communications:** Members of the public wishing to address the Council on any item(s) ***not on the agenda*** may do so at this time when recognized by the Mayor/Vice Mayor; however, no formal action will be taken unless placed on a future agenda. (***Public Comment is generally restricted to three minutes***).
7. **Consent Agenda:** Consent items are considered to be routine by the City Council and will be enacted in one motion. There will be no separate discussion on these items unless a Councilperson or citizen requests, in which event the item will be removed from the consent agenda.
  - a) Consider approval of General, Payroll & Direct Deposit Check Registers.
  - b) Consider allowing the City Manager to sign and execute all documents related to the completion of the 2014 Civic Center Parking Lot Slurry Seal Project.
  - c) Consider approval of the extension of the Contract for Audit Services with Roy R. Seiler, CPA.
8. **Public Hearings:** (*Persons wishing to speak during a Public Hearing are asked to approach the microphone to address the Council and limit comments to three minutes. Although not required, it is also requested that you please state your name for the record.*)
  - a) Conduct a Public Hearing and upon conclusion, by motion, declare parcels that have not been self-abated by property owners to be abated by the City contractor.

9. Ordinances: None

10. Items introduced by City Council or Administrative Staff for discussion purposes only:

a) Willows Senior Apts status update

II. New Business:

a) Receive the Preliminary Annual Engineer's Report as prepared by Coastland Civil Engineering; adopt, by motion, the Resolution of Intention to levy and collect assessments; and set the required public protest hearing time and date for the City of Willows Landscaping and Lighting Assessment District to take place on June 24, 2014.

b) Consider, by motion, adoption of a Resolution to become and Associate Member in the California Enterprise Development Authority (CEDA), Authorize the City Manager to execute an Associate Membership Agreement on behalf of the City of Willows and Adopt a Resolution authorizing the CEDA to enroll Willows in an assessment district and place liens on properties participating in the program within the City of Willows.

12. Council Member Reports:

13. Executive Session: None

14. Adjournment:

CERTIFICATION: Pursuant to Government Code §54954.2 (a), the agenda for this meeting was properly posted on or before May 23, 2014.

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at [www.cityofwillows.org](http://www.cityofwillows.org).

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider

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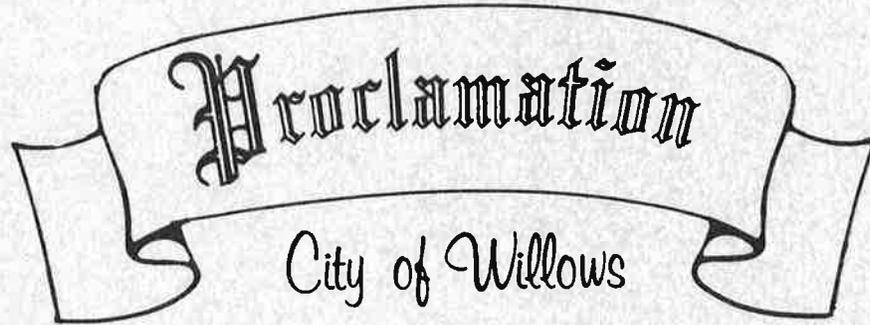
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In recognition and support of the American Cancer Society  
"Relay for Life of Glenn County"

**WHEREAS**, Relay For Life is the national, signature event of the American Cancer Society and celebrates cancer survivors and caregivers, remembers loved ones lost to the disease, and empowers individuals and communities to fight back against cancer; and

**WHEREAS**, money raised during Relay for Life of Glenn County supports the American Cancer Society's mission of saving lives and creating a world with less cancer and more birthdays – by helping people stay well, by helping people get well, by finding cures for cancer and by fighting back; and

**WHEREAS**, Relay for Life helped fund \$160 million in cancer research last year; and

**WHEREAS**, the Relay For Life is unique in this community in that it blends fundraising, cancer awareness and prevention activities, fellowship, and support for cancer survivors and family members; and

**WHEREAS**, the City of Willows supports the 5th annual Relay For Life on May 31 – June 1, 2014, that honor cancer survivors; and

**WHEREAS**, Relay For Life is about being a community that takes up the fight against cancer and all citizens are encouraged to help finish this fight by participating in the Relay for Life of Glenn County; and

**WHEREAS**, there is no finish line until we find a cure,

**NOW THEREFORE**, the City Council of the City of Willows, does hereby proclaim the City of Willows to be an official "Relay for Life City" and further proclaim that the month of June be designated as "Relay for Life Month" in the City of Willows as we join the American Cancer Society in the fight against cancer.

IN WITNESS WHEREOF, I hereunto set my hand and cause the Seal of the City of Willows to be affixed on the 27th day of May, 2014.

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Mayor

**AGENDA ITEM**

**TO:** Steve Holsinger, City Manager  
**FROM:** Skyler Lipski, Public Works Director  
**SUBJECT:** Notice of Completion: 2014 Civic Center Parking Lot Slurry Seal

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**RECOMMENDATION**

Adopt by motion to allow the City Manager to sign and execute all documents related to project completion of the 2014 Civic Center Parking Lot Slurry Seal Project.

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**SITUATION (or BACKGROUND)**

VSS International, Inc. received a Notice of Award on December 11, 2013 to provide services consistent with a Parking Lot Slurry Seal and Striping as defined in the bid package.

The project was finished per the contract specifications on May 19, 2014.

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**RECOMMENDATION**

Adopt by motion to allow the City Manager to sign and execute all documents related to project completion of the 2014 Civic Center Parking Lot Slurry Seal Project.

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Respectfully submitted,

Skyler Lipski  
Public Works Director

Approved by,  
  
Steve Holsinger  
City Manager

Attachment(s): Resolution  
Notice of Completion

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS ACCEPTING THE WORK PERFORMED UNDER THE 2014 CIVIC CENTER PARKING LOT SLURRY SEAL PROJECT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AND RECORD A NOTICE OF COMPLETION**

**WHEREAS**, the City of Willows has heretofore contracted with VSS International, Inc., for certain work performed under that certain project known as 2014 Civic Center Parking Lot Slurry Seal Project; and,

**WHEREAS**, said work of improvements, as called for by the contract between the City of Willows and VSS International, Inc., referable to said project was completed on May 19, 2014, to the satisfaction of the City.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the City Council of the City of Willows that it hereby accepts the work performed on those certain improvements, the subject of a contract between the City of Willows and VSS International Inc., known and referred to as 2014 Civic Center Parking Lot Slurry Seal Project and authorizes and directs the City Manager of the City of Willows to execute and record a Notice of Completion in connection with said work of improvement.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Willows at a regular meeting thereof held on the 27<sup>th</sup> day of May 2014.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

\_\_\_\_\_  
Jeffery T. Cobb, Mayor

\_\_\_\_\_  
Natalie Butler, City Clerk

RECORDING REQUESTED BY:

City of Willows

WHEN RECORDED MAIL TO:

City of Willows, City Clerk

201 N. Lassen Street

Willows, California 95988

No Recording Fees Payable Pursuant to Government Code Section 27383

## NOTICE OF COMPLETION

OWNER: City of Willows, 201 N. Lassen Street, Willows, CA 95988

PROJECT TITLE: **2014 Civic Center Parking Lot Slurry Seal**

PROJECT LOCATION & DESCRIPTION: Slurry Seal Civic Center Parking Lot & Striping, 201 N. Lassen St. Willows CA.

CONTRACTOR: VSS International, Inc., P.O. Box 981330 West Sacramento, CA 95798

COMPLETION/ACCEPTANCE DATE: May 27, 2014

NATURE OF OWNER'S INTEREST IS: Owner of real property and improvements thereon at the time of commencement of work of improvement.

Authorized representatives of the City and the Contractor have inspected the work performed under this contract and the Project is hereby declared to be completed/accepted on the above date.

On the above date, construction of improvements on the project has been sufficiently completed, in accordance with the contract documents and change orders if any, so that the City can occupy or utilize the project for the use for which it was intended.

The Contractor's one (1) year maintenance period begins as of the above-referenced completion date.

The City accepts the project as complete.

I declare under penalty of perjury of laws of the State of California that the foregoing is true and correct.

\_\_\_\_\_  
Steve Holsinger  
City Manager

\_\_\_\_\_  
Date

**AGENDA ITEM**

**TO:** Steve Holsinger, City Manager  
**FROM:** Tim Sailsbery, Finance Director  
**SUBJECT:** Extension of Contract for Audit Services

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**RECOMMENDATION**

Approve, by motion, the extension of the Contract for Audit Services with Roy R. Seiler, CPA.

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**SITUATION (or BACKGROUND):**

The City and the Willows Community Redevelopment Agency are required to have an annual audit of their respective financial statements, and assurance procedures are performed on the Annual Appropriation Limit calculations.

In addition, the City is required to have compliance audits performed when Federal funding exceeds \$500,000 for the fiscal year, and specific funding sources may require compliance audits of that particular activity (known as a component unit audit). These particular procedures may or may not be required each year.

The City has contracted with Roy R. Seiler, CPA, since 2000 to provide these services, and City Staff wishes to extend the contract with Mr. Seiler for an additional three years, as the contract expired with the 6/30/13 audit. Mr. Seiler has a solid understanding of municipal finance activity and has been professional and thorough in his work.

Mr. Seiler's offer to extend (attached), includes pricing on a task by task basis. The City will utilize only those services that are required each year.

**FINANCIAL CONSIDERATIONS:**

Primarily General Fund \$7,800 to \$12,800 in year one, \$8,000 to \$13,500 in year two, and \$8,200 to \$14,100 in year three.

**NOTIFICATION**

N/A

**ALTERNATE ACTIONS**

1. Approve by motion
2. Request additional information from staff
3. Reject staff recommendation and/or direct item to be returned at later date.

**RECOMMENDATION**

Approve, by motion, the extension of the Contract for Audit Services with Roy R. Seiler, CPA.

---

Respectfully submitted,

  
Tim Sailsbery  
Finance Director

Approved,

  
Stephen Holsinger  
City Manager

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Attachment:

EXHIBIT A: Offer to Extend Contract for Services

**ROY R. SEILER**  
**CERTIFIED PUBLIC ACCOUNTANT**

201 C. North Tehama  
Willows, CA 95988

Phone: 530-934-8841  
Fax: 530-934-8849

May 14, 2014

Timothy L. Sailsbery, Finance Director  
Members of the Willows City Council  
City of Willows  
Willows, California

**Audit Engagement Letter:**

I am pleased to submit my engagement letter for the annual audits for the CITY OF WILLOWS (City). I will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, for the years ending June 30, 2014, 2015 and 2016. Also, the document I submit to you will include the following additional information that will be subjected to the auditing procedures applied in my audit of the financial statements.

- Management's discussion and analysis.

I will also report on supplementary information other than RSI that accompanies the City's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and I will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying my auditor's report on the financial statements OR in a report combined with my auditor's report on the financial statements.

- Schedule of expenditures of Federal funds, as required.

**Audit Objective**

The objective of my audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph, when considered in relation to the basis financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

material effect on the financial statements in accordance with *Government Auditing Standards*.

- If required, Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, if required, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures I consider necessary to enable us to express such opinions. I will issue written reports upon completion of my Single Audit. My reports will be addressed to the City Council. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed opinions, I may decline to express opinions or issue reports, or may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133. As part of the audit, I will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services I provide. You will be required to acknowledge in the

management representation letter my assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that I report. Additionally, as required by OMB

Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include my report on the schedule of expenditures of federal awards in any document that contains and indicates that I have reported on the schedule of expenditures of federal awards. You also agree, if required, to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes my report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with my report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which I have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with my report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

## **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential, and of any material abuse that comes to my attention. I will include such matters in the reports required for a Single Audit. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

## **Audit Procedures—Internal Control**

My audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and

material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to *Government Auditing Standards*.

As applicable and required by OMB Circular A-133, I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. My procedures will, as applicable, consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to OMB Circular A-133.

### **Engagement Administration, Fees, and Other**

At the conclusion of the engagement, I will, if applicable, complete the appropriate sections of the Data Collection Form that summarizes my audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. I will coordinate with you the electronic submission and certification. If applicable, I will provide copies of my report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

I will provide copies of my reports to the City, however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Roy R. Seiler, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Roy R. Seiler, CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant or oversight agency or Pass-through Entity. If I am aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

My working papers will be retained for a minimum of seven years and will be made available to authorized persons upon request and approval from your office.

I affirm that my firm is properly licensed for public practice and it meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions. My firm consists of one certified public accountant, which is the owner, one professional staff person, and support staff. Roy Seiler will be the contact person with the City.

My fees for examination of the City of Willows' financial statements referred to above will not exceed the following (\*):

	<u>For Year ended June 30:</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
Audit of General Purpose Financial Statements	\$7300	\$7450	\$7600
Preparation of all applicable Financial statements and Related disclosures, <b>If desired</b>	\$3000	\$3300	\$3500
If Applicable, Single Audit Procedures Under Office of Management and Budget Circular A-133	\$2000	\$2200	\$2400

Assurance services pertaining to Appropriation Limit Calculations	\$ 500	\$ 550	\$ 600
	<hr/>	<hr/>	<hr/>
Totals	\$12800	\$13500	\$14100

(\* ) If at any time during the engagement, extraordinary matter come to my attention (such as unexpected grant/construction activity) and an extension of services appears to be required, the finance director will be consulted before the additional work is undertaken.

The person authorized to make representation for this firm is Roy R. Seiler, CPA. Enclosed is a copy of my latest peer review report, which was unmodified, and letter of comments.

I would like to take this opportunity to thank you for allowing me to submit this proposal. Should you have any questions or a need for additional information, please feel free to call upon me at any time.

Sincerely,



Roy R. Seiler, CPA

STATEMENT OF AFFIRMATION:

AUDIT PROPOSAL APPROVED

✓  
\_\_\_\_\_  
SIGNATURE/Title

\_\_\_\_\_  
DATE

**AGENDA ITEM**

May 27, 2014

TO: Steve Holsinger, City Manager  
FROM: Wayne Peabody, Fire Chief  
SUBJECT: 2014 Weed Abatement-Public Hearing

**RECOMMENDATION:**

This is a public hearing and it is in order at this time for the Council to declare that the parcels indicated on Exhibit "A" to be abated by the City contractor. Those persons returning self-abatement notices are allowed a time extension of 10 days to complete the work themselves. If after this date these parcels have not been abated, the City contractor will perform the work.

**SITUATION (or BACKGROUND):**

On April 22, 2014 the City Council adopted a resolution declaring rubbish, refuse, and weeds to be a public nuisance. The City Fire Department has made a survey of the areas in the City that are a nuisance and has notified the property owners that they must remove this nuisance or the City will perform this task and bill the property owner accordingly.

It is required by the Government Code 39560 thru 39588 that there is to be set a fixed time for any appeals to be considered by the Council from any of the property owners. The time fixed for this appeal was 7:00 p.m., Tuesday July 22, 2014. At this time the Council shall hear any objections from the property owner, and by motion, upon the conclusion of the hearing, the Council shall allow or overrule any objections. The Council may continue the hearing if they desire any additional information on any particular site. If no objections have been made, or after the City Council has disposed of those made, it shall order the Fire Chief to abate the nuisance.

**FINCIAL CONSIDERATIONS:**

Properties that the City Contractor abates will be billed to the property owner. For the property owners that do not pay, there will be a lien placed against their property and it will appear on their tax statement from the county.

**NOTIFICATION:**

Willows Public Safety Association

**ALTERNATE ACTIONS:**

- 1: Request additional information from staff.
- 2: Reject staff recommendation and/or direct item to be returned.

**RECOMMENDATION:**

This is a public hearing and it is in order at this time for the Council to conduct the public hearing and upon its conclusion, by motion, declare the parcels indicated on Exhibit "A" to be abated by the City contractor. Those persons returning self-abatement notices were allowed a time extension until June 1st to complete the work themselves. If after this date these parcels have not been abated, the City contractor will perform the work.

Respectfully Submitted



Wayne Peabody  
Fire Chief

Approved By



Steve Holsinger  
City Manager

**ATTACHMENT:**

- Exhibit A: 2014 Weed Abatement Parcel list (Attachment to be distributed on the night of the meeting).

## AGENDA ITEM

May 27, 2014

**TO:** Honorable Mayor Cobb and Members of City Council

**FROM:** John Wanger, City Engineer

**SUBJECT:** Landscape and Lighting Assessment District – Receive the Preliminary Annual Engineer's Report for FY 2014-15, adopt the Resolution of Intent to Levy and Collect Assessments and set the time and date for the Public Protest hearing.

## RECOMMENDATION

Receive the Preliminary Annual Engineer's Report as prepared by Coastland Civil Engineering; adopt the Resolution of Intention to levy and collect assessments; and set the required public protest hearing time and date for the City of Willows Landscaping and Lighting Assessment District.

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## SUMMARY

The Willows Landscaping and Lighting Assessment District (District) was initially formed by the City in 2005 to pay for costs associated with maintaining landscaping and maintenance in the Birch Street Village subdivision; (Zone A), in accordance with the Landscaping and Lighting Act of 1972 (1972 Act).

The 1972 Act requires that the City undertake certain proceeding for any fiscal year in which assessments are to be levied and collected. These proceedings are typically accomplished at three separate Council meetings with the following actions:

- 1) Adopt a resolution appointing the Engineer of Work and directing the preparation of the annual Engineer's Report.
- 2) Approve the Preliminary Engineer's Report, declare the City Council's intent to levy and collect assessments and set the date and time for a public hearing.
- 3) Conduct a public hearing and authorize the levying and collection of assessments for the upcoming fiscal year and approve the Annual Engineer's Report

The first action was completed by the Council on March 11, 2014. This report and resolution accomplishes the second part of the proceedings for FY 2014-15.

Attached to this staff report is the Preliminary Annual Engineer's Report as prepared by Coastland Civil Engineering. The City Council should review the report and let staff know if there are any desired changes to be made to the report. In brief, the attached report outlines changes and summarizes the costs projected for FY 2014-15 and provides the proposed overall assessments. In order to keep up with inflation, the estimated maximum annual assessment in both Zones is proposed for increase by the allowable annual CPI (year 2013) of +2.2%. This raises the maximum annual assessment for Zone A to \$437.40 and the maximum annual assessment for Zone B to \$6,213.60. While the estimated maximum annual assessment will increase for both zones, the actual amount that will be levied and collected during FY 2014-15 for Zone A will be reduced approximately \$15.40 from FY 2013-14 to \$194.92 per parcel. The actual amount that will be levied and collected during FY 2014-15 for Zone B will be increased approximately \$517 from FY 2013-14 to \$4,678.88. This

increased assessment is due to a PG&E correction in billing for the three street lights along the Walmart parcel. The FY 2014-15 annual assessments will provide projected revenue of \$11,306.16 to cover the estimated expenses.

During FY 2008-09, the Council implemented a minimum reserve balance of 10% to 20%. It is noted that the projected Assessment District reserve balance at the end of FY 2014-15 is above that target for Zones A and Zone B. Additional landscaping work is anticipated during this next year for Zone A which will reduce their excess reserve. If it is found that an excess reserve balance does exist at the end of FY 2014-15, the Zone A assessments may be reduced the following year. The Zone B reserve is just slightly above the target level. Another full year of expenses will help determine the optimum reserve level for this zone.

The preliminary Engineer's Report is for your information and comment. The next step in the process is to hold a public protest hearing (required by the Streets and Highways Code for this type of an assessment district.) At the public protest hearing, any person within the assessment district can provide comments for the Council's consideration. At the close of the hearing, if the Council finds the report acceptable, the Council will adopt a resolution authorizing the annexation and levying of assessments per the Engineer's Report. The Final Engineer's Report should be approved by the City no later than the end of June of each year so that the information can be transmitted to the County for the inclusion on the tax roles. The County needs to have all information transmitted and correct no later than August 10<sup>th</sup> of each year.

### **FINANCIAL CONSIDERATIONS**

All costs associated with this assessment district are recovered through the assessments.

### **NOTIFICATION**

None required at this time.

### **ALTERNATE ACTIONS**

None recommended.

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### **RECOMMENDATION**

Receive the preliminary Annual Engineer's Report as prepared by Coastland Civil Engineering; adopt the Resolution of Intention to levy and collect assessment; and set the date and time for the required public protest hearing for the City of Willows Landscape and Lighting Assessment District.

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Respectfully submitted,

John Wanger  
City Engineer

Approved, 

Steve Holsinger  
City Manager

Attachments: Resolution of Intention to Levy Assessments Associated with the City of Willows  
Preliminary Engineer's Report

**CITY OF WILLOWS  
CITY COUNCIL  
RESOLUTION NO. -2014**

**A RESOLUTION OF INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS,  
PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR FY 2014/2015 FOR THE  
CITY OF WILLOWS LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT  
AND SETTING THE TIME AND DATE OF THE PUBLIC HEARING  
(PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972)**

**WHEREAS**, on October 11, 2005 the City Council adopted Resolution #22-2005 authorizing the formation of the City of Willows Landscaping and Lighting Assessment District (Assessment District) to levy and collect assessments pursuant to the Landscaping and Lighting Act of 1972; and

**WHEREAS**, the City Council intends to levy and collect assessments within the Assessment District during FY 2014-15; and

**WHEREAS**, pursuant to the Landscaping and Lighting Act of 1972, an annual Engineer's Report is required to be prepared and filed outlining estimated costs, methods of spreading costs, a description of properties in the Assessment District and their proposed assessments in order to levy and collect assessments in any following fiscal year; and

**WHEREAS**, on March 11, 2014, the City Council adopted Resolution No. 05-2014 appointing Coastland Civil Engineering as the Engineer of Work, directing the preparation and filing of the annual FY 2014-15 Engineer's Report, and describing the potential changes to the Assessment District; and

**WHEREAS**, the annual operation, maintenance and other incidental costs associated with Zone A of the Assessment District includes landscaping and lighting improvements within the Birch Street Village development; and

**WHEREAS**, the annual operation, maintenance and other incidental costs associated with Zone B of the Assessment District includes street lighting and traffic signal improvements associated with the Walmart Super Store development; and

**WHEREAS**, Coastland Civil Engineering has prepared and filed with the City the annual Engineer's Report for FY 2014-15 as required by the Landscaping and Lighting Act of 1972; and

**WHEREAS**, all interested persons are referred to the Engineer's Report for a full and detailed description of the improvements, the proposed operation and maintenance costs, the boundaries of Zones A and B of the Assessment District and the proposed FY 2014-15 assessments upon assessable lots and parcels of land within the Assessment District; and

**WHEREAS**, for Zone A, in order to keep up with inflation the FY 2014-15 maximum annual assessment will be adjusted up by the allowable CPI to \$437.40 per parcel; and

**WHEREAS**, for Zone B, in order to keep up with inflation the FY 2014-15 maximum annual assessment will be adjusted up by the allowable CPI to \$6,213.60 per parcel; and

**WHEREAS**, the annual CPI is based on the All Urban Consumers (San Francisco Area) CPI from the U. S. Department of Labor, Bureau of Labor Statistics; and

**WHEREAS**, the proposed FY 2014-15 annual assessment to levy and collect for Zone A is proposed to be \$194.92 per parcel; and

**WHEREAS**, the proposed FY 2014-15 annual assessment to levy and collect for Zone B is proposed to be \$4,678.88 per parcel.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Willows hereby intends to levy and collect assessments during FY 2014-15 and preliminarily approves the filed FY 2014-15 Engineer's Report with the estimates of the costs and expenses to operate and maintain the said improvements and their incidental expenses; and

**BE IT FURTHER RESOLVED** that in order to take inflation into account, the City Council approves the annual increase to the estimated maximum assessment in Zones A and B in accordance with the annual Consumer Price Index (CPI), based on the All Urban Consumers (San Francisco Area) CPI from the U. S. Department of Labor, Bureau of Labor Statistics; and

**BE IT FURTHER RESOLVED** that a public protest hearing will be held on June 24, 2014 at 7:00 p.m. at City Hall, 201 N. Lassen Street, Willows. At the public protest hearing, the City Council will consider changes to the assessment amounts and authorization to levy and collect assessments for Fiscal Year 2014-15; and

**BE IT FURTHER RESOLVED** that the City Clerk is authorized and directed to give the Notice of Hearing required by the Landscaping and Lighting Act of 1972 for said public protest hearing; and

**BE IT FURTHER RESOLVED** that this Resolution is adopted pursuant to Sections 22620 et al of the California Streets and Highway Code.

It is hereby certified that the foregoing Resolution No. \_\_\_\_\_ -2014 was duly introduced and duly adopted by the City Council of the City of Willows at its regular meeting held on this 27<sup>th</sup> day of May, 2014 by the following Roll Call vote:

AYES in favor of:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

\_\_\_\_\_  
Mayor Jeff Cobb

\_\_\_\_\_  
Natalie Butler, City Clerk

**FY 2014-15**



**ANNUAL ENGINEER'S REPORT  
FOR  
CITY OF WILLOWS  
LANDSCAPING & LIGHTING ASSESSMENT DISTRICT  
ZONE A – BIRCH STREET VILLAGE  
ZONE B - WALMART**

**PRELIMINARY**

**CITY OF WILLOWS  
COUNTY OF GLENN  
STATE OF CALIFORNIA**

**May 2014**

**Prepared By:  
Coastland Civil Engineering, Inc.**

FY 2014-15

**WILLOWS LANDSCAPING AND LIGHTING SPECIAL ASSESSMENT DISTRICT**  
(Pursuant to the Landscaping and Lighting Act of 1972)

The undersigned respectfully submits, as directed by the City Council of the City of Willows on March 11, 2014, the enclosed Engineer's Report on the 27<sup>th</sup> day of May, 2014.

COASTLAND CIVIL ENGINEERING

By: John L. Wanger  
John L. Wanger, RCE 43148, Exp. 3/31/16



I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Stephen Holsinger, City Manager, City of Willows  
Glenn County, California

I HEREBY CERTIFY that the enclosed Final Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Willows, California, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Stephen Holsinger, City Manager, City of Willows  
Glenn County, California

I HEREBY CERTIFY that the enclosed Final Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Glenn on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Stephen Holsinger, City Manager, City of Willows  
Glenn County, California

**FY 2014-15 ANNUAL ENGINEER'S REPORT FOR  
WILLOWS LANDSCAPING & LIGHTING SPECIAL ASSESSMENT DISTRICT**  
(Pursuant to the Landscaping & Lighting Act of 1972)

**Annual Assessment For FY 2014-15**

Coastland Civil Engineering, Engineer of Work for the Willows Landscaping & Lighting Special Assessment District, City of Willows, Glenn County, California, makes this annual Engineer's Report, as directed by the City Council on March 11, 2014, pursuant to Sections 22565 and 22620 of the California Streets & Highways Code for the Willows Landscaping & Lighting Special Assessment District for Fiscal Year (FY) 2014-15.

**Background**

The Willows Landscaping & Lighting Assessment District (Assessment District) was formed in October 2005 by the City of Willows to recover costs associated with the operation and maintenance of landscaping and streetlights within the public right-of-way for the Birch Street Village development. This area is known as Zone A. In order to levy and collect assessments each subsequent fiscal year, the Landscaping & Lighting Act of 1972 requires the preparation and filing of annual Engineer's Reports. During these annual proceedings, new cost estimates are developed to determine the costs to operate and maintain the Assessment District improvements for the upcoming fiscal year. Further, as new subdivisions are created within the Willows City limits, they can be annexed into the Assessment District on an annual basis.

In FY 2012-13, a new Zone B was created to recover costs associated with the operation and maintenance of streetlights and half the cost of traffic signals within the public right-of-way for the Walmart Super Store on West Wood Street (State Hwy 162).

For FY 2014-15, there are no subdivision developments, land use changes to existing parcels or annexations proposed.

**Cost Index Information**

In order to take inflation into account and to recognize noticing/voting requirements for increasing the assessments, this Assessment District includes an allowance for an annual increase to the estimated Maximum Annual Assessments in accordance with the annual Consumer Price Index (CPI). The annual CPI is based on the All Urban Consumers (San Francisco Area) CPI from the U. S. Department of Labor, Bureau of Labor Statistics. All new zones to be annexed into this district are also to include an allowance for an annual increase to the Maximum Annual Assessments in accordance with the same CPI.

For FY 2014-15, the maximum annual assessment for Zones A and B are proposed to be adjusted up by the latest annual (2013) CPI of +2.20%.

The assessments proposed to be levied and collected for FY 2014-15 for Zone A represent a decrease from those collected in FY 2013-14. The assessments proposed to be levied and collected for FY 2014-15 for Zone B are higher than those collected in FY 2013-14. The total proposed Assessment District budget (Zones A and B) for FY 2014-15 is \$11,306.16.

The proposed changes, budgets, assessments and Proposition 218 impacts to the respective zones within the Assessment District are as follows:

### **Zone A – Birch Street Village**

Zone A covers the costs associated with operation and maintenance of turf, ground cover, shrubs, trees, plants, irrigation systems, masonry walls or other fencing, entryway monuments, street lights and associated appurtenances located within the rights-of-way in the Birch Street Village subdivision as shown in the Assessment Diagram in Part F of this report. The FY 2014-15 assessment is proposed to be \$194.92 per parcel. This is a slight reduction from last year's assessment of \$210.32 per parcel. The total proposed Zone A budget for FY 2014-15 is proposed to be \$6,627.28. FY 2014-15 assessment revenue should cover anticipated expenditures and no reserve contribution is anticipated.

The estimated reserve fund balance for Zone A is projected to be above the Council approved reserve budget range of 10%-20% at the end of FY 2014-15. If reserve funds remain high throughout the first ½ of the year, additional landscaping may be installed (above and beyond the figures in the budget). If this is done, it will reduce the excess reserve.

### **Zone B – Walmart**

In FY 2013-14, Zone B was annexed into the Assessment District to cover the cost of three street lights on North Airport Road alongside the Walmart development, and the cost of two traffic signals (including their street lights) at the intersection of North Airport Road and West Wood Street (Highway 162). These are shown as traffic signals with lights on the Zone B Assessment Diagram in Part F of this report. Costs include utility, maintenance, replacement, and administrative expenditures. Replacement costs will be funded from a 'knockdown' fund described in more detail below. The lights in this zone add a specific benefit to the Walmart development for the safety of their shoppers, and ease of access/egress due to the additional traffic load generated by the Walmart Super Store.

The FY 2014-15 assessment is proposed to be \$4,678.88 per parcel. This is an increase of about 12% from the FY 2013-14 assessment. A thorough analysis of the utility costs for the street lights and traffic signals was done by the City this year in coordination with PG&E. It appears that the three street lights alongside the Walmart property were not being billed properly to the City. The full cost of these lights is now included in the proposed Zone B budget. The total proposed Zone B budget for FY 2014-15 is \$4,678.88. FY 2014-15 assessment revenue should cover the anticipated expenditures.

The estimated reserve fund balance for Zone B is projected to be slightly above the desired reserve budget range of 10%-20% at the end of FY 2014-15. Another year of ongoing cost data will help define the annual budget and the need for future reserves for this Zone. If it is determined that

excessive reserves have been collected, the excess funds will be used to offset future assessments for this Zone.

### **Accumulation of Funds**

While specific budget items, such as utility, maintenance and administrative costs, are incurred annually, replacement costs will be required only upon damage or destruction of an existing light or signal. Pursuant to Code Section 22660, money for replacement will be collected over the course of five fiscal years through annual installments that the Town will place in a Knockdown Fund specific for this work. Monies collected for any non-annual item are shown in Part B of this report under the heading "Knockdown Replacement". It has been determined that these funds should accumulate to an amount of \$5,000, with the amount to increase in the future if the estimated replacement cost increases. Once this replacement amount is reached, there will be no additional accumulation of funds for that budget item until an expenditure to replace or repair a knocked-down light has occurred, or the estimated replacement cost has increased. Once the Knockdown funds are expended, the rebuilding of the fund will start in the following year's budget and spread over a maximum of five years.

## FY 2014-15 Engineer's Report Format

This Engineer's Report consists of 6 Parts as follows:

- PART A - Plans and Specifications (Page 7)** - This portion of the Engineer's Report describes any plans and specifications that may be needed for the installation of the improvements. If plans and specifications exist, they are filed with the City Clerk. Although separately bound, the plans and specifications are part of this Engineer's Report and are included in it by reference.
- PART B - Budget Cost Estimates (Page 8)** - Budget cost estimates associated with the operations and maintenance of the described improvements for each Zone are described in Part B of this report. In addition to an overall budget summary for Zone A and Zone B, a detailed FY 2014-15 Budget sheet and a FY 2014-15 Summary of Fund Balance sheet is provided for each Zone.
- PART C - Assessment Roll (Page 13)** - A listing of the annual assessment on each benefited parcel of land in Zone A and Zone B within the Assessment District. The assessment amount is the estimated cost each parcel will contribute during FY 2014-15 towards the operation and maintenance of their respective Zone within the Assessment District, as well as their portion of the 5-year installment payment for the installation of the improvements.
- PART D - Method of Apportionment of Assessment (Page 15)** - A statement of the method used by Engineer of Work to determine the amount proposed to be assessed against each parcel within Zone A and Zone B of the Assessment District. Additionally, this section describes the maximum assessment allowable and any inflationary adjustments.
- PART E - Property Owners List (Page 18)** - A list of the names and addresses of the owners of real property within this Assessment District, as shown on the last equalized assessment roll for taxes. The Assessor Parcel Number (A.P.N.) keys the list into the Assessment Roll of Part C.
- PART F - Assessment Diagrams (Page 22)** - The Assessment Diagrams (maps) showing all of the parcels of real property within Zone A and Zone B of the Assessment District. The assessment number keys the diagram Part C - Assessment Roll.

## **PART A**

### **PLANS AND SPECIFICATIONS**

The Assessment District provides funds for the operation and maintenance of landscaping and street lights located in the public rights-of-way in Zone A and operation, maintenance of street lights and traffic signals in public rights-of-way in Zone B. Maintenance may include repair, removal or replacement of any landscape improvement, damaged irrigation facilities, diseased landscaping, weed and brush clearing, maintenance or replacement of street lights or traffic signals and any other allowable maintenance items per Section 22531 of the California Streets and Highways Code for the life of the Assessment District. Because the installation of the improvements are funded by this assessment district, the plans and specifications showing the improvements for Zone A are on file at the City offices for the Birch Street Village development. The plans and specifications showing the improvements for Zone B are on file at the City offices for the Walmart Super Store development.

**PART B**  
**FY 2014-15 Budget Cost Estimates**

Part B includes the detailed budget for FY 2014-15 for all those costs associated with the operation and maintenance of Zones A and B within the Assessment District. Also included is the Summary of Fund Balance sheet for FY 2014-15. The total budget summary for FY 2014-15 for Willows Landscaping & Lighting Assessment District is as follows:

	<b><u>As Filed With the City</u></b>	<b><u>As Preliminarily Approved</u></b>	<b><u>As Finally Approved At the Public Hearing</u></b>
Zone A:	\$ 6,627.28		
Zone B:	<u>\$4,678.88</u>		
<b>Total:</b>	<b>\$11,306.16</b>		

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2014-15**  
**Zone A - Birch Street Village**  
**Budget**

<b>Item</b>	<b>2013-14 Budget</b>	<b>2014-15 Budget</b>
Engineers Report	\$2,763.00	\$2,469.00
Legal Services	\$250.00	\$100.00
Landscape Maintenance	\$2,500.00	\$2,500.00
Lighting Utilities & Maintenance	\$850.00	\$850.00
County Assessor Fees (1.75% of Revenue)	\$250.28	\$115.98
Contingency	\$537.60	\$592.30
<b>Total Expenses</b>	<b>\$7,150.88</b>	<b>\$6,627.28</b>
Contribution from Reserves	\$0.00	\$0.00
<b>Total Assessment Costs</b>	<b>\$7,150.88</b>	<b>\$6,627.28</b>
<b>Total Assessment Revenue</b>	<b>\$7,150.88</b>	<b>\$6,627.28</b>
Estimated Number of Units in Zone A	34.0	34.0
<b>Proposed Assessment for Zone A*</b>	<b>\$210.32</b>	<b>\$194.92</b>

\* This is less than the maximum allowed. See Maximum Allowable Assessment Analysis

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2014-15**  
**Zone A - Birch Street Village**  
**Summary of Fund Balance**

	<b><u>2014-15</u></b>
<b>Estimated Starting Reserve Fund on July 1, 2014</b>	<b>\$3,000.00</b>
<b>Estimated Interest Earned</b>	<b>\$45.00</b>
<b>Estimated Revenue</b>	<b>\$6,627.28</b>
<b>Total Estimated Funds Available</b>	<b>\$9,672.28</b>
<b>Total Estimated Expenditures</b>	<b>\$6,627.28</b>
<b>Estimated Ending Reserve Fund on June 30, 2015</b>	<b>\$3,045.00</b>

Note: The original installation and construction costs were reimbursed by the end of the 2010-11 Fiscal Year.

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2014-15**  
**Zone B - Walmart**  
**Budget**

<b>Item</b>	<b>2013-14 Budget</b>	<b>2014-15 Budget</b>
Engineers Report	\$1,537.00	\$1,731.00
Legal Services	\$250.00	\$100.00
Lighting Utilities & Maintenance	\$864.00	\$1,348.00
Knockdown Replacement	\$1,000.00	\$1,000.00
County Assessor Fees (1.75% of Revenue)	\$145.66	\$81.88
Contingency	\$365.00	\$418.00
<b>Total Expenses</b>	<b>\$4,161.66</b>	<b>\$4,678.88</b>
Contribution from Reserves	\$0.00	\$0.00
<b>Total Assessment Revenue</b>	<b>\$4,161.66</b>	<b>\$4,678.88</b>
Estimated Number of Units in Zone B	1.0	1.0
<b>Proposed Assessment for Zone B*</b>	<b>\$4,161.66</b>	<b>\$4,678.88</b>

\* This is less than the maximum allowed. See Maximum Allowable Assessment Analysis

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2014-15**  
**Zone B - Walmart**  
**Summary of Fund Balance**

	<u><b>2014-15</b></u>
<b>Est. Starting Annual Reserve Fund on July 1, 2014</b>	<b>\$1,000.00</b>
<b>Est. Starting Knockdown Reserve Fund on July 1, 2014</b>	<b>\$2,000.00</b>
<b>Estimated Interest Earned</b>	<b>\$30.00</b>
<b>Estimated Annual Revenue</b>	<b>\$4,678.88</b>
<b>Estimated Knockdown Revenue</b>	<b>\$1,000.00</b>
<b>Total Estimated Annual Funds Available</b>	<b>\$5,708.88</b>
<b>Total Estimated Knockdown Funds Available</b>	<b>\$3,000.00</b>
<b>Total Estimated Annual Expenditures</b>	<b>\$4,678.88</b>
<b>Total Estimated Knockdown Expenditures</b>	<b>\$0.00</b>
<b>Est. Ending Annual Reserve Fund on June 30, 2015</b>	<b>\$1,030.00</b>
<b>Est. Ending Knockdown Reserve Fund on June 30, 2015</b>	<b>\$3,000.00</b>

## **PART C**

### **FY 2014-15 ASSESSMENT ROLL**

As described in Part B, the total proposed Assessment District revenues of \$11,306.16 for FY 2014-15 consist entirely of assessments associated with Zones A and B of this district as follows:

\$ 6,627.28	From Zone A
\$ 4,678.88	From Zone B

The breakdown of FY 2014-15 annual assessments per parcel is shown in Table 1 of this report. The lines and dimensions of each parcel are shown on the maps in the office of the County Assessor of the County of Glenn.

**Table 1**

**CITY OF WILLOWS  
Landscaping and Lighting Assessment District  
Fiscal Year 2014-15**

**Zone A - Birch Street Village**

APN	Assessment Diagram Number	Land Use Code	Land Use Type	Assessment Amount	Owner Name	Address
001-07-1-009-0	26	R1XX	Single Family	\$194.92	Tovar, Bradford & McGarr, Jillian	320 S. Humboldt Ave Willows, CA 95988
001-07-1-010-0	27	R1XX	Single Family	\$194.92	Patel Deepak A & Bina D	330 S Humboldt Ave, Willows, CA 95988
001-07-1-011-0	28	R1XX	Single Family	\$194.92	Medina Humberto	340 S Humboldt Ave, Willows, CA 95988
001-07-1-012-0	29	R1XX	Single Family	\$194.92	Pollock Robert R	350 S Humboldt Ave, Willows, CA 95988
001-07-1-013-0	30	R1XX	Single Family	\$194.92	Baczkowski, Thomas W.	360 S Humboldt Ave, Willows, CA 95988
001-07-1-014-0	31	R1XX	Single Family	\$194.92	Singh Kulwinder	521 Greg Thacth Cir, Sacramento, CA 95835
001-07-1-015-0	32	R1XX	Single Family	\$194.92	Ross Jack & Ross Candace J/T	6141 W 4th St, Rio Linda, CA 95673
001-07-1-016-0	33	R1XX	Single Family	\$194.92	Holsinger Stephen A	P.O. Box 2021, Willows, 95988
001-07-1-017-0	34	R1XX	Single Family	\$194.92	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-018-0	16	R1XX	Single Family	\$194.92	Kumar Priti	199 N Humboldt Ave, Willows, CA 95988
001-07-1-019-0	15	R1XX	Single Family	\$194.92	Street Amy L & Street Timothy R	451 El Dorado Ave, Willows, CA 95988
001-07-1-020-0	14	R1XX	Single Family	\$194.92	Lombard Tyler	461 El Dorado Ave, Willows, CA 95988
001-07-1-021-0	17	R1XX	Single Family	\$194.92	Birch Street Village LP	3323 Knollridge Dr., El Dorado Hills, CA 95762
001-07-1-022-0	18	R1XX	Single Family	\$194.92	Donnelly, Michael D & Carolyn M	421 El Dorado Ave, Willows, CA 95988
001-07-1-023-0	19	R1XX	Single Family	\$194.92	Barragan, Hilda & Rosales, Francisco	361 El Dorado Ave, Willows, CA 95988
001-07-1-024-0	20	R1XX	Single Family	\$194.92	Ngo Cuong Bach & Tra Thuy Thanh Thi	371 El Dorado Ave, Willows, CA 95988
001-07-1-025-0	21	R1XX	Single Family	\$194.92	Vang Chao & Vang Khou S/S	361 El Dorado Ave, Willows, CA 95988
001-07-1-026-0	22	R1XX	Single Family	\$194.92	Tafolla, Guillermo Arias	351 El Dorado Ave, Willows, CA 95988
001-07-1-027-0	23	R1XX	Single Family	\$194.92	Baker Nicole C	341 El Dorado Ave, Willows, CA 95988
001-07-1-028-0	24	R1XX	Single Family	\$194.92	Murillo Lorena	331 El Dorado Ave, Willows, CA 95988
001-07-1-029-0	25	R1XX	Single Family	\$194.92	Clark Janie C TRS	321 El Dorado Ave, Willows, CA 95988
001-07-1-030-0	13	R1XX	Single Family	\$194.92	Lederer, Eric M	310 El Dorado Ave, Willows, CA 95988
001-07-1-031-0	12	R1XX	Single Family	\$194.92	Hernandez Jaime & Hernandez Gabriela	320 El Dorado Ave, Willows, CA 95988
001-07-1-032-0	11	R1XX	Single Family	\$194.92	Askeland Kevin	PO Box 310, Willows, CA 95988
001-07-1-033-0	10	R1XX	Single Family	\$194.92	Jaramillo Jose Luis & Jaramillo Brenda	340 El Dorado Ave, Willows, CA 95988
001-07-1-034-0	9	R1XX	Single Family	\$194.92	Velasco, Raymundo Sigala	350 El Dorado Ave, Willows, CA 95988
001-07-1-035-0	8	R1XX	Single Family	\$194.92	Hutson, Evan C & Amanda	360 El Dorado Ave, Willows, CA 95988
001-07-1-036-0	7	R1XX	Single Family	\$194.92	McDonald David S	370 El Dorado Ave, Willows, CA 95988
001-07-1-037-0	6	R1XX	Single Family	\$194.92	Kuwata, Ronald K	380 El Dorado Ave, Willows, CA 95988
001-07-1-038-0	5	R1XX	Single Family	\$194.92	Bobadilla, Pedro D	410 El Dorado Ave, Willows, CA 95988
001-07-1-039-0	4	R1XX	Single Family	\$194.92	Birch Street Village LP	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-040-0	3	R1XX	Single Family	\$194.92	Neuhardt Floyd Jr & Neuhardt Carol	430 El Dorado Ave, Willows, CA 95988
001-07-1-041-0	2	R1XX	Single Family	\$194.92	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-042-0	1	R1XX	Single Family	\$194.92	Southam Boyd & Southam Stephanie	450 El Dorado Ave, Willows, CA 95988
Lot A	Lot A	Null	Easement	\$0.00	Null	Null
<b>Total Units:</b>	<b>34</b>		<b>Total Assessment:</b>	<b>\$6,627.28</b>		

**Zone B - Walmart**

APN	Assessment Diagram Number	Land Use Code	Land Use Type	Assessment Amount	Owner Name	Address
017-21-0-052-9	35	CEXX	Commercial Retail Outlet	\$4,678.88	Walmart RE Business Trust c/o Walmart Tax Dept #2053	P.O. Box 8050, Bentonville, AR 72712-8050
<b>Total Units:</b>	<b>1</b>		<b>Total Assessment:</b>	<b>\$4,678.88</b>		

## PART D

### METHOD OF APPORTIONMENT OF ASSESSMENT

The following is a brief description of the manner that the annual assessment has been apportioned (spread) to each parcel in Zone A in the Assessment District:

#### **Zone A – Birch Street Village**

With the Birch Street Village development, both lighting and landscaping were installed as part of the improvements. Special benefit derived by each of the parcels within this Zone for these improvements are as follows:

Street Lights: Because the improvements have met the City's lighting requirements, the lights within the subdivision are spaced per adopted City standards, thereby providing the direct and special benefits of safety for vehicular traffic and pedestrian travel at night and safety lighting of the neighborhood in general for all parcels within this zone. Therefore each parcel receives approximately equal and special benefit. Accordingly, the method by which each parcel is proposed to be assessed for costs associated with Zone A is a total estimated cost of maintenance and operation of street lighting and for the appropriate administrative costs associated with this zone divided by the total number of lots within Zone A.

Landscaping: The type of street landscaping and subsequent required operation and maintenance costs associated with this street landscaping gives approximate equal benefit to all of those parcels in this Zone. Each parcel benefits directly from the pleasing aesthetics of the landscaping for the subdivision as well as increased air quality from additional plant life. Accordingly, the method by which the assessment is spread to each of the parcels within Zone A is by taking the total estimated cost of the operation and maintenance of the street landscaping and for the appropriate administrative costs associated with this zone divided by the total number of lots within Zone A.

Government Owned Parcels: No charges associated with Zone A shall be imposed upon a federal, state or local government agency, upon a parcel without a dwelling used exclusively for greenbelt, or open space. In future years however, a federal, state or local government agency receiving special benefit from Zone A shall be assessed by virtue of Proposition 218. Article XIII D, Section 4(a) states that public agencies, “shall not be exempt from assessment”.

#### **Zone B – Walmart**

With the Walmart Super Store development, both street lighting and street traffic signals will be installed as part of the improvements. Special benefit derived by the single parcel within this Zone for these improvements are as follows:

Street Lights: The improvements have met the City's lighting requirements by providing the direct and special benefits of safety for vehicular traffic and pedestrian travel at night and safety lighting of the shopping center in general. The single parcel receives the entire special benefit. Accordingly, the method by which the parcel is proposed to be assessed for street light costs associated with Zone B is a total estimated cost of maintenance and operation of street lighting and

for the appropriate administrative costs associated with this zone applied to the single parcel within Zone B.

Traffic Signal: The improvements to expand the existing Walmart store into a Walmart Super Store are anticipated to generate additional traffic congestion at the intersection of W. Wood Street (Hwy 162) and North Airport Road. To maintain traffic flow and safety of the intersection, a four way traffic signal system was installed. As W. Wood Street carries additional traffic not associated with the store, the direct and special benefit of the signal to the store is considered to be ½ of the 4 signals, lights and controller plus associated costs. The remainder of the other costs associated with this signal for the traffic on W. Wood Street is paid for by Caltrans, as W. Wood Street is a State highway. This will be indicated on the Assessment Diagram as 2 traffic signals. Accordingly, the method by which the parcel is proposed to be assessed for traffic signal costs associated with Zone B is a total estimated cost of maintenance and operation of the City's portion of the traffic signal (including lights), half the cost of the controller and for the appropriate administrative costs associated with this zone applied to the single parcel within Zone B.

A knockdown fund is established with Zone B to cover expenses associated with replacing a streetlight if it is damaged or destroyed by a vehicle. The overall knockdown fund cost to be accumulated over a 5-year period is \$5,000 (estimated expenses for manpower and equipment for replacing one streetlight). Once a fund balance of \$5,000 is attained, no additional monies shall be collected for this fund until/unless there is the need to replace one of the streetlights. The method to collect this portion of the assessment is the same as streetlights.

**MAXIMUM ALLOWABLE ASSESSMENT AND INFLATIONARY FACTORS**

In 2005, the original Engineer’s Report stated that assessments may be adjusted each year to account for inflation of costs and services in accordance with the Bay Area (San Francisco-Oakland-San Jose) Consumer Price Index (CPI) for all urban consumers, or 3%, whichever is greater. An Annual CPI increase has been applied for each year, however it should be noted that, due to the economic climate, in the past 5 years the implemented increase has been less than 3%.

The CPI adjustments to the Maximum Allowed Assessment per Parcel from FY 2012-13 through FY 2014-15 are shown as follows:

<b>Maximum Allowable Assessment Analysis</b>						
	<b>Allowed Annual CPI Increase</b>		<b>Zone A Birch Street Village</b>		<b>Zone B Walmart</b>	
	<b>Year</b>	<b>%</b>	<b>Allowed Adjustment Amount</b>	<b>Total Assessment Maximum (per Parcel)</b>	<b>Allowed Adjustment Amount</b>	<b>Total Assessment Maximum (per Parcel)</b>
<b>FY 2012-13 (Zone A annual adjustment &amp; Zone B Original Assessment)</b>	2011	2.60%	\$10.56	<b>\$416.73</b>		<b>\$5,920.00</b>
<b>FY 2013-14</b>	2012	2.70%	\$11.25	<b>\$427.98</b>	\$159.84	<b>\$6,079.84</b>
<b>FY 2014-15</b>	2013	2.20%	\$9.42	<b>\$437.40</b>	\$133.76	<b>\$6,213.60</b>

Actual assessment amounts to be collected do not have to be set at the maximum assessment. Establishing the maximum available assessment each year and keeping up with inflation allows the assessments to be increased to this maximum amount sometime in the future if costs associated with this Assessment District increase (e.g. if in any year there are unanticipated expenditures due to such things as vandalism) and will preclude having to go through electorate approval per California Constitution Article XIII C, Section 2(b) (Proposition 218 requirements.)

## **PART E**

### **FY 2014-15 PROPERTY OWNERS LIST**

The names and addresses of each of the property owners as shown on the County of Glenn Assessor's Tax Assessment Roll are shown below. The names and addresses have been keyed to the special assessment number (the assessor parcel number) as shown in Part C of this Engineer's Report.

**Table 2**  
**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2014-15**  
**Zone A - Birch Street Village and Zone B - Walmart**

APN	Assessment Diagram Number	Owner Name	Address
001-07-1-009-0	26	Tovar, Bradford & McGarr, Jillian	320 S. Humboldt Ave Willows, CA 95988
001-07-1-010-0	27	Patel Deepak A & Bina D	330 S Humboldt Ave, Willows, CA 95988
001-07-1-011-0	28	Medina Humberto	340 S Humboldt Ave, Willows, CA 95988
001-07-1-012-0	29	Pollock Robert R	350 S Humboldt Ave, Willows, CA 95988
001-07-1-013-0	30	Baczkowski, Thomas W.	360 S Humboldt Ave, Willows, CA 95988
001-07-1-014-0	31	Singh Kulwinder	521 Greg Thacth Cir, Sacramento, CA 95835
001-07-1-015-0	32	Ross Jack & Ross Candace J/T	6141 W 4th St, Rio Linda, CA 95673
001-07-1-016-0	33	Holsinger Stephen A	P.O. Box 2021, Willows, 95988
001-07-1-017-0	34	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-018-0	16	Kumar Priti	199 N Humboldt Ave, Willows, CA 95988
001-07-1-019-0	15	Street Amy L & Street Timothy R	451 El Dorado Ave, Willows, CA 95988
001-07-1-020-0	14	Lombard Tyler	461 El Dorado Ave, Willows, CA 95988
001-07-1-021-0	17	Birch Street Village LP	3323 Knollridge Dr., El Dorado Hills, CA 95762
001-07-1-022-0	18	Donnelly, Michael D & Carolyn M	421 El Dorado Ave, Willows, CA 95988
001-07-1-023-0	19	Barragan, Hilda & Rosales, Francisco	381 El Dorado Ave, Willows, CA 95988
001-07-1-024-0	20	Ngo Cuong Bach & Tra Thuy Thanh Thi	371 El Dorado Ave, Willows, CA 95988
001-07-1-025-0	21	Vang Chao & Vang Khou S/S	361 El Dorado Ave, Willows, CA 95988
001-07-1-026-0	22	Tafolla, Guillermo Arias	351 El Dorado Ave, Willows, CA 95988
001-07-1-027-0	23	Baker Nicole C	341 El Dorado Ave, Willows, CA 95988
001-07-1-028-0	24	Murillo Lorena	331 El Dorado Ave, Willows, CA 95988
001-07-1-029-0	25	Clark Janie C TRS	321 El Dorado Ave, Willows, CA 95988
001-07-1-030-0	13	Lederer, Eric M	310 El Dorado Ave, Willows, CA 95988
001-07-1-031-0	12	Hernandez Jaime & Hernandez Gabriela	320 El Dorado Ave, Willows, CA 95988
001-07-1-032-0	11	Askeland Kevin	PO Box 310, Willows, CA 95988
001-07-1-033-0	10	Jaramillo Jose Luis & Jaramillo Brenda	340 El Dorado Ave, Willows, CA 95988
001-07-1-034-0	9	Velasco, Raymundo Sigala	350 El Dorado Ave, Willows, CA 95988
001-07-1-035-0	8	Hutson, Evan C & Amanda	360 El Dorado Ave, Willows, CA 95988
001-07-1-036-0	7	McDonald David S	370 El Dorado Ave, Willows, CA 95988
001-07-1-037-0	6	Kuwata, Ronald K	380 El Dorado Ave, Willows, CA 95988
001-07-1-038-0	5	Bobadilla, Pedro D	410 El Dorado Ave, Willows, CA 95988
001-07-1-039-0	4	Birch Street Village LP	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-040-0	3	Neuhardt Floyd Jr & Neuhardt Carol	430 El Dorado Ave, Willows, CA 95988
001-07-1-041-0	2	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-042-0	1	Southam Boyd & Southam Stephanie	450 El Dorado Ave, Willows, CA 95988
Lot A	Lot A	Null	Null
017-21-0-052-9	35	Walmart RE Business Trust c/o Walmart Tax Dept #2053	P.O. Box 8050, Bentonville, AR 72712-8050

## **PART F**

### **FY 2014-15 ASSESSMENT DIAGRAM**

Attached, you will find Assessment Diagrams (maps) for Zones A and B within the Assessment District. Please note that the lines and dimensions of each parcel, as well as the distinctive assessment number, are shown on the Assessor's Maps for the City of Willows available at the County of Glenn Assessor's Office. The attached pages also provide the reference to the appropriate Assessor Books at the County for the subdivision.

**Zone A**

All the land lying within the Birch Street Village Subdivision, filed in the Recorder's Office of the County of Glenn in Book 13, Page 64.

**Zone B**

All the land lying within the Walmart Super Store Development, known at the Assessor's Office of the County of Glenn as Assessor's Parcel Number 017-21-0-052-9.

# CITY OF WILLOWS

## LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

### ASSESSMENT DIAGRAM

#### ZONE A - BIRCH STREET VILLAGE



VICINITY MAP

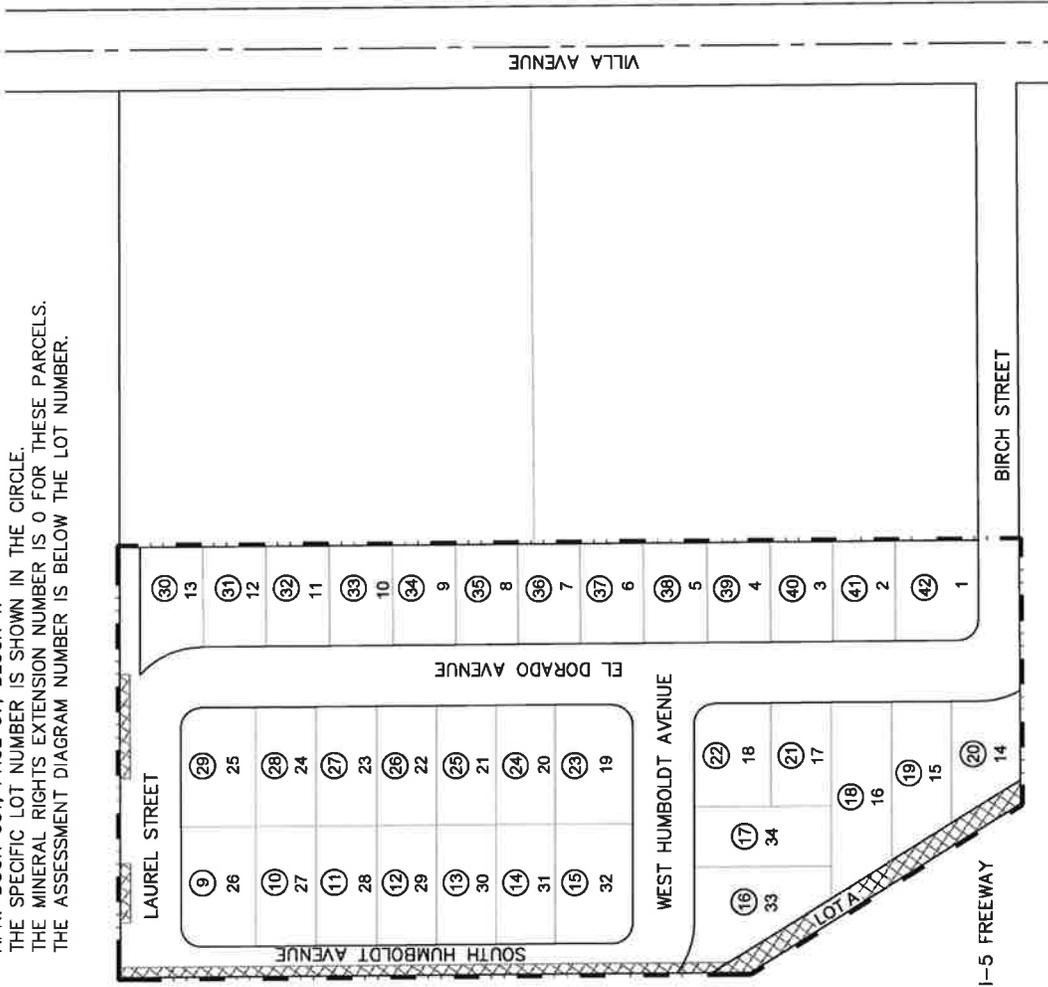
-  Landscape Maintenance Area
-  Assessment District Boundary

**NOTE:**  
FOR THE DISTINCTIVE ASSESSMENT NUMBER AND DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL REFER TO THE ASSESSORS MAPS FOR THE CITY OF WILLOWS AVAILABLE AT THE GLENN COUNTY ASSESSORS OFFICE.

PREPARED FOR  
**CITY OF WILLOWS**  
GLENN COUNTY CALIFORNIA  
2014-2015 Fiscal Year

APN: BOOK 001, PAGE 07, BLOCK 1.  
THE SPECIFIC LOT NUMBER IS SHOWN IN THE CIRCLE.  
THE MINERAL RIGHTS EXTENSION NUMBER IS 0 FOR THESE PARCELS.  
THE ASSESSMENT DIAGRAM NUMBER IS BELOW THE LOT NUMBER.

SCALE: 1" = 180'



WILLOWS AIRPORT



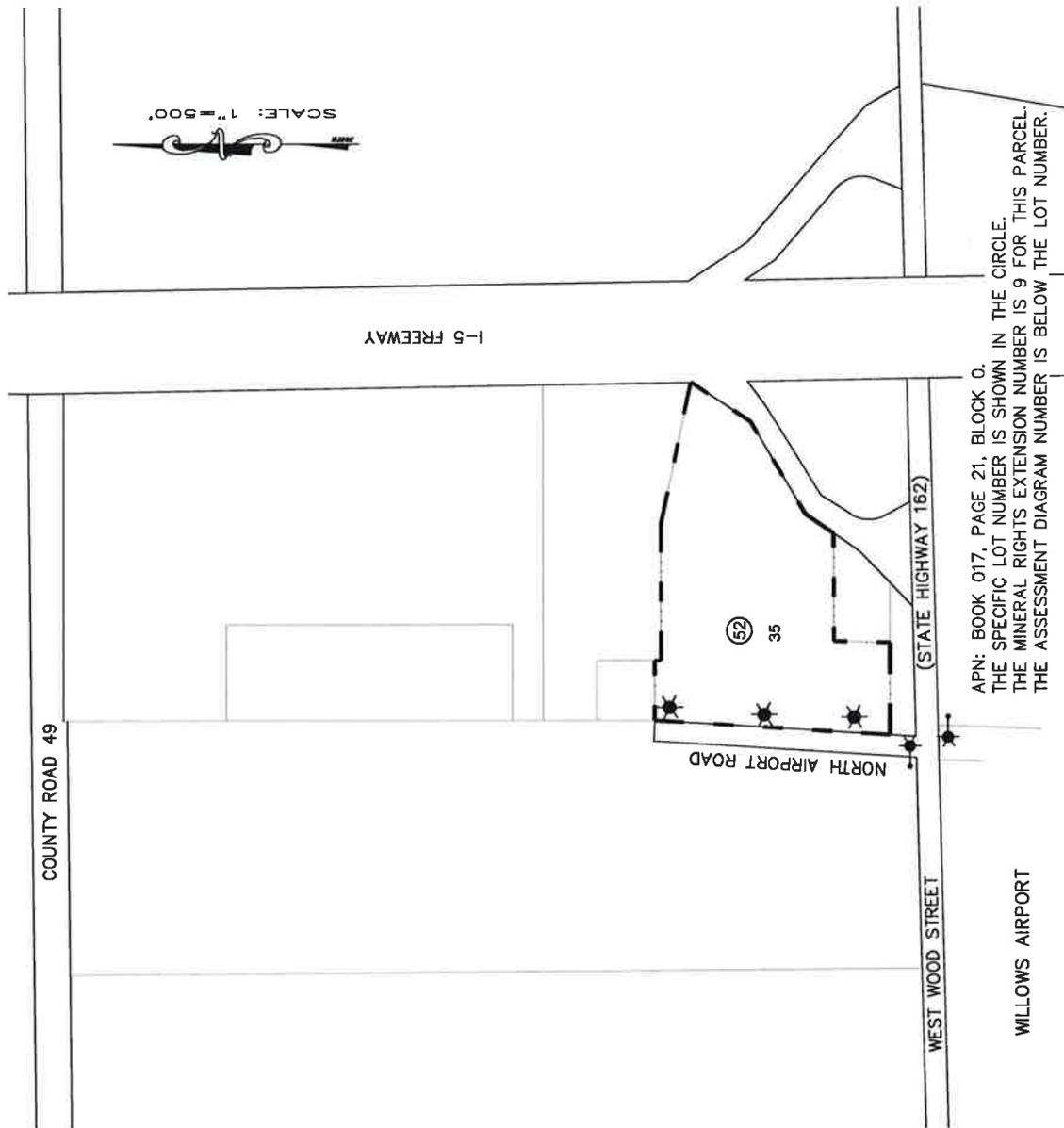
**Coastland Civil Engineering, Inc.**  
1400 Neotomas Avenue, Santa Rosa, CA 95405  
707.571.8865

# CITY OF WILLOWS

## LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

### ASSESSMENT DIAGRAM

#### ZONE B - WALMART



APN: BOOK 017, PAGE 21, BLOCK 0.  
THE SPECIFIC LOT NUMBER IS SHOWN IN THE CIRCLE.  
THE MINERAL RIGHTS EXTENSION NUMBER IS 9 FOR THIS PARCEL.  
THE ASSESSMENT DIAGRAM NUMBER IS BELOW THE LOT NUMBER.



### VICINITY MAP

- City's portion of traffic signal and street light
- City street light locations
- Assessment District Boundary

**NOTE:**  
FOR THE DISTINCTIVE ASSESSMENT NUMBER AND DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL REFER TO THE ASSESSOR'S MAPS FOR THE CITY OF WILLOWS, AVAILABLE AT THE GLENN COUNTY ASSESSORS OFFICE.

**Coastland Civil Engineering, Inc.**  
1400 Nectomas Avenue, Santa Rosa, CA 95405  
707.571.8005 707.571.8037 Fax

PREPARED FOR  
**CITY OF WILLOWS**  
GLENN COUNTY CALIFORNIA  
2014-2015 Fiscal Year

## **AGENDA ITEM**

May 27, 2014

**TO:** Honorable Mayor Cobb and Members of City Council

**FROM:** Steve Holsinger, City Manager

**SUBJECT:** Authorizing the Steps necessary for the City to participate in the Figtree Property Assessed Clean Energy (PACE) Program in 2014.

## **RECOMMENDATION:**

Council shall consider adoption of a Resolution to become An Associate Member in the California Enterprise Development Authority (CEDA), Authorize the City Manager to execute an Associate Membership Agreement on behalf of the City of Willows and Adopt a Resolution authorizing the CEDA to enroll Willows in an assessment district and place liens on properties participating in the program within the City of Willows.

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## **SUMMARY**

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorized a legislative body to designate an area within which willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation of renewable energy resources, energy efficiency measures, and/or water conservation improvements which are permanently fixed to real property. Financing for these improvements has come to be known as PACE financing, or Property Assessed Clean Energy financing.

The item before the City Council today is to consider adopting the Figtree PACE Financing Program to allow property owners in the City to voluntarily place assessment liens on their property for the purpose of installing renewable energy, energy efficiency, and water conservation improvements. The Figtree PACE Financing Program use private capital to provide property owners with funding. By enrolling in the Figtree PACE Financing Program the City can offer PACE financing to property owners without impacting the City's budget. The City will not incur any costs and endures no administrative responsibilities. Furthermore, Figtree indemnifies the City to limit its financial exposure and Figtree is responsible for marketing the program to the City's property owners.

## **DISCUSSION**

The intent of the legislation was to make renewable energy, energy efficiency, water conservation, and electric vehicle charging infrastructure improvements more affordable and promote the installation of those improvements. PACE financing allows residential and commercial property owners to finance 100% of the cost of eligible improvements, such as solar energy systems, Energy Star windows and doors, and high-efficiency air conditioning units, through an assessment on the property that is paid over time through property taxes. Participation in the program is voluntary and only those property owners who wish to participate in the program will pay an assessment.

**Benefits to property owners include:**

- **Access to funds for property improvements:** In today's economic environment, alternatives for property owners to finance renewable energy, energy efficiency, and water conservation improvements may not be available. Therefore, many property owners do not have options available to them to lower their utility bills.
- **Energy and water savings:** Renewable energy, energy efficiency, and water conservation improvements help lower utility bills. In addition, the interest paid may be tax-deductible.
- **Payment obligation is tied to the property:** The debt does not need to be repaid when the property is sold or transferred. The new owner assumes the obligation to repay the remaining balance with the property taxes.
- **Voluntary:** Property owners choose to participate in the program at their own discretion.
- **Repayment obligation matched to the useful life of the financed improvements:** The length of the financing is based on the expected useful life of the improvements. Depending on the lender and the improvements, the term can range from five (5) years to twenty (20) years.
- **Prepayment options:** Property owners can pay off the assessments at any time; however, there may be applicable prepayment penalties, and the program administrators review these terms with prospective participants.
- **Property owners' personal credit is not involved:** The amount financed is based on the assessed value of the subject property and doesn't involve the borrowers' personal financial rating (FICO) score. Commercial property owners appreciate the off-balance-sheet financing that doesn't impact their capacity to borrow for other business needs.
- **Increased property values:** More efficient properties are typically worth more and sell more quickly.
- **Improved quality of life:** Residents benefit from improvements, such as more effective cooling provided by new air conditioning units and less outside noise when new double-paned windows are installed.

Although the City could provide property owners with access to this type of financing by establishing its own PACE Program, it is quicker, easier, and much less expensive to join an existing PACE Program. The City may join more than one PACE program in order to provide property owners with the ability to choose the program that best fits their needs.

Founded in 2011, the Figtree PACE Financing Program is sponsored by the California Economic Development Authority (CEDA), a statewide public joint powers authority. Although the Figtree PACE Financing Program currently concentrates on commercial, industrial, retail, and multi-family properties it plans to launch a statewide residential program in the near future. To date, Figtree has provided millions in PACE financing to California businesses.

Staff is recommending approval of this Financing option because a local business owner is currently seeking funding for improvements for the commercial property; the City Attorney has reviewed and endorsed the program as quite useful and beneficial for the city, its residents and businesses.

**FINANCIAL CONSIDERATIONS**

NONE, there is no budgetary impact to the City by consenting to the inclusion of properties within the City limits in the Figtree Financing PACE Program or by consenting to become an associate member of CEDA.

**NOTIFICATION**

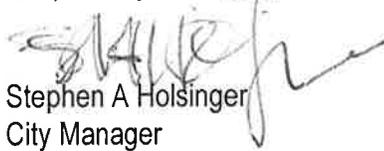
Eric Caldwell, Figtree Financing  
Director of Government Partnerships

**RECOMMENDATION**

Council shall consider adoption of a Resolution to become An Associate Member in the California Enterprise Development Authority (CEDA), Authorize the City Manager to execute an Associate Membership Agreement on behalf of the City of Willows and Adopt a Resolution authorizing the CEDA to enroll Willows in an assessment district and place liens on properties participating in the program within the City of Willows.

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Respectfully submitted,



Stephen A Holsinger  
City Manager

Attachments:

Resolution Approving Associate Membership in CEDA  
Associate CEDA Membership Agreement  
Indemnification Agreement between City of Willows & Figtree, Inc.  
Resolution Authorizing City to Join Figtree PACE program and other actions  
FIGTREE PACE – Program Report (\*\* SPECIAL NOTICE – due to the voluminous size of this report, only electronic copies will be provided with Agenda on the City of Willows Webpage. A Hard Copy is Available for public viewing at City Hall and City Library during normal business hours)

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF WILLOWS IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND AUTHORIZING AND DIRECTING THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY**

**WHEREAS**, the City of Willows, California (the “City”), a municipal corporation, duly organized and existing under the Constitution and the laws of the State of California; and

**WHEREAS**, the City, upon authorization of the City Council, may pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 (the "JPA Law") enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them; and

**WHEREAS**, the City and other public agencies wish to jointly participate in economic development financing programs for the benefit of businesses and nonprofit entities within their jurisdictions offered by membership in the California Enterprise Development Authority (the "Authority") pursuant to an associate membership agreement and Joint Exercise of Powers Agreement Relating to the California Enterprise Development Authority (the “Agreement”); and

**WHEREAS**, under the JPA Law and the Agreement, the Authority is a public entity separate and apart from the parties to the Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the City or the other members of the Authority; and

**WHEREAS**, the form of Associate Membership Agreement (the “Associate Membership Agreement”) between the City and the Authority is attached; and

**WHEREAS**, the City is willing to become an Associate Member of the Authority subject to the provisions of the Associate Membership Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Willows, hereby finds, determines and declares as follows:

**Section 1.** The City Council hereby specifically finds and declares that the actions authorized hereby constitute public affairs of the City. The City Council further finds that the statements, findings and determinations of the City set forth in the preambles above are true and correct.

**Section 2.** The Associate Membership Agreement presented to this meeting and on file with the City Clerk is hereby approved. The Mayor of the City, the City Manager, the City Clerk

and other officials of the City are each hereby authorized and directed, for and on behalf of the City, to execute and deliver the Associate Membership Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 3.** The officers and officials of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this resolution and the Associate Membership Agreement. All such actions heretofore taken by such officers and officials are hereby confirmed, ratified and approved.

**Section 4.** This resolution shall take effect immediately upon its passage: PASSED AND ADOPTED by the City Council of the City of Willows at its regularly scheduled meeting on May 27, 2014 held at Willows, California:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Jeffery T Cobb, Mayor

ATTEST: \_\_\_\_\_  
Natalie Butler, City Clerk

**ASSOCIATE MEMBERSHIP AGREEMENT**

**by and between the**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**and the**

**CITY OF WILLOWS, CALIFORNIA**

THIS ASSOCIATE MEMBERSHIP AGREEMENT (this "Associate Membership Agreement"), dated as of May 27, 2014 by and between CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the "Authority") and the CITY OF WILLOWS, CALIFORNIA, a municipal corporation, duly organized and existing under the laws of the State of California (the "City");

**WITNESSETH:**

**WHEREAS**, the Cities of Selma, Lancaster and Eureka (individually, a "Member" and collectively, the "Members"), have entered into a Joint Powers Agreement, dated as of June 1, 2006 (the "Agreement"), establishing the Authority and prescribing its purposes and powers; and

**WHEREAS**, the Agreement designates the Executive Committee of the Board of Directors and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority; and

**WHEREAS**, the Authority has been formed for the purpose, among others, to assist for profit and nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest; and

**WHEREAS**, the Agreement permits any other local agency in the State of California to join the Authority as an associate member (an "Associate Member"); and

**WHEREAS**, the City desires to become an Associate Member of the Authority;

**WHEREAS**, City Council of the City has adopted a resolution approving the Associate Membership Agreement and the execution and delivery thereof;

**WHEREAS**, the Board of Directors of the Authority has determined that the City should become an Associate Member of the Authority;

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises herein contained, the Authority and the City do hereby agree as follows:

***Section 1. Associate Member Status.*** The City is hereby made an Associate Member of the Authority for all purposes of the Agreement and the Bylaws of the Authority, the provisions of which are hereby incorporated herein by reference. From and after the date of execution and delivery of this Associate Membership Agreement by the City and the Authority, the City shall be and remain an Associate Member of the Authority.

***Section 2. Restrictions and Rights of Associate Members.*** The City shall not have the right, as an Associate Member of the Authority, to vote on any action taken by the Board of Directors or by the Voting Members of the Authority. In addition, no officer, employee or representative of the City shall have any right to become an officer or director of the Authority by virtue of the City being an Associate Member of the Authority.

***Section 3. Effect of Prior Authority Actions.*** The City hereby agrees to be subject to and bound by all actions previously taken by the Members and the Board of Directors of the Authority to the same extent as the Members of the Authority are subject to and bound by such actions.

***Section 4. No Obligations of Associate Members.*** The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the City.

***Section 5. Execution of the Agreement.*** Execution of this Associate Membership Agreement and the Agreement shall satisfy the requirements of the Agreement and Article XII of the Bylaws of the Authority for participation by the City in all programs and other undertakings of the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Associate Membership Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Gurbax Sahota, Chair  
Board of Directors

Attest:

\_\_\_\_\_  
Michelle Stephens, Asst. Secretary

**CITY OF WILLOWS, CALIFORNIA**

By: \_\_\_\_\_  
Jeffery T Cobb, Mayor

Attest:

\_\_\_\_\_  
Natalie Butler, City Clerk

**INDEMNIFICATION AGREEMENT**

**BY AND BETWEEN**

**THE CITY OF WILLOWS AND**

**FIGTREE COMPANY, INC.**

This Indemnification Agreement (the "Agreement") is entered into by and between the City of Willows, a municipal corporation or political subdivision, duly organized and existing under the laws of the State of California (the "Public Entity") and Figtree Company, Inc., a California corporation, the administrator of the Figtree Property Assessed Clean Energy and Job Creation Program (the "Administrator"), which is a program of the California Enterprise Development Authority, a California joint exercise of powers authority (the "Authority").

**RECITALS**

**WHEREAS**, the Authority is a joint exercise of powers authority whose members include the Public Entity in addition to other cities and counties in the State of California; and

**WHEREAS**, the Authority established the Figtree Property Assessed Clean Energy and Job Creation Program (the "Figtree PACE Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently affixed to real property through the levy of assessments voluntarily agreed to by the participating property owners pursuant to Chapter 29 of Division 7 of the Streets and Highways Code ("Chapter 29") and the issuance of improvement bonds, or other forms of indebtedness, under the Improvement Bond Act of 1915 upon the security of the unpaid assessments; and

**WHEREAS**, the Authority has conducted or will conduct proceedings required by Chapter 29 with respect to the territory within the boundaries of the Public Entity; and

**WHEREAS**, the legislative body of the Public Entity adopted or will adopt a resolution authorizing the Public Entity to join the Figtree PACE Program; and

**WHEREAS**, the Public Entity will not be responsible for the formation, operation and administration of the Figtree PACE Program as well as the sale and issuance of any bonds or other forms of indebtedness in connection therewith, including the conducting of assessment proceedings, the levy and collection of assessments and any remedial action in the case of such assessment payments, and the offer, sale and administration of any bonds issued by the Authority on behalf of the Figtree PACE Program; and

**WHEREAS**, the Administrator is the administrator of the Figtree PACE Program and agrees to indemnify the Public Entity in connection with the operations of the Figtree PACE Program as set forth herein;

**NOW, THEREFORE**, in consideration of the above premises and of the Public Entity's

agreement to join the Figtree PACE Program, the parties agree as follows:

1. **Indemnification.** Figtree has provided the CEDA with an indemnification for negligence or malfeasance of any type as a result of the acts or omissions of Figtree, its officers, employees, subcontractors and agents, arising from or related to the Figtree PACE Program, the assessments, the assessment districts, the improvements or the financing and marketing thereof. Figtree, on behalf of itself and the CEDA, agrees to defend, indemnify and hold harmless the Public Entity, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for injury or damage due to negligence or malfeasance of any type claims as a result of the acts or omissions of Figtree, except for such loss or damage which was caused by the sole negligence or willful misconduct of the Public Entity. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by Figtree.

2. **Amendment/Interpretation of this Agreement.** This Agreement represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. This Agreement shall not be interpreted for or against any party by reason of the fact that such party may have drafted this Agreement or any of its provisions.

3. **Section Headings.** Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

4. **Waiver.** No waiver of any of the provisions of this Agreement shall be binding unless in the form of writing signed by the party against whom enforcement is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

5. **Severability and Governing Law.** If any provision or portion thereof of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California applicable to contracts made and to be performed in California.

6. **Notices.** All notices, demands and other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed certified or registered mail and addressed as follows:

If to the Administrator

Figtree Company, Inc.  
9915 Mira Mesa Blvd., Suite 130  
San Diego, California 92131  
Attn: Chief Executive Officer

If to the Public Entity:

City Manager  
201 N. Lassen Street  
Willows, CA 95988

7. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, which together shall constitute the same instrument.

8. **Effective Date.** This Agreement will be effective as of the date of the signature of Public Entity's representative as indicated below in the signature block.

IN WITNESS HEREOF, the parties hereto duly executed this Agreement as of the date below.

Public Entity Name

By \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

Figtree Company, Inc., a California corp.

By \_\_\_\_\_

Name: Mahesh Shah

Title: CEO

Date: \_\_\_\_\_

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS  
AUTHORIZING THE CITY TO JOIN THE FIGTREE PACE PROGRAM;  
AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT  
AUTHORITY TO CONDUCT CONTRACTUAL ASSESSMENT  
PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN  
THE TERRITORY OF THE CITY OF WILLOWS AND AUTHORIZING  
RELATED ACTIONS**

**WHEREAS**, the California Enterprise Development Authority ("CEDA") is a joint exercise of powers authority, comprised of cities and counties in the State of California, including the City Willows (the "City"); and

**WHEREAS**, CEDA has adopted the Figtree Property Assessed Clean Energy (PACE) and Job Creation Program (the "Program" or "Figtree PACE"), to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29"), and the issuance of improvement bonds or other evidences of indebtedness (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 et seq.) (the "1915 Act") upon the security of the unpaid contractual assessments; and

**WHEREAS**, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

**WHEREAS**, the City desires to allow the owners of property ("Participating Parcel") within its jurisdiction ("Participating Property Owners") to participate in Figtree PACE, and to allow CEDA to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

**WHEREAS**, CEDA will conduct assessment proceedings under Chapter 29 to establish an assessment district (the "District") and issue Bonds under the 1915 Act to finance Improvements; and

**WHEREAS**, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by CEDA in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A; and

**WHEREAS**, said ROI sets forth the territory within which assessments may be levied for Figtree PACE which territory shall be coterminous with the City's official boundaries of record at the time of adoption of the ROI (the "Boundaries"); and

**WHEREAS**, pursuant to Chapter 29, the City authorizes CEDA to conduct assessment proceedings, levy assessments, pursue remedies in the event of delinquencies, and issue bonds or other forms of indebtedness to finance the Improvements in connection with Figtree PACE; and

**WHEREAS**, to protect the City in connection with operation of the Figtree PACE program, Figtree Energy Financing, the program administrator, has agreed to defend and indemnify the City; and

**WHEREAS**, the City will not be responsible for the conduct of any assessment proceedings, the levy of assessments, any required remedial action in the case of delinquencies, the issuance, sale or administration of the bonds or other indebtedness issued in connection with Figtree PACE.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Willows as follows:

**Section 1. Good Standing.** The City is either a municipal corporation or other public body and a member of CEDA in good standing.

**Section 2. Public Benefits.** On the date hereof, the City Council hereby finds and determines that the Program and issuance of Bonds by CEDA in connection with Figtree PACE will provide significant public benefits, including without limitation, savings in effective interest rates, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the City.

**Section 3. Appointment of CEDA.** The City hereby appoints CEDA as its representative to (i) record the assessment against the Participating Parcels, (ii) administer the District in accordance with the Improvement Act of 1915 (Chapter 29 Part 1 of Division 10 of the California Streets and Highways Code (commencing with Section 8500 et seq.) (the "Law"), (iii) prepare program guidelines for the operations of the Program and (iv) proceed with any claims, proceedings or legal actions as shall be necessary to collect past due assessments on the properties within the District in accordance with the Law and Section 6509.6 of the California Government Code. The City is not and will not be deemed to be an agent of Figtree or CEDA as a result of this Resolution.

**Section 4. Assessment Proceedings.** In connection with Figtree PACE, the City hereby consents to the special assessment proceedings by CEDA pursuant to Chapter 29 on any property within the Boundaries and the issuance of Bonds under the 1915 Act, provided that:

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, voluntarily execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) The City will not be responsible for the conduct of any assessment proceedings, the levy of assessments, any required remedial action in the case of delinquencies in such assessment payments, or the issuance, sale or administration of the Bonds in connection with Figtree PACE.

**Section 5. Program Report.** The City Council hereby acknowledges that pursuant to the requirements of Chapter 29, CEDA has prepared and will update from time to time the "Program Report" for Figtree PACE (the "Program Report") and associated documents, and CEDA will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

**Section 6. Foreclosure.** The City Council hereby acknowledges that the Law permits foreclosure in the event that there is a default in the payment of assessments due on a property. The City Council hereby designates CEDA as its representative to proceed with collection and

foreclosure of the liens on the defaulting properties within the District, including accelerated foreclosure pursuant to the Program Report.

**Section 7. Indemnification.** The City Council acknowledges that Figtree has provided the City with an indemnification agreement, as shown in Exhibit B, for negligence or malfeasance of any type as a result of the acts or omissions of Figtree, its officers, employees, subcontractors and agents. The City Council hereby authorizes the appropriate officials and staff of the City to execute and deliver the Indemnification Agreement to Figtree.

**Section 8. City Contact Designation.** The appropriate officials and staff of the City are hereby authorized and directed to make applications for Figtree PACE available to all property owners who wish to finance Improvements. The following staff persons, together with any other staff designated by the City Manager from time to time, are hereby designated as the contact persons for CEDA in connection with Figtree PACE: City Manager, 201 N Lassen Street, Willows, CA 95988 (530) 934 - 7041

**Section 9. City Execution of Documents.** The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by CEDA in accordance with the Program Report to implement Figtree PACE for Participating Property Owners.

**Section 10. CEQA.** The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act ("CEQA"), because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

**Section 11. Effective Date.** This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to Figtree Energy Financing.

**Section 12. Costs.** Services related to the formation and administration of the assessment district will be provided by CEDA at no cost to the City.

PASSED AND ADOPTED by the City Council of the City of Willows at its regularly scheduled meeting on May 27, 2014 held at Willows, California:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Jeffery T Cobb, Mayor

ATTEST: \_\_\_\_\_  
Natalie Butler, City Clerk

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT  
AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION  
OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES,  
ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS IN  
THE CITY OF WILLOWS, CA**

**WHEREAS**, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

**WHEREAS**, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, CEDA has obtained authorization from the City of Willows (the “City”) located in the County of Glenn (the “County”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the City pursuant to Chapter 29; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, AS FOLLOWS:**

**Section 1. Findings.** The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.
- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

**Section 2. Determination of Public Interest.** The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the "Report"), as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of the City.

**Section 5. Proposed Financing Arrangements.** Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the "Bonds") pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Financing (the "Program Administrator") upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program, shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds. The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

**Section 6. Public Hearing.** Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the "Board"), at 550 Bercut Drive, Suite G, Sacramento, CA 95811, on \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_ A\_, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the "Contract"), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Notice to Water and Electric Providers.** Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

**Section 8. Report.** The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.
- b) A draft contractual assessment contract (the "Contract") specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA's policies concerning contractual assessments including all of the following:
  - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.

- (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
  - (3) A maximum aggregate dollar amount of contractual assessments.
  - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the County Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the County, and a plan for financing the payment of those fees.

**Section 9. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 10. Consultations with County Auditor-Controller.** CEDA hereby directs the Program Administrator to enter into discussions with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

**Section 11. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

**Section 12. Procedures for Responding to Inquiries.** The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 201\_.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

\_\_\_\_\_  
Larry Cope, Secretary