



Willows City Council Regular Meeting

May 9, 2023
Willows City Hall
6:00 PM – Regular Session

City Council
Rick Thomas, Mayor
David Vodden, Vice Mayor
Gary Hansen, Council Member
Jeff Williams, Council Member
Casey Hofhenke, Council Member

City Manager
Marti Brown

City Clerk
Vacant

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

Agenda

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. CHANGES TO THE AGENDA

5. PRESENTATIONS

a. Proclamation for National Poppy Day

Accepted by: The American Legion Auxiliary of the City of Willows

b. USDA Grant Funded Economic Development Project

Recommended Action: Receive the presentation and provide any feedback.

Presenter: Jody Samons, Consultant, EB 3 Development

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

6. PUBLIC COMMENT & CONSENT CALENDAR FORUM

All matters on the Consent Calendar are considered routine and are approved by one motion and vote, unless Councilmembers or the City Manager first requests that a matter be removed for separate discussion and action. Individuals wishing to address the City Council regarding matters that are not already on the agenda or concerning Consent Calendar items are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: cityclerk@cityofwillows.org.

a. Register Approval

Recommended Action: Approve general checking, payroll, and direct deposit check registers.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

b. **Minutes Approval**

Recommended Action: Approve minutes of the April 25, 2023, City Council meeting and May 2, 2023, Special Meeting.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

c. **Merger and Name Change of Health Insurance Company, Fire Districts Association of California, Employee Benefit Authority (FDAC EBA)**

Recommended Action: Approve continuing to participate in the new Joint Self-Insurance and Risk Management Programs provided by Fire Risk Management Services (FRMS) as a result of the merger between Fire Districts Association of California, Employee Benefit Authority (FDAC EBA) and Fire Agencies Self Insurance System (FASIS).

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

7. **DISCUSSION & ACTION CALENDAR**

All matters in this section of the agenda are discussed and will be acted on individually. Individuals wishing to address the City Council concerning any of these items are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. When the Mayor calls for public comment, please raise your hand to be acknowledged. While not required, the city requests that you please state your name clearly for the audio recording. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: cityclerks@cityofwillows.org.

a. **Construction of the Cal Water Main Connection**

Recommended Action: Authorize the City Manager to sign the Cal Water Agreement extending a 12-inch water main and acquisition of the City's existing water system in the southern portion of the City from Rumiano Cheese Company to Road 57 (the City's two water wells).

Contact: Patrick Piatt, Community Development & Services Director, ppiatt@cityofwillows.org

b. **Landscape & Lighting Assessment District – Preliminary Engineer's Annual Report FY 2023-24**

Recommended Action: Receive the Preliminary Annual Engineer's Report as prepared by Coastland Civil Engineering; provide any direction to staff regarding desired changes; adopt the Resolution of Intention to levy and collect assessments; and set the time and date of the required public protest hearing for the City of Willows Landscape and Lighting District.

Contact: John Wanger, City Engineer, jwanger@cityofwillows.org

c. **Future of the City Swimming Pool Ad Hoc Committee and Other Civic Discussions**

Recommended Action: Based on the city swimming pool project's status, staff recommends that the Council take one or more of the following actions: 1.) Since staff is currently working to repair the swimming pool in time for the 2024 summer swim season as a result of Council direction and approval on April 11, 2023, disband the City Swimming Pool Ad Hoc Committee established by the Council in January 2023 as its goal has been achieved; and 2.) Establish a new Ad Hoc Committee with a new and/or expanded area of focus to be determined by the Council;

or 3.) Discontinue the Ad Hoc Committee and encourage current Council Swimming Pool Ad Hoc Committee Members to continue holding “Town Hall” meetings with the community on any and all topics of interest to them and/or the community.

d. Library Board Vacancy and Appointment Process

Recommended Action: Appoint two Council Members to serve on the Library Board of Trustees Subcommittee to propose a schedule, process and recommend three Library Trustee appointments to the full Council.

8. COMMENTS & REPORTS

- a. City Council Correspondence
- b. City Manager’s Report
- c. City Council Comments & Reports

9. CLOSED SESSION

- a. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to § 54956.9(b): (1 case)

10. ADJOURNMENT

This agenda was posted on May 5, 2023.

Marti Brown, Acting City Clerk

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.

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. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). 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



PRESENTATIONS



PROCLAMATION FOR NATIONAL POPPY DAY

WHEREAS, America is the land of freedom, preserved and protected willingly and freely by citizen soldiers; and

WHEREAS, Millions who have answered the call to arms have died on the field of battle; and

WHEREAS, A nation at peace must be reminded of the price of war and the debt owed to those who have died in war; and

WHEREAS, The red poppy has been designated as a symbol of sacrifice of lives in all wars; and

WHEREAS, The American Legion Auxiliary has pledged to remind America annually of this debt through the distribution of the memorial flower.

THEREFORE, I, Richard Thomas, Mayor of Willows California, do hereby proclaim the month of May 2023 as NATIONAL POPPY MONTH and encourage all citizens to pay tribute to those who have made the ultimate sacrifice in the name of freedom by wearing the Memorial Poppy on the Friday before Memorial Day.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official seal of the City of Willows, this 9th day of May 2023.

Richard Thomas, Mayor





PUBLIC COMMENT & CONSENT CALENDAR FORUM



PERIOD

04/25/2023 TO 05/02/2023

Payroll Direct Deposit 246474 TO 246499

General Checking 40677 TO 40698

(Check 40680 Reversed and reissued)

APPROVAL DATE

05/09/2023

APPROVED _____

REPORT.: 04/25/23
 RUN...: 04/25/23 Time: 11:49
 Run By.: Katie Butler

CITY OF WILLOWS
 Check Register

PAGE: 001
 ID #: PRCR
 CTL: WIL

Check Number	Payroll Date	Date	**Employee** Num	Name	Actual Period	Fiscal Period	Gross Amount
40677	04/28/23	04/23/23	MAR00	MARTINEZ, JULIANA	04-23	10-23	264.00
40678	04/28/23	04/23/23	BEA00	BEATTY, RYAN	04-23	10-23	54.25
40679	04/28/23	04/23/23	CAN00	CANO, ILIANNA	04-23	10-23	108.50
40680	04/28/23	04/23/23	GAR13	GARCIA JR., FERNANDO	04-23	10-23	108.50
40681	04/28/23	04/23/23	JIM00	JIMENEZ, ALEJANDRO	04-23	10-23	108.50
40682	04/28/23	04/23/23	PAL03	PALAPOX-SAN, NYLA	04-23	10-23	58.13
40683	04/28/23	04/23/23	RUI01	RUIZ, DAFNEE	04-23	10-23	54.25
446474	04/28/23	04/23/23	BRO01	Brown, Martha	04-23	10-23	5955.77
446475	04/28/23	04/23/23	BUT01	BUTLER, KATIE LEEANN	04-23	10-23	2077.38
446476	04/28/23	04/23/23	FAH00	FAHEY, LORI	04-23	10-23	3344.77
446477	04/28/23	04/23/23	WAC00	WACKERMAN, JANET	04-23	10-23	793.60
446478	04/28/23	04/23/23	PIA00	PIATT, JAMES PATRICK	04-23	10-23	4807.69
446479	04/28/23	04/23/23	RUS01	RUSTENHOVEN, TARA L	04-23	10-23	2364.00
446480	04/28/23	04/23/23	ARE00	Arellanes, Ashley Marie	04-23	10-23	653.98
446481	04/28/23	04/23/23	BRI00	BRIONES, BRENDA VALENZU	04-23	10-23	256.00
446482	04/28/23	04/23/23	EHO02	EHORN, CAITLIN A	04-23	10-23	1333.38
446483	04/28/23	04/23/23	SPE02	SPENCE, KYLIEGH C	04-23	10-23	544.00
446484	04/28/23	04/23/23	VAR00	Vargas, Giovanni	04-23	10-23	592.00
446485	04/28/23	04/23/23	BAR01	BARAJAS, JOSE	04-23	10-23	65.63
446486	04/28/23	04/23/23	FLO00	Flowerdew, Nick	04-23	10-23	54.25
446487	04/28/23	04/23/23	HER00	HERNANDEZ-SE, RICARDO	04-23	10-23	112.38
446488	04/28/23	04/23/23	HUT04	HUTSON, KRISTINA RENEE	04-23	10-23	506.25
446489	04/28/23	04/23/23	ENO00	ENOS, KYLE	04-23	10-23	2096.62
446490	04/28/23	04/23/23	LOM00	LOMBARD, TYLER JOSEPH	04-23	10-23	2483.76
446491	04/28/23	04/23/23	LOP02	Lopez, Jose	04-23	10-23	2712.36
446492	04/28/23	04/23/23	MON00	MONCK, NATHANIAL T	04-23	10-23	4538.77
446493	04/28/23	04/23/23	ABO00	ABOLD, STEVEN B	04-23	10-23	1893.18
446494	04/28/23	04/23/23	CAZ01	Cazares, Benjamin L.	04-23	10-23	1784.30
446495	04/28/23	04/23/23	MIN00	MINGS, MICHAEL E	04-23	10-23	1801.30
446496	04/28/23	04/23/23	PFY00	PFYL, NATISA N	04-23	10-23	2961.51
446497	04/28/23	04/23/23	RAN01	RANDOLPH, MATTHEW	04-23	10-23	1527.69
446498	04/28/23	04/23/23	REE00	REED, JOSHUA	04-23	10-23	1699.59
446499	04/28/23	04/23/23	VAS01	VASQUEZ, PEDRO CEASAR	04-23	10-23	2092.62

49808.91

REPORT.: 04/26/23
 RUN ON.: 04/26/23 Time: 11:27
 RUN BY.: Katie Butler

CITY OF WILLOWS

PAGE: 001
 ID #: SPVR
 CTL.: WIL

Vendor Check Register Print

Number	Date	Vendor/Organization	Invoice Id	Date	Description/Reference	Period	Amount	Amount Paid
40684	04/26/23	AFL02 AFLAC WAGE WORKS	C30425	04/25/23	AFLAC DEPENT PRETAX	04-23	142.31	142.31
40685	04/26/23	CAL23 CALIFORNIA STATE DISBURSEM	C30425	04/25/23	CHILD SUPPORT	04-23	162.92	162.92
40686	04/26/23	EDD01 EMPLOYMENT DEVELOP.DEPT. S	C30425	04/25/23	STATE INCOME TAX	04-23	1287.83	1287.83
40687	04/26/23	EDD02 EMPLOYMENT DEVELOPMENT DEP	C30425	04/25/23	SDI	04-23	434.49	434.49
40688	04/26/23	ICM01 ICMA RETIREMENT TRUST 457	C30425	04/25/23	DEFERRED COMP - ICMA	04-23	200.00	200.00
40689	04/26/23	NAT00 NATIONWIDE RETIREMENT SOLU	C30425	04/25/23	USCM DEF. COMP. NAT	04-23	1070.34	
40689	04/26/23	NAT00 NATIONWIDE RETIREMENT SOLU	1C30425	04/25/23	USCM DEF. COMP. MTCH	04-23	278.85	1349.19
40690	04/26/23	PER01 P.E.R.S.	C30425	04/25/23	PERS PAYROLL REMITTANCE	04-23	8217.08	
40690	04/26/23	PER01 P.E.R.S.	1C30425	04/25/23	PERS-EMPLOYEE SHARE	04-23	1740.62	9957.70
40691	04/26/23	UMP00 UMPQUA BANK	C30425	04/25/23	DIRECT DEPOSIT	04-23	32407.55	32407.55
40692	04/26/23	UMP01 UMPQUA BANK - MYTAXPAYER	C30425	04/25/23	FEDERAL INCOME TAX	04-23	3496.32	
40692	04/26/23	UMP01 UMPQUA BANK - MYTAXPAYER	1C30425	04/25/23	FICA	04-23	5986.00	
40692	04/26/23	UMP01 UMPQUA BANK - MYTAXPAYER	2C30425	04/25/23	MEDICARE	04-23	1399.94	10882.26
TOTAL DISBURSED...							56824.25	56824.25

REPORT.: 04/28/23
 RUN ON.: 04/28/23 Time: 09:40
 RUN BY.: Katie Butler

CITY OF WILLOWS
 Vendor Check Register Print

PAGE: 001
 ID #: SPVR
 CTL.: WIL

Number	Date	Vendor/Organization	Invoice Id	Date	Description/Reference	Period	Amount	Amount Paid
40693	04/28/23	AFL01 AFLAC- FLEX ONE	C30430	04/30/23	AFLAC DENTAL PRETAX	04-23	215.27	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	1C30430	04/30/23	AFLAC CANCER PRETAX	04-23	145.15	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	2C30430	04/30/23	AFLAC ACC PRETAX	04-23	214.64	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	3C30430	04/30/23	AFLAC SUPPLMNTL LIFE	04-23	71.50	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	4C30430	04/30/23	AFLAC STD INS	04-23	189.28	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	5C30430	04/30/23	AFLAC EVENT/CRITICAL	04-23	28.34	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	6C30430	04/30/23	AFLAC HOSPITAL PRETA	04-23	116.22	
40693	04/28/23	AFL01 AFLAC- FLEX ONE	7C30430	04/30/23	AFLAC VISION PRETA	04-23	50.30	1030.70
40694	04/28/23	HUM01 HUMANA DENTAL/VISION	C30430	04/30/23	DENTAL\VISION	04-23	1292.19	1292.19
40695	04/28/23	KEE01 KEENAN & ASSOCIATES- FDAC	C30430	04/30/23	MEDICAL	04-23	19360.52	19360.52
40696	04/28/23	UNI17 UNITED PUBLIC EMPLOYEES AS	C30430	04/30/23	PUBLIC SAFETY DUES	04-23	137.10	137.10
40697	04/28/23	WIL01 WILLOWS EMPLOYEES ASSOC.	C30430	04/30/23	EMPLOYEES ASSOC.DUES	04-23	16.00	16.00
TOTAL DISBURSED...							21836.51	21836.51

REPORT: 05/02/23
RUN...: 05/02/23 Time: 15:05
Run By: Katie Butler

CITY OF WILLOWS
Check Register
*** CHECK REVERSAL ***

PAGE: 001
ID #: PRCR
CTL: WIL

Check Number	Date	Payroll Date	**Employee** Num	Name	Actual Period	Fiscal Period	Gross Amount	Tax Amount	Deduction Amount	Check Amount
40680	05/02/23	05/02/23	GAR13	GARCIA JR., FERNANDO	05-23	11-23	-108.50	-9.28	.00	-99.22
							-108.50	-9.28	.00	-99.22

REPORT.: 05/02/23
RUN...: 05/02/23 Time: 15:11
Run By.: Katie Butler

CITY OF WILLOWS
Check Register

PAGE: 001
ID #: PRCR
CTL.: WIL

Check Number	Date	Payroll Date	**Employee** Num	Name	Actual Period	Fiscal Period	Gross Amount	Tax Amount	Deduction Amount	Check Amount
40698	05/02/23	05/02/23	GAR13	GARCIA JR., FERNANDO	05-23	11-23	108.50	9.28	.00	99.22
							108.50	9.28	.00	99.22



Willows City Council Meeting Draft Action Minutes April 25, 2023

City Council
Rick Thomas, Mayor
David Vodden, Vice Mayor
Gary Hansen, Council Member
Jeff Williams, Council Member
Casey Hofhenke, Council Member

City Manager
Marti Brown

City Clerk
Vacant

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

1. **CALL TO ORDER - 6:00 PM**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Councilmembers Present: Councilmembers Hansen, Hofhenke and Williams, Vice Mayor Vodden

Councilmember Absent: Mayor Thomas

4. **CHANGES TO THE AGENDA**

No Changes

5. **PRESENTATION**

a. **City Swimming Pool – Ad Hoc Committee Update**

6. **PUBLIC COMMENT & CONSENT CALENDAR FORUM**

Jody Meza, Library Director, informed Councilmembers of National Library Outreach Day, April 26, 2023 by reading a proclamation from Dan Gupton, Library Board President.

Randy Galbraith, president of the Northeast Willows Sewer District, gave a brief statement and handed out postcards that were mailed to NEWCSD residents.

a. **Register Approval**

Action: Approved general checking, payroll, and direct deposit check registers.

b. **Minutes Approval**

Action: Approved minutes of the April 11, 2023, City Council meeting and April 18, 2023, Special City Council meeting.

c. **Annual Weed and Garbage Abatement Schedule - Pulled**

d. **Approve Award of Bid - Grant Funded Staff Vehicle Upfit**

Action: Approved award of bid and authorized the City Manager, or her designee, to purchase the equipment listed in estimate 301 from Superior Installs.

e. **Bid Award to Paint Fire Engine #5 -Pulled**

f. **Legal Services Agreement for City Attorney Services**

Action: Approved the Legal Services Agreement for City Attorney services between the City of Willows and Prentice | Long, PC.

Moved/Seconded: Councilmembers Hansen and Hofhenke

Yes: Councilmembers Hansen, Hofhenke and Williams, Vice Mayor Vodden

Absent: Mayor Thomas

6c. **Annual Weed and Garbage Abatement Schedule**

Action: Adopted resolution and approved the Weed and Garbage Abatement Schedule for the 2023 Fire Season.

Moved/Seconded: Councilmembers Hansen and Williams

Yes: Councilmembers Hansen, Williams and Hofhenke, and Vice Mayor Vodden

Absent: Mayor Thomas

(Roll Call Vote)

6e. **Bid Award to Paint Fire Engine #5**

Action: Approved recommended bid and authorized the City Manager, or her designee, to execute a contract and scope of work as identified in estimate 0007 to RJL Truck and Tractor.

Public Comment: Isaiah Rossi

Moved/Seconded: Councilmembers Williams and Hofhenke

Yes: Councilmembers Williams, Hofhenke and Hansen, and Vice Mayor Vodden

Absent: Mayor Thomas

7. COMMENTS & REPORTS

a. City Council Correspondence

- Letter from Mr. Brad Eidman regarding conversion of existing single-family residence at 118 North Lassen Street.

Public Comments regarding use at 118 North Lassen Street: Ardythe Brandon, Lori Pride, and Doug Ross.

b. City Council Comments & Reports

8. ADJOURNMENT – 6:27 PM

Dated: April 27, 2023

Marti Brown, City Manager

Richard Thomas, Mayor of the City of Willows
Pedro Bodadilla, Chairman - City of Willows Planning Commission
201 North Lassen Street
Willows, CA 95988

April 4, 2023

Gentlemen

Pursuant to Government Code 65402(b), the City of Willows Planning Commission has been notified by the County of Glenn of the County's proposed purchase of a residential property located at 118 North Lassen Street, Willows, CA. At the April 4, 2023 Glenn County Board of Supervisors' Meeting, several Board members publically stated that the proposed purchase is just the first of, "several" and/or "a number of" such purchases it intends to make in the City of Willows for the stated purpose of "transitional housing", "foster care" and "family visitation" under the aegis of the Glenn County Dept. of Health and Human Services.

As a resident and property owner in the City of Willows, I believe that all County acquisitions for conversion of existing single family residences in established residential neighborhoods should require notification to the public of the specific use(s) planned for the property(s) and should be subject to existing zoning and the publically-reviewed and City Counsel-approved General Plan.

My specific concerns about this type property conversion are as follows;

- The City of Willows suffers from a lack of modestly-priced entry level houses. This has long been a barrier to low-to moderate wage earner home ownership. Conversion of single family homes in an affordable price range, to public ownership, will only make this problem worse.
- State-mandated building code requirements for new homes (solar, electric vehicle charging stations, fire sprinkler systems) have made it so expensive to build affordable residences that it is economically impossible for builders to construct and sell smaller homes at entry level prices. This forces builders to up-scale offerings to homes sizes and price points well beyond the typical Willows resident.
- The County's stated intention to buy multiple properties in an opportunistic fashion (i.e. buying random properties as they are listed), rather than in a planned or coordinated fashion; may tax the Planning Commission's ability to review such purchases as mandated by government code.
- Purpose-built facilities of the type desired by the County, on lots or land with conforming zoning, would be significantly more economical than conversion-, or worse *demolition*, of older homes that clearly would not meet current government standards.
- Conversion of these buildings from private- to public ownership, will reduce the City's tax revenue as the properties drop off the tax rolls.
- The County's overly-broad stated purpose for the property ("*...for general government purposes...*") as disclosed in their March 13, 2023 notice to Mayor Thomas and Chair Bodadilla, provides no reasonable basis for the Planning Commission's review of the request.

In summary, to 1) preserve the existing stock of Willows homes available to the public, 2) to most economically use available public resources and, 3) to provide necessary facilities for the County's intended purposes in a *coordinated* fashion with the City, I ask that the County's request for review be paused until you can complete a broader review of the County's intended uses for this and additional properties.



Brad Eidman
P.O. Box 264, Willows, CA 95988

**NORTHEAST WILLOWS
COMMUNITY SERVICES DISTRICT
P.O.Box 2010
Willows, CA 95988
northeastwillowscsd@gmail.com
www.newcsd.specialdistrict.org**



April 19, 2023

Willows City Council
City of Willows
201 N. Lassen
Willows, CA 95988

Re: Blockage @ Cherry Street Lift Station

Mayor Thomas & Willows City Council,

The NEWCSD Board of Directors is aware of residents of NEWCSD putting rags, diapers, and feminine products into the sewer system. There have been several attempts to notify the residents including talking to residents, putting an article in the Sacramento Valley Newspaper, sending out a postcard to all NEWCSD residents and updating our NEWCSD website with a message on the main screen not to put diapers, feminine products into the toilet.

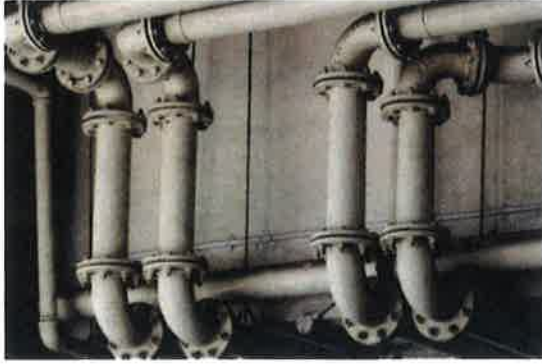
We have sent out notifications in the past to "property owners" but, our last postcard was sent out to "residents" of the district.

Please let us know if the Willows City Council or City of Willows has additional ideas on how to educate our residents. We have heard from Public Works employees that multiple lift stations have had blockage issues but, we notice that the Cherry Street Lift Station is the only lift station listed the City of Willows Newsletter.

Thank you for your help,

Randy Galbraith, President
Northeast Willows Community Services District

NORTHEAST WILLOWS COMMUNITY SERVICES DISTRICT



Check out our new website

<https://newcsd.specialdistrict.org>

Northeast Willows Community Services District is a Special District located North of Wood Street and East of Tehama Street in Glenn County.

Do you have questions? E-mail us at northeastwillowscsd@gmail.com

Dear NEWCSD Ratepayers,

Please **DO NOT** put diapers, wipes, tampons or any feminine products down your toilet!!

NEWCSD
P.O. Box 2010
Willows, CA 95988

NEWCSD has 289 Residential & Commercial connections.
Sewer fees are collected with property taxes.

We are currently on Tier 2 of the five-year City of Willows Sewer Rate Increase Schedule.

Northeast Willows Community Services District Board meets on the 2nd Wednesday of the month at 5:15pm
777 N. Colusa Street
Willows, CA 95988.

The public is welcome to attend.

2023 Board of Directors

President Randy Galbraith,
VP Mike Rakestraw, Lisa Davis,
Dennis Asbury & Ray Crabtree

Check out our new website:
<https://newcsd.specialdistrict.org>

NEWCSD
P.O. Box 2010
Willows, CA 95988

Do you have any questions? Please e-mail
northeastwillowscsd@gmail.com



Willows City Council Special Meeting Draft Action Minutes May 2, 2023

City Council
Rick Thomas, Mayor
David Vodden, Vice Mayor
Gary Hansen, Council Member
Jeff Williams, Council Member
Casey Hofhenke, Council Member

City Manager
Marti Brown

City Clerk
Vacant

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

1. **CALL TO ORDER – 5:30 PM**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Councilmembers Present: Councilmembers Hansen, Hofhenke and Williams, Vice Mayor Vodden and Mayor Thomas

4. **PUBLIC COMMENT**

Tom Brandon, Dan Gupton and Janice Bond-Smith all spoke in support of the library.

5. **WORKSHOP #2: FY 2023-24 BUDGET**

In addition to Staff's recommendations and proposed budget amendments for FY 2023-24, Council directed Staff to include full-time Children's Librarian and Recreation Director positions, and Civic Center and park shed repairs in the draft FY 2023-24 Budget to be presented on May 22, 2023.

6. **ADJOURNMENT – 7:26 PM**

Dated: May 4, 2023

Marti Brown, City Manager



Date: May 9, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: Merger and Name Change of Health Insurance Company, Fire Districts Association of California, Employee Benefit Authority (FDAC EBA)

Recommendation:

Approve continuing to participate in the new Joint Self-Insurance and Risk Management Programs provided by Fire Risk Management Services (FRMS) as a result of the merger between Fire Districts Association of California, Employee Benefit Authority (FDAC EBA) and Fire Agencies Self Insurance System (FASIS).

Rationale for Recommendation:

FDAC EBA and FRMS require a Council approved resolution agreeing to the merger and name change in order for the City to stay with its current health insurance coverage. The coverage and terms of the existing agreement will remain the same for the City and for employees and will not change due to the merger.

Background:

The FDAC EBA is the insurance company the City of Willows contracted with on November 1, 2022. They are now merging with Fire Agencies Self Insurance System (FASIS) and are adopting a new name, Fire Risk Management Services (FRMS).

This will allow the previous two companies to provide comprehensive and cost-effective coverage programs to their members. There will be no change to the City and/or the Employees coverage and terms as previously agreed to with FDAC EBA.

Fiscal Impact:

There is no fiscal impact.

Attachment:

- Attachment 1: Resolution XX-2023 and Exhibit A



**City of Willows
Resolution XX-2023**

RESOLUTION OF THE CITY OF WILLOWS AUTHORIZING PARTICIPATION IN AND APPROVING THE AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT OF THE FIRE RISK MANAGEMENT SERVICES JOINT POWERS AUTHORITY

WHEREAS, the Fire Agencies Self Insurance System (FASIS) was formed in 1984 for the purpose of jointly funding losses and providing risk management services to reduce such losses by and among California fire protection and community services districts; and

WHEREAS, the FDAC Employment Benefits Authority (FDAC EBA) was formed in 2005 to establish, operate, manage, and administer health and welfare benefit programs for the benefit of the existing and retired officers, employees and members of the legislative body of the California public agencies who are members of FDAC EBA; and

WHEREAS, following the exploration and in-depth analysis of a strategic partnership, the Board of Directors of FASIS and FDAC EBA directed the merger of the two programs, effective July 1, 2023, to provide comprehensive and cost-effective coverage programs through a responsive risk pool for fire service agencies; and

WHEREAS, FASIS and FDAC EBA have agreed that FASIS will change its name to Fire Risk Management Services (FRMS) and adopt an amended and restated joint exercise of powers agreement, and that FDAC EBA will assign its rights and liabilities to FRMS and adopt the same agreement as its own; and

WHEREAS, the amended and restated agreement allows FRMS to operate the programs previously operated by both FDAC EBA and FASIS, and admit members that would have been eligible to join either FDAC EBA or FASIS in the past; and

WHEREAS, The City of Willows is currently a member of FDAC EBA, and the City Council of the City of Willows finds it in the best interest of the City of Willows to continue participating in and obtaining coverage and risk management services from FRMS; and

WHEREAS, FRMS requires the City of Willows to pass a resolution expressing the desire and commitment of the City of Willows to approve the amended and restated joint exercise of powers agreement of FRMS and continue participation in FRMS, which requires a new three-year minimum participation period.

NOW, THEREFORE, BE IT RESOLVED that the City Council of City of Willows approves the

Amended and Restated Joint Exercise of Powers Agreement for FRMS, as presented; and

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager or her designee to sign the Amended and Restated Joint Exercise of Powers Agreement that shall enable the City of Willows to continue participating in the joint self-insurance and risk management programs provided by FRMS.

THIS RESOLUTION DULY PASSED this 9th day of May 2023.

AYES:

NOES:

ABSENT:

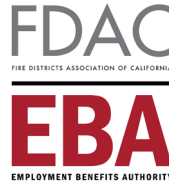
ABSTAIN:

APPROVED:

ATTEST:

Richard Thomas, Mayor

Tara Rustenhoven, Deputy City Clerk



TO: FDAC EBA Member Districts

FROM: Carmen Berry, FDAC EBA Executive Director

DATE: March 2, 2023

SUBJECT: **AMENDED AND RESTATED JOINT POWERS AGREEMENT OF FIRE RISK MANAGEMENT SERVICES (formerly FDAC Employee Benefits Authority)**

The Fire Districts Association of California Employment Benefits Association (FDAC EBA) and Fire Agencies Self Insurance System (FASIS) will consolidate, effective July 1, 2023, to form Fire Risk Management Services (FRMS). FRMS is a multi-line risk pool providing eligible fire districts and public agencies that provide emergency services employee benefits coverage and workers' compensation to eligible fire districts in California.

The FDAC EBA and FASIS Consolidation Advisory Committee has met regularly over the past twelve months to work toward streamlining the financial and administrative services via a consolidation of the two programs. At the Special Board of Directors Meeting on February 22, 2023, the FASIS and FDAC EBA Boards unanimously approved the FRMS Amended and Restated Joint Powers Agreement (JPA), effective July 1, 2023.

In accordance with the Joint Powers Agreement: Creating the FDAC Fire Benefits Authority, Article 14:

“This Joint Powers Agreement may be amended by an amendment in writing signed by two-thirds of the Agencies then parties to this Agreement.”

Attached is the Amended and Restated Joint Powers Agreement of the Fire Risk Management Services. The Agreement requires approval under Section 31: Execution in Counterparts and must be received in our office **no later than June 20, 2023**. Signatories to the Agreement will require approval from their respective governing bodies. To aid in this endeavor, attached are sample resolutions for use by either 1) members of FDAC EBA only; or 2) members of both FASIS and FDAC EBA. The sample resolutions allow for approval of the Agreement and authorize the designated executive officer to execute, thus enabling participation in FRMS, effective July 1, 2023.

Upon approval from your district's governing body, the Agreement under Section 31 (page 20) must be executed using one of the following options:

1. Original Signature: print Section 31 (page 20) of the Agreement, sign and return via USPS.
2. Electronic Signature - Email: print Section 31 (page 20) of the Agreement, sign, scan, and return via email.
3. Electronic Signature - Acrobat Sign: electronically access the [Agreement](#), sign, and submit.

When utilizing options #1 or #2 above, please submit the executed Agreement via USPS, email, or fax to:

Melissa Feltz, FDAC EBA Coordinator
c/o SMA
808 R Street, Suite 209
Sacramento, CA 95811
FAX: (916) 231-2141
mfeltz@firebenefits.org

Your attention to this important matter is appreciated. If you have any questions or require additional information, please contact Melissa Feltz at (916) 231-2143 or mfeltz@firebenefits.org.

Attachments:

1. Amended and Restated Joint Powers Agreement of Fire Risk Management Services
2. Sample Resolution Authorizing Participation in Fire Risk Management Services – FASIS
3. Sample Resolution Authorizing Participation in Fire Risk Management Services – FASIS & FDAC EBA

**AMENDED AND RESTATED JOINT POWERS AGREEMENT
OF FIRE RISK MANAGEMENT SERVICES
(Formerly Fire Agencies Self Insurance System (FASIS))**

This Amended and Restated Joint Powers Agreement of Fire Risk Management Services (“FRMS”) (“Agreement”), formerly known as the Fire Agencies Self Insurance System (“FASIS”) is made and entered into by and among the public agencies organized and existing under the laws of the State of California who have or may hereafter execute this Joint Powers Agreement (the “Members”) pursuant to the authority conferred by Government Code Section 6500 et seq.

RECITALS

WHEREAS, each of the Members who have executed this Agreement is a “public agency” as that term is defined in Section 6500 of the California Government Code; and

WHEREAS, California Government Code Section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Labor Code Section 3700 (c) authorizes public agencies, including members of a pooling arrangement under a joint powers authority, to fund and self-insure for their Worker’s Compensation claims liability; and

WHEREAS, California Government Code Section 990.4 provides that a local public agency may self-insure, purchase insurance through an authorized carrier, purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, California Government Code Sections 989 and 990 authorize a local public agency to self-insure itself and its employees against tort and inverse condemnation liability; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public agencies may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, California Government Code Section 990.6 provides that the cost of such insurance or self-insurance is an authorized and appropriate expenditure of public funds; and

WHEREAS, California Government Code Sections 53200, 53201(a), 53202, 53202.2, 65205, 53205.1, 53205.16, 53206, 53208 and Health and Safety Code Section 13800 et seq. provide that a local public agency may provide for any health and welfare benefits for the benefit of its existing and retired officers, employees, and members of its legislative body, which health and welfare benefits include, but are not limited to medical, hospital surgical, disability, legal expense, dental, vision, life, and income protection insurance or benefits, whether provided on an insurance basis, self-funded basis, or some combination of insurance and self-funding; and

WHEREAS, Government Code Section 53202 states that in providing such health and welfare benefits, a public agency may approve self-funded plans or may contract with one or more admitted insurers, health service organizations or legal service organizations for such plans of health and welfare benefits as the public agency determines to be in the best interest of the public agency and its existing and retired officers, employees and legislative body; and

WHEREAS, Government Code Section 53205 provides that the legislative body of a public agency may expend public agency funds for the premiums, dues or other charges for health and welfare benefits of its existing and retired officers, employees, and members of its legislative body; and

WHEREAS, each of the Members which are parties to this Agreement desire to join together with other Members in order to collectively establish, operate, manage, administer and fund programs of insurance and/or self-insurance for workers' compensation benefits, employment benefits, general liability, property damage, and other coverages to be determined; and

WHEREAS, each of the Members which are parties to this Agreement find it to be to its mutual advantage and in the public benefit to utilize any power common to them, and all those powers available to a Joint Powers Authority pursuant to the Joint Powers Act at Government Code Section 6500 et seq. (the "Act"), to fulfill the purposes of this Agreement specified in Section 3 hereof, including establishing pools for self-insured losses and purchasing excess or re-insurance and administrative services in connection with the Joint Protection Programs (the "Coverage Programs") for the collective benefit of the Members; and

WHEREAS, certain Members have previously executed that certain Amended Joint Powers Agreement of FASIS dated October 13, 2005 (the "FASIS JPA"), which agreement such Members desire to amend and restate by this Agreement; and

WHEREAS, this Amendment and Restatement is intended to allow members of Fire Districts Association of California Employment Benefits Authority ("FDAC EBA") to join FRMS and share in consolidated administration and governance of programs by amending and restating its existing Joint Powers Agreement to this Agreement; and

WHEREAS, the governing body of each Member has determined that it in the best interests of the Member, and in the public interest, to execute this Agreement and participate in FRMS as a Member;

WHEREAS, it is to the mutual advantage of and in the best interest of the parties to this Joint Powers Agreement to continue and expand this Joint Powers Authority for the purposes stated.

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

**SECTION 1:
DEFINITIONS**

The following definitions shall apply to the provisions of this Agreement:

1. “Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended.
2. “Administrator” shall mean the employee or third-party contractor who is appointed by the Board of Directors to manage the business and affairs of FRMS under the policy direction of the Board of Directors.
3. “Assessment” means an amount additional to a Member’s initial contribution or annual contribution, which the Board of Directors determines, in accordance with this Agreement and/or the Bylaws, that a Member or Former Member owes on account of its participation in a Coverage Program for a given Program year.
4. “Board of Directors” or “Board” shall mean the governing body of FRMS.
5. “Bylaws” means the Bylaws of FRMS adopted by the Board of Directors, as they may be amended from time to time.
6. “Claim” shall mean a demand made by or against a Member or Former Member which is or may be covered by one of the Coverage Programs approved by the Board of Directors.
7. “Contribution” shall mean the amount determined by the Board of Directors to be the appropriate sum of money which a Member must pay at the commencement of or during a Program Year in exchange for the benefits provided by a Coverage Program.
8. “Coverage Program” shall mean the specific type of Joint Protection Program as set forth in the terms, conditions and exclusions of the Coverage Documents for insured or self-insured losses, and the purchasing of excess or re-insurance and administrative services with respect to such losses. On the effective date, FRMS will operate two (2) Coverage Programs, the Workers’ Compensation Coverage Program for workers’ compensation claims, and the Employment Benefits Coverage Program for claims related to medical, hospital surgical, disability, legal expense, dental, vision, life, and income protection insurance or benefits. FRMS may add additional programs later.
9. “Coverage Documents” shall mean the Declarations, Memorandum of Coverages, Coverage Agreements, Endorsements, Policies of Insurance or any other documents that provide the terms, conditions, limits and exclusions of coverage afforded by a Coverage Program.

10. "District" shall mean a special district and political subdivision of the State of California as defined in Government Code Section 56000 et seq.
11. "Duly Constituted Board Meeting" shall mean any meeting of the Board of Directors noticed and held pursuant to the Ralph M. Brown Act and at which a quorum is determined to be present at the beginning of said meeting.
12. "Estimated Contribution" shall mean the amount which the Board of Directors estimates will be the appropriate contribution for a Member's participation in a Coverage Program for a Program Year.
13. "Excess or Re-Insurance" shall mean that insurance that may be purchased on behalf of FRMS and/or the Members to protect the funds of the Members or Former Members against catastrophic losses or an unusual frequency of losses in a particular Coverage Program during a Program Year in excess of any self-insured retention maintained by FRMS for that Coverage Program.
14. "Fiscal Year" shall mean that period of 12 months which is established by the Board of Directors as the fiscal year of FRMS.
15. "Former Member" shall mean a Member which was a signatory to this Agreement (or the prior FASIS Agreement) but which has withdrawn from, or been involuntarily terminated from participation in FMRS.
16. "Joint Protection Program" shall mean a Coverage Program offered by FRMS, separate and distinct from other Coverage Programs, wherein Members shall jointly pool their losses and claims, jointly purchase excess or re-insurance and administrative and other services including claims adjusting, data processing, risk management consulting and brokerage, loss prevention, legal, accounting and auditing and related services.
17. "Member" shall mean a public agency which has signed this Agreement, which qualifies as a Member under the provisions of this Agreement and the Bylaws, and which has been approved for membership by the Board of Directors.
18. "Memorandum of Coverage" shall mean a document issued by FRMS for each Coverage Program specifying the coverages and limits provided to the Members participating in that Coverage Program.
19. "Pooling" shall mean group self-insurance as permitted by Government Code Section 990.8, Labor Code Section 3700 and Government Code Section 53202.
20. "Program Year" shall mean a 12-month period of time determined by the Board of Directors, during which a particular Coverage Program is in effect.

21. "Retained Earnings" shall mean an account reflecting the accumulated earnings of a Coverage Program after payment of all losses, expenses and obligations of that Coverage Program.
22. "Risk Management" shall mean the process of identifying, evaluating, reducing, transferring and eliminating risks. Risk Management includes, but is not limited to, various methods of funding claims payments, purchasing insurance, legal defense of claims, controlling losses, and determining self-insurance retention levels and the amount of reserves for potential claims.

SECTION 2:
FRMS AS SUCCESSOR TO AND EXPANSION OF FASIS

FASIS was originally formed on July 1, 1984, pursuant to the provisions of Government Code Section 6500 et seq. as a joint powers authority to provide a program of pooling of self-insured workers' compensation losses of its members, which members were defined as California fire protection districts formed and operating under the provisions of California Health and Safety Code Section 13800 et seq. and California community services districts providing fire suppression and emergency services formed and operating under the provisions of California Government Code Section 61000, et seq. FASIS has continued to provide this self-insurance program up to the effective date of this Agreement.

As of the effective date of this Agreement, the Fire Agencies Self Insurance System shall be known as Fire Risk Management Services, referred to herein as FRMS. Pursuant to Government Code Sections 6506 and 6507, from its inception, FRMS has, is, and shall be a public entity separate and independent from the Members which is governed exclusively by its Board of Directors ("Board").

FDAC EBA was originally formed on July 1, 2005, pursuant to the provisions of Government Code Section 6500 et seq. as a joint powers authority to provide employment benefits programs including medical, hospital surgical, disability, legal expense, dental, vision, life, and income protection insurance or benefits, whether provided on an insurance basis, self-funded basis, or some combination of insurance and self-funding, to any California public agency including special districts, cities, and joint powers authorities which were formed with the power to provide fire suppression and emergency services. FDAC EBA has continued to provide this employment benefits program up to the effective date of this Agreement.

This Agreement is being amended and restated in part to allow members of Fire Districts Association of California Employment Benefits Authority ("FDAC EBA") to join FRMS and share in consolidated administration and governance of programs. Accordingly, as of the effective date of this Agreement, the membership of FRMS shall consist of the members of FASIS, as well as the members of FDAC EBA that have approved this Agreement. Future membership in FRMS is open to public agencies throughout California that meet the membership requirements specified herein and in the Bylaws and are approved for membership by the Board of Directors.

SECTION 3: PURPOSE

This Agreement is entered into by the Members pursuant to Government Code Sections 989, 990, 990.4, 990.6, 990.8, 52200 et seq., 6500 et seq. and Labor Code Section 3700, et seq., in order to provide, subject to the Coverage Documents, workers' compensation and employment benefits coverages, and/or coverages for other risks which the Board of Directors may determine.

Additional purposes of this Agreement are: (1) to reduce the amount and frequency of losses, and to decrease the costs incurred by Members in the handling and litigation of claims; (2) to expand the breadth and reduce the costs of health and welfare benefits including, but are not limited to medical, hospital, surgical, disability, legal expense, dental, vision, life, and income protection insurance or benefits, whether provided on an insurance basis, self-funded basis, or some combination of insurance and self-funding. These purposes shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public entity, Fire Risk Management Services ("FMRS") to establish and administer Coverage Programs as set forth herein and in the Bylaws.

It is also the purpose of this Agreement to provide for the inclusion at subsequent dates of such additional Members organized and existing as California public agencies as may desire to become parties to this Agreement and Members of FRMS, subject to approval by the Board of Directors.

SECTION 4: MEMBERSHIP

Each Member which is a party to this Agreement must be a public agency which is duly organized and existing under the laws of the State of California with the power to provide at least one of the following services: (1) fire suppression services, (2) emergency medical services, including emergency disease response, prevention and control services; (3) hazardous material response services (4) medical transport and/or ambulance services, including emergency transportation services (5) rescue services; (6) any other emergency response services provided pursuant to the California Emergency Services Act (Government Code Section 8550 et seq.). "Emergency" is defined as any condition of disaster or of extreme peril to the safety of persons and/or property caused by such conditions as air pollution, fire, flood, hazardous material incident, storm, epidemic, riot, drought, plant or animal infestations or disease, earthquake, terrorism, or sudden and severe energy shortage. Each Member must be approved for participation in the Authority in the manner provided in the Bylaws of the Authority.

There shall be two (2) classes of Membership: (1) Voting Members; and (2) Non-voting Members. Voting Members shall be public agencies organized as a fire protection district formed and operating pursuant to the terms of California Health and Safety Code Section 13800 et seq. All other Members shall be Non-voting Members.

The rights and obligations of Voting Members shall be as described in the Bylaws.

SECTION 5:
PARTIES TO AGREEMENT

Each Member which has signed this Agreement certifies that it intends to and does contract with FRMS, and with all other parties who have signed this Agreement, and, in addition, with such other parties which may later be added as a party to and may sign this Agreement. Each party to this Agreement, which has or may hereafter sign this Agreement, also certifies that the withdrawal of any party from this Agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this Agreement nor such party's intent to contract with the other remaining parties to this Agreement.

SECTION 6:
TERM OF AGREEMENT

This Agreement shall become effective as to existing Members of FASIS on the later of July 1, 2023, or the date on which the last of two-thirds of such Members have executed this Agreement ("effective date"). This Agreement shall become effective as to existing Members of FDAC EBA on the later of July 1, 2023 or the date on which two-thirds of its members have executed this Agreement.

This Agreement shall become effective as to each new Member upon: (1) approval of its membership by the Board of Directors of the FRMS; (2) execution of this Agreement by the new Member and by FRMS; and (3) by payment by the new Member of its initial contribution for participation in one of the Coverage Programs offered by the FRMS.

SECTION 7:
POWERS OF FRMS

FRMS shall have all the powers common to its Members and all additional powers set forth in the Joint Powers Authority Act, and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (1) to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of FRMS, or which were entered into by a Member or Former Member prior to joining FRMS, and to acquire assets, incur liabilities, and resolve and make claims;
- (2) to accept an assignment from the FDAC EBA of all its assets, obligations and liabilities (including claims and contracts in existence at the time of consolidation) in order to benefit the Members and Former Members participating in the FDAC EBA employment benefits coverage program; provided, that except for the fair and equitable allocation of administrative and overhead expenses, funds from such assignment shall not be commingled and shall be separately accounted for as provided in this Agreement and the Bylaws;

- (3) to incur debts, liabilities or other obligations; including those which are not debts, liabilities or other obligations of the Members or Former Members, or any of them;
- (4) to charge and collect Contributions and Assessments from Members or Former Members for participation in a Coverage Program;
- (5) to employ agents and employees and/or to contract for services from third-party consultants;
- (6) to receive grants and donations of property, funds, services, and other forms of assistance from persons, firms, corporations and government entities;
- (7) to acquire, hold, lease or dispose of property, funds, contributions, donations, and any other forms of assistance from persons, firms, corporations and government entities;
- (8) to acquire property by gift, grant, exchange, devise, or purchase;
- (9) to hold, lease, convey, sell, encumber, or dispose of property;
- (10) to sue and to be sued in its own name;
- (11) to issue or caused to be issue bonded and other indebtedness, and pledge any property or revenues as security to the extent permitted by law by Articles 2 and 4 of the Act or otherwise, including, but not limited to, bonds or other evidences of indebtedness issued on behalf of FRMS or its Members;
- (12) to obtain in its own name all necessary permits, licenses, opinions and rulings;
- (13) whenever necessary to facilitate the exercise of its powers, to form and administer nonprofit corporations to perform one or more of the functions which FRMS is empowered to perform, or to perform any other proper corporate function, and to enter into agreements with such nonprofit corporations;
- (14) to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of Members or Former Members, or otherwise authorized by law or the Act; and
- (15) to exercise all powers and perform all acts as otherwise provided in the Bylaws.

Said powers shall be exercised pursuant to the terms hereof, and in the manner provided by law and in accordance with Section 6509 of the Act. The foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Member or Former Member designated in the Bylaws.

SECTION 8:
BOARD OF DIRECTORS

All powers of FRMS shall be exercised by, and its property controlled and its affairs conducted by and through its Board of Directors. Said Board of Directors is hereby designated as the agency to administer and execute this Agreement pursuant to Government Code Section 6506.

The Board of Directors shall be composed of no more than fifteen (15) and no less than eleven (11) individuals, each of whom is elected by a majority vote of Voting Members participating in a Coverage Program, as specified in the Bylaws. Each member of the Board of Directors shall have one vote. The terms for Directors, procedures for electing Directors, and the composition of the Board of Directors shall be as set forth in the Bylaws. The Board of Directors shall have the authority to conduct all business and govern all affairs of this Joint Powers Authority under the provisions hereof and pursuant to law and shall have such powers and functions as are provided for herein, in the Bylaws, or by law.

SECTION 9:
POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have such powers as provided in this Agreement and the Bylaws and such additional powers as necessary or appropriate to fulfill the purposes of this Agreement and the Bylaws, including, but not limited to the following:

- (a) Exercise all powers and conduct all business of this Joint Powers Authority.
- (b) Determine the details of and select the Coverage Programs to be offered by FRMS;
- (c) Provide for and develop various services including, but not limited to, financial administration, insurance consulting and brokerage services; claims adjustment services, loss control and risk management services; accountancy, auditing and actuarial services; and legal and legislative advocacy services, either through its own employees or contracts with third parties.
- (d) Appoint and provide policy direction to the Administrator, appoint committees, appoint staff, and employ such persons as the Board of Directors deems necessary for the administration of this Joint Powers Authority.
- (e) Determine and purchase all necessary insurance coverage, including Excess insurance, Re-insurance, liability insurance, director's and officer's liability insurance, and such other insurance as FRMS may deem necessary or proper to carry out the Coverage Programs offered by the Authority, and to protect the employees of FRMS and the employees of the Members.
- (f) Fix and collect Contributions and Assessments from participating Members in consideration for participation in the Coverage Programs offered by FRMS.

- (g) Deposit all funds received in appropriate separate bank accounts in the name of Fire Risk Management Services.
- (h) Invest funds on hand in any manner authorized by law for the investment of funds of a public agency.
- (i) Direct the payment, adjustment, compromise, settlement and defense of all claims as provided for in the Coverage Documents involving a Member during their period of membership in and participation in a Coverage Program.
- (j) Expend funds of FRMS only for the purpose of carrying out the provisions of the Agreement and the Bylaws as they now exist or may hereafter be amended.
- (k) Obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds of the FRMS.
- (l) Acquire property by gift, grant, exchange, devise, or purchase; or hold, lease, convey, sell, encumber, or dispose of all property necessary or appropriate to carry out the powers and operations of FRMS.
- (m) Establish policies and procedures for the operation of FRMS.
- (n) Enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of FRMS.
- (o) To prepare the annual operating budget of FRMS for each fiscal year.
- (p) To engage, retain and discharge agents, representatives, firms or other organizations as the Board of Directors deems necessary for the administration of FRMS.
- (q) To exercise general supervisory power and policy control over the Executive Director.
- (r) To transact any other business which is within the powers of the Board of Directors.
- (s) Elect officers of FRMS.

SECTION 10:
OFFICERS

The officers of FRMS shall consist of the President, Vice President, Secretary, Treasurer, Assistant Treasurer, and Administrator. The position of Treasurer shall be filled by a person who either is the treasurer of a Member, a certified public accountant, or one of the officers, employees, or contracted consultants of FRMS. The Treasurer shall have no vote unless the Treasurer is also a Director.

The Treasurer shall serve at the discretion of the President. The Treasurer shall be the depository of and have custody of all the funds of FRMS, from whatever source. The Treasurer shall comply with the duties and responsibilities of the office as set forth in subdivisions (a) to (d), inclusive, of Section 6505.5 of the Government Code. The Board shall require the Treasurer to file with FRMS an official bond in the amount to be fixed by the Board. FRMS shall pay the cost of bond premiums required by this section.

In lieu of the designation of a treasurer and auditor as set forth in Government Code Section 6505.5, FRMS elects to appoint the Treasurer of FRMS to said positions under the provision of Government Code Section 6505.6. FRMS further elects to be governed by and incorporates herein all other provisions contained within Government Code Section 6505.6, including but not limited to the requirement that the Treasurer shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505. The treasurer, or the treasurer's designee, shall maintain or cause to be maintained all accounting or other financial records FRMS and shall file all financial reports required of FRMS and shall perform such other duties as the Board may specify.

All offices shall be filled and have the powers and responsibilities as prescribed in the Bylaws.

SECTION 11:
RESTRICTIONS ON POWER

Such powers enumerated in Section 8 hereof are subject to the restrictions upon the manner of exercising power by the California public agency which is a Member and which is named in the Bylaws, pursuant to California Government Code Section 6509.

SECTION 12:
COMPLIANCE WITH THE BROWN ACT

All meetings of the Board, including regular, adjourned regular and special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code section 54950 et seq.

SECTION 13:
BYLAWS

The Board shall promulgate Bylaws to govern day-to-day operations of FRMS. The Board may amend the Bylaws from time to time as provided for in the Bylaws. The initial Bylaws of FRMS, a copy of which is attached hereto and marked Exhibit A, are hereby adopted as the initial Bylaws of FRMS. Each party to this Agreement by the execution hereof agrees to be bound by and to comply with all the terms and conditions of this Agreement and of said Bylaws as they now exist or may hereafter be amended, and agrees that any violation of the Bylaws shall be a violation of this Agreement. FRMS shall operate and conduct its business and affairs pursuant to the terms of

this Agreement and said Bylaws. In the event any provisions of the Bylaws conflict with a provision of this Agreement, the provision contained in this Agreement shall control.

SECTION 14:
COVERAGE PROGRAMS

FRMS shall maintain such types and levels of coverage for Coverage Programs as determined by the Board of Directors. The coverage afforded under one or more Coverage Programs may include protection for workers' compensation liability, employment health and welfare benefits, and any other risks which the Board of Directors may determine to be advisable. More than one type of coverage may be afforded under a single Coverage Program. FRMS shall describe the coverage and operation of each Coverage Program in writing utilizing documents such as Memorandums of Coverage, Master Program Documents, or other written policies and procedures.

The Board of Directors may arrange for purchase of Excess or Re-insurance. FRMS shall not be liable to any Member or to any other person or organization if such excess or re-insurance policies are terminated, cancelled or non-renewed without prior notice to one or more Members, or if there is a reduction in the type or amounts of coverage afforded under a Coverage Program by reason of any change in coverage in a succeeding excess or re-insurance policy, even if such reduction occur without prior notice to one or more Members.

SECTION 15:
IMPLEMENTATION OF THE COVERAGE PROGRAMS

The Board of Directors shall establish the coverage afforded by each Coverage Program, the amount of Contributions and Assessments, the precise cost allocation plans and formulas, provide for the handling of Claims, and specify the amounts and types of Excess or Re-insurance to be obtained. The Contributions and Assessments for each Coverage Program shall be determined by the Board of Directors as set forth herein, in the Bylaws, or in the controlling documents for each Coverage Program.

SECTION 16:
ACCOUNTS AND RECORDS

- (a) **Annual Budget.** FRMS shall, pursuant to the Bylaws, annually adopt an operating budget, including budgets for each Coverage Program.
- (b) **Funds and Accounts.** FRMS shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles, including separate funds and accounts for each Coverage Program. Books and records of FRMS shall be open to any inspection at all reasonable times by authorized representatives of Members, or as otherwise required by law.
- (c) **Investments.** Subject to the applicable provisions of any indenture or resolution providing for the investment of moneys held thereunder, FRMS shall have the power to

invest any money in the treasury that is not required for the immediate necessities of FRMS, as the Board determines advisable, in the same manner as local agencies pursuant to Government Code Section 53601 et seq. as such provisions may be amended or supplemented.

- (d) **No Commingling.** The funds, reserves, and accounts of each Coverage Program shall not be commingled and shall be accounted for separately; provided, however, that administration and overhead expenses of FRMS not related to a specific Coverage Program may be fairly and equitably allocated among Coverage Programs as determined by the Board of Directors. Investments and cash accounts may be combined for administrative convenience, but separate accounting shall be made for balances of individual funds and Coverage Program revenues and expenses.
- (e) **Annual Audit.** The Board shall provide for a certified, annual audit of the accounts and records of FRMS, in the manner prescribed in the Bylaws.

SECTION 17:
SERVICES PROVIDED BY FRMS

FRMS may provide, in the discretion of the Board of Directors, the following services in connection with this Agreement:

- (a) To provide or procure coverage, including but not limited to self-insurance funds and commercial insurance, as well as Excess or Re-insurance and umbrella insurance, by negotiation, bid or purchase;
- (b) To assist Members in obtaining insurance coverage for risks not included within the coverages of FRMS;
- (c) To assist risk managers with the implementation of risk management functions as they relate to risks covered by the Coverage Programs offered by FRMS;
- (d) To provide loss control and safety consulting services to Members;
- (e) To provide claims adjusting and subrogation services for Claims covered by the Coverage Programs;
- (f) To provide loss analysis and control through the use of statistical analysis, data processing, and record and file retention services, in order to identify high exposure operations and to evaluate proper levels of self-insured retention and deductibles;
- (g) To conduct risk management and claims audits relating to the participation of Members in the Coverage Programs;
- (h) To provide such other services as deemed appropriate by the Board of Directors.

SECTION 18:
RESPONSIBILITIES OF MEMBERS

Members or Former Members shall have the following responsibilities, which shall survive the withdrawal from, or involuntary termination of participation in a Coverage Program, or membership in FRMS:

- (a) Each Member shall designate an individual to be responsible for the risk management functions within that Member and to serve as a liaison between the Member and FRMS as to risk management.
- (b) Each Member shall consider all recommendations of FRMS concerning unsafe practices and/or hazard mitigation, and each Member participating in the Workers' Compensation Coverage Program shall implement and maintain an injury and illness prevention program as required by the California Labor Code within ninety (90) days of inception into program.
- (c) Each benefits program Member shall maintain its own set of records, including a loss log, in all categories of risk covered by each Coverage Program in which it participates to assure accuracy of FRMS' loss reporting system, unless it is deemed no longer necessary by the Board of Directors;
- (d) Each Member participating in the Workers' Compensation Program shall report job-related accidents or illnesses to the appropriate claims administrator as soon as practicable after notification of the accident or illness, and no later than 48 hours after notification, shall use the format specified by the claims administrator when making job-related accident reports, and make any other required notifications to government agencies, including Cal-OSHA, when required;
- (e) Each Member shall pay its Contribution, and any adjustments thereto, and any Assessments within the specified time period set forth in the invoice, or as otherwise set forth in the Bylaws. After withdrawal or termination, each Former Member or its successor shall promptly pay to FRMS its share of any additional Contributions, adjustments or Assessments, if any, as required of it by the Board of Directors;
- (f) Each Member or Former Member shall provide FRMS with such other information or assistance as may be necessary for FRMS to carry out the Coverage Programs in which the Member or Former Member participates or has participated;
- (g) Each Member or Former Member shall in any and all ways cooperate with and assist FRMS and any insurer of FRMS, in all matters relating to this Agreement and covered Claims;
- (h) Each Member or Former Member shall comply with all Bylaws, rules, regulations and operating policies and procedures adopted by the Board of Directors.

**SECTION 19:
NEW MEMBERS**

FRMS shall allow entry into its Coverage Programs of new Members, only upon approval of the Board of Directors, with any conditions or limitations that the Board deems appropriate. In order to become a Member and remain a Member, any public agency must participate in at least one Coverage Program, pay the Contributions required for such participation, and shall be authorized to exercise the common powers set forth in this Agreement.

**SECTION 20:
WITHDRAWAL**

Any Member may voluntarily withdraw from this Agreement only at the end of any applicable Program Year and only if:

- (a) The Member has been a party to this Amended and Restated Agreement for not less than three (3) full Program Years as of the date of the proposed withdrawal;
- (b) The Member submits at least 90 (ninety) days signed written withdrawal notification in accordance with the Bylaws;
- (c) In order to withdraw from the Agreement, the Member must have completed the three (3) full Program Year participation requirement for each Coverage Program in which the Member participated at the time of withdrawal.

Any Member may voluntarily withdraw from any particular Coverage Program only at the end of any applicable Program Year and only if:

- (a) The Member has participated in a Coverage Program for at least three (3) full Program Years;
- (b) The Member is a participant in another Coverage Program; and
- (c) The Member submits at least ninety (90) days signed written withdrawal notification in accordance with the Bylaws.

In the event that the three (3) year participation requirement for any Coverage Program has not been met, for each Coverage Program the withdrawing Member participated in at the time of withdrawal for less than three (3) years, such withdrawing Member shall be obligated to pay all Contributions and Assessments as if that Member had remained in such Coverage Program for the required three (3) full years.

In the event the notice of withdrawal is not provided as required above, any such withdrawing Member shall, with respect to each Coverage Program the Member participated in, be obligated to pay any and all Contributions and Assessments for the next full Program Year.

A Member may not withdraw as a party to this Agreement until it has withdrawn from all of the Coverage Programs of FRMS as provided herein and in the Bylaws.

**SECTION 21:
EXPULSION**

FRMS shall have the right to expel any Member's participation in a Coverage Program, or expel a Member from FRMS, for violation of the terms of this Agreement, the Bylaws, or any other rule, regulation or operational policy adopted by the Board of Directors of FRMS, in the manner provided for in the Bylaws.

The participation of any Member of FRMS, including participation in any of FRMS' Coverage Programs, may be expelled in the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. Any such expulsion shall not relieve the Member or Former Member of its membership responsibilities specified in this Agreement.

**SECTION 22:
EFFECT OF WITHDRAWAL OR EXPULSION**

The withdrawal from or expulsion of any Member from this Agreement shall not be construed as a completion of the purpose of the Agreement, nor shall it terminate this Agreement. Any Member that withdraws or is expelled after the effective date of this Amended and Restated Agreement shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid or donated by the Member to FRMS, or to any return of any loss reserve contribution, or to any distribution of assets.

The withdrawal from or expulsion of any Member from any Coverage Program shall not terminate its responsibilities to pay its unpaid Contributions, adjustments, or Assessments to such Coverage Program. The Board of Directors shall determine the final amount due from the Member or Former Member by way of Contributions or Assessments, if any, or any credit due on account thereof, to the Member or Former Member for the period of its participation. Such determination shall not be made until all Claims or other unpaid liabilities of that Coverage Program have been finally resolved.

**SECTION 23:
TERMINATION OF FRMS AND DISTRIBUTION**

This Agreement may be terminated at any time with the written consent of two-thirds of the then participating Members; provided, however, that FRMS and this Agreement shall continue to exist for the purpose of disposing of all claims, distribution of all assets, and all other functions necessary to wind up the affairs of the Authority.

The Board of Directors is vested with all powers of FRMS for the purposes of winding up and dissolving the business affairs of FRMS. These powers include the power to require Members or Former Members who were signatories to this Agreement at the time the subject Claims were

incurred, to pay any Assessments in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement or the Bylaws.

Upon termination of a Coverage Program, all net assets of such Coverage Program other shall be distributed only among Members that are participating in such Coverage Program at the time of termination, in accordance with and proportionate to their Contributions, adjustments, and Assessments paid less claims or losses paid during the period of that Member's participation in the Coverage Program. The Board of Directors shall determine the distribution in the manner specified in the Bylaws.

Upon termination of this Agreement, all net assets of FRMS, other than the net assets of any Coverage Program distributed as provided above, shall be distributed only among Members in good standing at the time of such termination in accordance with and proportionate to each such Member's contributions made and claims or losses paid, as permitted by Government Code Section 6512.2. The Board of Directors shall determine such distribution in the manner specified in the Bylaws.

In lieu of terminating this Agreement, the Board may, with the written consent of two-thirds of the Voting Members, elect to assign and transfer all rights, assets, liabilities and obligations of FRMS to a successor joint powers authority created under the Act.

SECTION 24: AMENDMENTS

This Joint Powers Agreement may be amended by an amendment in writing signed by two-thirds of the Members then parties to this Agreement. Upon signature of any amendment by two-thirds of the then participating Members, any Member failing or refusing to sign such amendment may be involuntarily terminated as a party to this Agreement as provided in the Bylaws.

SECTION 25: ENFORCEMENT

FRMS is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any Member which has signed this Agreement, the Member agrees to pay such sums as the court may fix as attorney fees and costs in said action.

SECTION 26: NON-LIABILITY OF MEMBER AGENCIES

Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the FRMS shall not be the debts, liabilities or obligations of the Members which are parties to the Agreement. Nothing in the Joint Powers Agreement or in the Bylaws adopted pursuant thereto shall be construed as imposing liability upon any Member, or any officer, employee or member of the legislative body thereof, for the payment of any Claims incurred in any of the Coverage Programs

offered by FRMS to its Members, the sole recourse of claimants being against funds of those insurance programs and/or self-funded programs administered by the FRMS for the payment of such benefits.

SECTION 27:
NON-LIABILITY OF DIRECTORS, OFFICERS, ADMINISTRATOR,
AGENTS AND EMPLOYEES

The Board of Directors, officers, Administrator, agents, and employees of FRMS shall not be liable to FRMS, to any Member or Former Member, or to any other person for any actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any director, officer, administrator, agent, or employee, or independent contractor; for loss incurred through the investment or failure to invest funds; or loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer, administrator, agent, or employee. No director, officer, administrator, agent, or employee, including former directors, officers, administrators, agents or employees, shall be liable for any action taken or omitted by any other director, officer, administrator, agent, or employee.

SECTION 28:
INDEMNIFICATION OF BOARD OF DIRECTORS, OFFICERS, AND EMPLOYEES

As a public entity, FRMS shall defend and shall indemnify and hold harmless its directors, officers, and employees, including former directors, officers and employees, from any and all claims, demands, causes of action, liability, losses and damages arising out of the performance of their duties as such directors, officers and employees of FRMS, except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of FRMS shall be used for such purposes. FRMS may purchase conventional insurance to protect FRMS, and its Members and Former Members, against any such acts or omissions by its directors, officers and employees, including former directors, officers and employees.

SECTION 29:
ADMINISTRATION OF PREEXISTING OBLIGATIONS

- (a) All liabilities and obligations of FASIS existing prior to the effective date of this Amended and Restated Agreement will be administered under the terms and conditions of the FASIS Agreement as it existed prior to the effective date.
- (b) All assets of FRMS existing prior to the effective date shall be reserved by FRMS for the sole purpose of administering the preexisting obligations under the FASIS Agreement.
- (c) The Board shall appoint a committee made up of representatives of Members that were Members of FASIS prior to the effective date to make recommendations to the Board regarding the administration of the preexisting obligations under the FASIS Agreement.

As to specific agenda items relating to such matters, only Directors representing Members who were members of FASIS prior to the effective date may vote, and as to such items, a quorum shall be determined solely by reference to the number of Directors that represent members of FASIS prior to the effective date.

- (d) In the event that FDAC EBA assigns its rights, assets, liabilities and obligations to FRMS, any assets of FDAC EBA that are assigned to FRMS shall be used exclusively for the purpose of administering the obligations of FDAC EBA. In the event of such assignment, the Board shall appoint a committee made up of representatives of Members that were Members of FDAC EBA prior to the effective date to make recommendations to the Board regarding the administration of FDAC EBA's obligations. As to specific agenda items relating to such matters, only Directors representing Members who were members of FDAC EBA prior to the effective date may vote, and as to such items, a quorum shall be determined solely by reference to the number of Directors that represent members of FDAC EBA prior to the effective date.

**SECTION 30:
MISCELLANEOUS PROVISIONS**

- (a) This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of the Authority and to the successors in interest of each Member in the same manner as if such parties had been expressly named herein.
- (b) This Agreement shall be governed by the law of the state of California. This Agreement together with the documents incorporated into the Agreement by reference constitute the entire Agreement between the parties regarding its subject matter. There are no oral understandings or agreements not set forth in writing herein.
- (c) If any provisions in this Agreement are held by any court to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall nevertheless continue in full force and effect.
- (d) No person or organization or entity shall be entitled to assert the rights of any Member or Former Member under any Coverage Document or Coverage Program. No Member or Former Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third-party beneficiary of any Member or Former Member shall have any right, claim or title to any part, share, interest, fund, contribution or asset of FRMS.

SECTION 31:
EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

(Agency Name)

Date: _____

By: _____
Name/Title



DISCUSSION & ACTION CALENDAR



Date: May 9, 2023
To: Honorable Mayor and Councilmembers
From: Pat Piatt, Community Development & Services Director
Marti Brown, City Manager
Subject: Water Main Extension and Well Site Agreement with California Water Services
(Cal Water)

Recommendation:

Authorize the City Manager to sign the Cal Water Agreement extending a 12-inch water main and acquisition of the City's existing water system in the southern portion of the City from Rumiano Cheese Company to Road 57 (the City's two water wells).

Rationale for Recommendation:

The City's Water Enterprise Fund has experienced an operating deficit for many years. With only three customers, the Fund is a significant burden on city resources that requires an annual General Fund subsidy in order to operate. In addition, one of the City's wells has also previously experienced high levels of Chromium 6. Should the City continue to maintain the City's wells, there is a high probability that, at some point, the City would be required to treat for the Chromium 6 (which is very costly).

Background:

Since 1995, the City has owned and operated a well and waterlines serving three customers in the southern portion of the City. The history of the well's construction and the water system improvements were presented at the April 18, 2023, City Council Study Session.

As mentioned in the Study Session, for a number of years the City has had discussions with Cal Water to take over the City's water system. For many years, the water system has consistently experienced an operating deficit. In addition, it takes considerable staff effort to comply with all of the State requirements to operate a small water system that serves only three customers.

Discussion & Analysis:

In recent years, the City has taken steps to prepare to move forward with Cal Water taking over the City's existing water system. This included preparation of a parcel map to carve out a parcel that contains the City's well and enough room for two water tanks on one of the City-owned properties adjacent to the wastewater treatment plant and Road 57. The Council approved the parcel map on June 26, 2018. More recently, the City Attorney's office worked with Cal Water on an Agreement to take over the City's water system (Attachment 1).

Some of the highlights of the Agreement include:

- The City is responsible for paying for and completing the necessary surveying to provide a topographic map to Cal Water for the design of the improvements (completed in April 2022 and provided to Cal Water.)
- Cal Water was to design the improvements associated with extension of the watermain (completed in May 2022).
- The City is responsible for constructing the water main extension and providing construction management and inspection services.
- Once the watermain extension improvements are constructed, the City will dedicate all of the existing watermain improvements including the water system associated with serving the three customers, one of the wells, the watermain extension improvements and the well site to Cal Water.

The Agreement has been reviewed by the City Attorney and City staff (Attachment 1). Staff recommends approval of the agreement.

Once the agreement is signed, staff will move forward with bidding for the water main project. It is anticipated that bids will be opened in June and awarded in either late June or early July. The bid documents currently allow eight weeks for completion of the improvements. Assuming that the contractor moves forward in July, improvements should be completed sometime in September. Acceptance of the improvements will most likely take place in October, at which time the overall system can be turned over to Cal Water.

Once the overall water system is turned over to Cal Water, the City will no longer be responsible for operating, maintaining, and testing the water system, as well as billing customers.

Fiscal Impact:

The current estimate of probable cost is approximately \$491,000. Adding an estimated construction management and inspection costs of approximately \$70,000, the overall estimated cost of the project is approximately \$561,000. Actual costs will be dependent on bids received from contractors and the timeframe it will take to construct the improvements. The project will be funded with ARPA Funds as approved by the City Council at the August 9, 2022, Council Meeting. Final project costs will be presented to the Council for approval once the project bids are received and opened.

Attachments:

- Attachment 1: Draft Cal Water Agreement
- Attachment 2: Resolution xx-2023 Authorizing City Manager to Execute Agreement

AGREEMENT
(South Willows Water System)

This Agreement is entered into and made effective as of this 9th day of May, 2023 ("**Effective Date**"), by and between CALIFORNIA WATER SERVICE COMPANY, a California corporation ("**CalWater**"), and THE CITY OF WILLOWS, a California municipal corporation ("**City**"). CalWater and City are sometimes hereafter collectively referred to as the "**Parties**" and each as a "**Party**."

RECITALS

A. City is a California municipal corporation whose domestic water system, commonly known as South Willows Water System, currently furnishes water service to three (3) non-residential customers ("**Existing City Customers**") within an area located in the City of Willows, County of Glenn, State of California, as shown on the map attached hereto as **Exhibit A** ("**Service Area**").

B. In serving the Existing City Customers, the South Willows Water System utilizes a well, a series of pipelines and other improvements that are owned by City (collectively, the "**Existing City Facilities**"). The Existing City Facilities are more particularly defined and described in the attached **Exhibit B**.

C. CalWater is a wholly owned subsidiary of California Water Service Group, a publicly traded utility company. CalWater owns and operates water systems throughout the State of California. Notably, CalWater owns and operates a domestic water main and related infrastructure improvements (collectively, the "**CalWater Main Facilities**") that provide potable water service to customers located within and proximate to the City of Willows.

D. City has determined that, in view of:

- (i) the cost and expense of operating and maintaining the Existing City Facilities for the benefit of only three (3) customers;
- (ii) CalWater's current provision of domestic water services within and proximate to the City of Willows; and
- (iii) the existence, size and capacity of the CalWater Main Facilities,

the domestic water needs of the population serviced by the South Willows Water System (*i.e.*, the Existing Customers) would be more efficiently and economically served by transferring the Existing City Facilities and related assets to CalWater and allowing CalWater to assume responsibility for providing domestic water service to the Existing Customers through the CalWater Main Facilities and the Existing City Facilities.

E. However, CalWater's provision of domestic water service for the benefit of the Existing Customers through use of the Existing City Facilities and the CalWater Main Facilities would require the construction of certain main line extension improvements

(collectively, the “**Main Line Improvements**”) that would connect the CalWater Main Facilities to the Existing City Facilities.

- F. Subject to the terms and provisions hereof:
- City is willing and able to transfer the Existing City Facilities and related assets to CalWater and to perform certain work/services in relation to the Main Line Improvements which are necessary to allow interconnection of the Existing City Facilities to the CalWater Main Facilities, all in exchange for CalWater’s agreement to provide domestic water service to the Existing Customers and to perform certain other activities and services more particularly described herein; and
 - Provided that City completes its work in relation to the Main Line Improvements and performs all other obligations specified herein for City, CalWater is willing and able to accept ownership of the Existing City Facilities and related assets, to provide domestic water service to the Existing Customers, and to perform those additional activities and services more particularly prescribed herein for CalWater.

NOW, THEREFORE, in consideration of the foregoing recitals, which shall be deemed a relevant part of this Agreement, and the mutual covenants, promises, representations and warranties contained herein, for good and valuable consideration, the Parties hereto agree as follows:

1. DEVELOPMENT OF MAIN LINE IMPROVEMENTS.

1.1. Preliminary Description of Main Line Improvements. The Parties have heretofore established a mutually acceptable description of the Main Line Improvements and the components / elements thereof (the “**Preliminary Description**”). A copy of the Preliminary Description is attached hereto as **Exhibit C**.

1.2. Location of Main Line Improvements. The Parties agree that the Main Line Improvements shall be located generally within the area depicted in the attached **Exhibit D** (the “**Line Improvements Location**”).

1.3. Design of Main Line Improvements. City has, at its sole cost and expense, procured a survey of the Line Improvements Location and has presented same to CalWater. CalWater produced a full design of the Main Line Improvements (“**Final Design**”) at its sole cost and expense and has provided said Final Design to the City. The Final Design is (i) based upon the Preliminary Description and (ii) reflects a final/refined Line Improvements Location that is consistent with the survey. City has confirmed the accuracy and content of the Final Design.

1.4. Construction of Main Line Improvements. Following the Parties’ approval of the Final Design, City shall, at its sole cost and expense, bid, award and construct the Main Line Improvements in accordance with the Final Design. During City’s

construction of the Main Line Improvements, City shall provide Construction Management and inspection services for the project at their sole cost and expense and CalWater shall have the right to inspect the progress of such construction work and to advise City as to any issues or problems observed in relation thereto. Following City's completion of construction of the Main Line Improvements, City shall so advise CalWater regarding same. Whereupon, CalWater shall inspect the Main Line Improvements and advise City as to the completeness and acceptability thereof. In the event that CalWater determines that the Main Line Improvements are incomplete, defective or otherwise deficient, CalWater shall so advise City and City shall be responsible, at its sole cost and expense, for rectifying and/or curing the issues identified by CalWater. After all issues have been resolved to the satisfaction of CalWater, CalWater shall advise City that the Main Line Improvements are acceptable and ready to be placed into service. All inspection services provided by CalWater pursuant to this Section 1.4 shall be at the sole cost and expense of CalWater.

2. TRANSFER OF ASSETS.

2.1. Agreement to Transfer. Upon the terms and subject to all of the conditions contained herein, City hereby agrees to assign, transfer and deliver to CalWater on the Closing Date (as defined in Section 6.1 hereof), and CalWater hereby agrees to accept from City on the Closing Date, the Assets (as defined in Section 2.2 hereof). City shall deliver to CalWater at the Closing appropriate assignments, easements, deeds and other documents of conveyance as are necessary and convenient to effect the transfer of the Assets to CalWater on the Closing Date.

2.2. Description of Assets. For purposes of this Agreement, the term "**Assets**" shall refer to the following items:

(a) Existing City Facilities. All of City's right, title and interest in and to the Existing City Facilities in their current condition (see **Exhibit B**).

(b) Main Line Improvements. All of City's rights, title and interest in and to the Main Line Improvements.

(c) Other Assets. All other tangible assets owned by City and used in connection with City's operation of the Existing City Facilities and the Main Line Improvements (specifically) and the South Willows Water System (generally).

(d) Books and Records. Copies of all books, records, files, contracts, and other data of City relating to the Existing City Facilities and the Main Line Improvements (specifically) and the South Willows Water System (generally), whether in tangible form or in the form of intangible computer storage media, such as disks, tapes, and other similar storage media. [Note: Minutes and agendas of public meetings are not required to be included.]

(e) Permits. All approvals, consents, licenses, permits, waivers or other authorizations issued, granted, given, applied for at Closing or otherwise made available by or under the authority of any governmental authority (other than City) for the

ownership or operation of the Existing City Facilities and the Main Line Improvements (specifically) and the South Willows Water System (generally).

(f) Customers. All rights of City to serve the Existing Customers and any other customers now or hereafter serviced by City within the Service Area, except as to customers served by Well Number One (see Section 2.3, below).

(g) Other Intangible Property. All warranties, guarantees, agreements, utility contracts, operating and customer account records, maps and drawings, permits, franchises, licenses, claims, prepaid expenses, grants, certificates and privileges and other rights owned by City, or in which City holds any beneficial interest, relating to or used in connection with the ownership, operation, use, occupancy or enjoyment of all or any part of the Existing City Facilities and the Main Line Improvements (specifically) and the South Willows Water System (generally), all of which are collectively referred to as "**Other Intangible Property**". Other Intangible Property shall include, without limitation, all customer service contracts and all site plans, plans and specifications, "as-built" plans and drawings, permits and other governmental reviews, approvals and entitlements related to the Existing City Facilities and the Main Line Improvements (specifically) and the South Willows Water System (generally) and such of the foregoing as have been heretofore prepared, applied for, obtained or otherwise are in the name or possession or under the control of City.

2.3. Excluded Assets. Notwithstanding anything to the contrary contained in Section 2.2 or elsewhere in this Agreement, the Assets shall not include (i) that well site owned, operated and maintained by City and commonly known as "Well Number One" and (ii) any customers served by Well Number One (collectively, the "**Excluded Assets**").

3. LIABILITIES, TAXES AND FEES.

3.1. CalWater Will Not Assume Any Liabilities. CalWater will not assume, be deemed to assume or otherwise be obligated to satisfy or perform any of the liabilities or commitments, whether fixed or contingent, which relate to the Existing City Facilities and the Main Line Improvements (specifically) and/or the South Willows Water System (generally) prior to the Closing Date, whether known or unknown. City shall remain responsible for any and all liabilities, obligations and claims which relate to the Existing City Facilities and the Main Line Improvements (specifically) and the South Willows Water System (generally) and, consistent with Section 11.1, below, shall indemnify, defend and hold harmless CalWater from and against any and all such liabilities, obligations and claims.

3.2. Taxes and Other Fees. City shall pay all taxes, assessments and fees, if any, arising out of the conveyance of the Assets to CalWater and shall pay its portion, prorated as of the Closing Date, of state and local real and personal property taxes of the Assets, if any.

4. CONSIDERATION FOR CITY'S CONVEYANCE OF ASSETS. As consideration for City's conveyance, transfer and delivery of the Assets to CalWater, and upon the terms and subject to all of the conditions contained herein, CalWater agrees, at the Closing, to (i) accept interconnection of the Main Line Improvements to the CalWater Main Facilities, (ii) assume responsibility for the ownership, operation and maintenance of the Existing City Facilities and the Main Line Improvements and (iii) provide domestic water service to the Existing Customers through the CalWater Main Facilities, the Main Line Improvements and the Existing City Facilities.

5. PRE-CLOSING ACTIVITIES AND OBLIGATIONS.

5.1. Supplemental Evaluations. CalWater has previously conducted certain analyses and investigations in relation to the Existing City Facilities. Prior to the Closing, CalWater shall have the right to perform supplemental analyses and investigations relative to the Assets (the "**Supplemental Evaluations**"). CalWater shall identify the Supplemental Evaluations that it wishes to perform, and City shall work cooperatively with CalWater to facilitate CalWater's performance and timely completion of the Supplemental Evaluations thus identified. All costs and expenses associated with the Supplemental Evaluations shall be borne by CalWater. If the Supplemental Evaluations reveal anything that is of concern to CalWater, CalWater shall promptly inform City as to same, and the Parties shall thereafter work in good faith to resolve the concerns identified by CalWater.

5.2. Property Descriptions. Prior to the Closing, the Parties shall work cooperatively to prepare mutually acceptable legal descriptions relating to the Easements and Real Property that are included in the Assets (collectively, the "**Property Descriptions**"). The Parties intend that the Property Descriptions shall be of such quality, content and detail as are necessary to permit attachment thereof to the Grant of Easements and the Grant Deed (see Section 6.2, below) and allow recording of said instruments in the Official Records of Glenn County, California. All costs associated with the preparation of the Property Descriptions shall be borne by City.

5.3. Water Rights. Prior to the Closing, the Parties shall work cooperatively to identify and accomplish all tasks which are necessary to effect the transfer of the Water Rights from City to CalWater. All costs associated with transferring the Water Rights to CalWater shall be borne by City.

5.4. Updated Title Report. CalWater has previously obtained and reviewed a title report in relation to the Real Property. Within five (5) business days after the Effective Date, CalWater shall request the preparation of an updated or new title report that relates to the Real Property and which also covers the Line Improvements Location and the Easements ("**Updated Title Report**"). If, after CalWater's receipt and review of the Updated Title Report, CalWater is unsatisfied with the state of title, in its sole and reasonable discretion, CalWater shall notify City and the Parties shall work cooperatively resolve the issues identified by CalWater. The Closing is expressly contingent upon CalWater's satisfaction with the state of title and receipt of a Title Policy that meets CalWater's requirements (see Section 9.7, below).

5.5. Operation of the Assets. Until the Closing, City shall continue to operate, manage, maintain, insure and preserve the Assets in accordance with City's regular operating and management protocols for the Assets. City shall not, without CalWater's prior written consent: dispose of, encumber, release or discharge (as appropriate) any of the Assets; grant any new rights or interests in respect of the Assets; or enter into or renew any agreement or contract with respect to the Assets that will survive the Closing. City shall promptly notify CalWater, in writing, regarding any change in the Assets that occurs prior to the Closing.

5.6. Agency Filings. The Parties shall work cooperatively in preparing and processing such materials as the California Public Utilities Commission ("**CPUC**") and/or the State Water Resources Control Board – Division of Drinking Water ("**DDW**") shall require in connection with the transactions contemplated by this Agreement (e.g., advice letter filing with the CPUC). The Parties acknowledge that the Closing may not occur unless and until all required CPUC and DDW processes (as appropriate) have been completed.

6. THE CLOSING.

6.1. Closing Date. The closing of the transactions contemplated by this Agreement ("**Closing**") shall take place at the offices of Timios Title Company ("**Title Company**"), located at 250 W. Sycamore Street, Willows, CA, on such date that is fifteen (15) days following satisfaction or waiver of all of the Conditions to Closing of City and CalWater set forth in Sections 9 and 10 below or at such other date and time as the Parties may mutually agree ("**Closing Date**").

6.2. City's Closing Deliveries. At the Closing, City shall deliver, or cause to be delivered, to CalWater each of the following:

- (a) a grant deed for the Real Property, using a form reasonably prescribed by CalWater and sufficient for recording (the "**Grant Deed**");
- (b) an instrument which grants to CalWater the Easements, using a form reasonably prescribed by CalWater and sufficient for recording (the "**Grant of Easements**");
- (c) one or more bills of sale, assignment agreements and other instruments as shall be reasonably necessary to transfer the balance of the Assets from City to CalWater (collectively, the "**Transfer Instruments**");
- (d) the certificate required by Section 9.4; and
- (e) such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

6.3. CalWater's Closing Deliveries. At the Closing, CalWater shall deliver to City each of the following:

- (a) a certificate, acknowledgment or other statement reflecting CalWater's agreement to provide domestic water service to the Existing Customers utilizing the CalWater Main Facilities, the Main Line Improvements and the Existing City Facilities;
- (b) executed counterparts of the Transfer Instruments;
- (c) the certificate required by Section 10.3; and
- (d) such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

7. CITY'S REPRESENTATIONS AND WARRANTIES. As of the Effective Date, City represents and warrants to CalWater as follows:

7.1. Organization, Good Standing and Qualification. City is a municipal corporation, validly existing and in good standing under the laws of the State of California and has all necessary corporate powers to own, lease and operate the Assets and to carry on the water service business as now owned and operated by City.

7.2. Authority. City has obtained the approval of its city council and has the full power and authority to enter into this Agreement and all of the agreements, instruments and documents contemplated hereby and to carry out the transactions contemplated hereby. City has duly and effectively approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and no other proceeding on the part of City is necessary to authorize this Agreement and the transactions that it contemplates. This Agreement has been duly and validly executed by City and is a valid and binding agreement of City enforceable in accordance with its terms.

7.3. Leases. City is not a party to any agreement for the lease, license or use of the Real Property or any of the other Assets.

7.4. Title to Assets. City has sole and exclusive good and merchantable title to all of the Assets, free and clear of mortgages, liens, pledges, charges, encumbrances, equities, claims, or any other defect in title.

7.5. Litigation. To the best of City's knowledge and belief, there is no action, suit, proceeding, claim arbitration, or investigation, audit, inquiry or hearing, at law or in equity, before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other person pending or, to the knowledge of City, threatened, against City and relating to or affecting the Assets and/or the South Willows Water System (nor, to the knowledge of City, does any basis exist for such action, suit, proceeding, claim investigation, audit, inquiry, or hearing).

7.6. Environmental/Water Quality.

(a) Compliance with Environmental Laws. City has received no notice, written or otherwise, which remains outstanding or unresolved, to the effect that the Assets and/or the South Willows Water System are not being operated in compliance in all material respects with all applicable laws, ordinances, regulations, statutes and rules concerning the protection of the public health, public safety or the environment (“**Environmental Laws**”). City has received no notice, written or otherwise, which remains outstanding or unresolved, (i) alleging that City is liable under any Environmental Law in relation to the Assets and/or the South Willows Water System, or (ii) ordering City to remedy or recommending that City or any of its agents remediate, any environmental damage to the Assets and/or the South Willows Water System, or modify or upgrade its assets to comply with Environmental Laws, and (iii) no such claims or notices are threatened or pending.

(b) Environmental Violations. City has no knowledge of any violation of Environmental Laws, which remains unremedied or unresolved, respecting the release or threatened release of any Hazardous Substance, pollutant or contaminant to any soil, groundwater, surface water, building component, wastewater, air or other media on or from the Real Property, the Line Improvements Location and/or the Easements during the ownership, occupation or use of such real property interests by City or any of its agents.

(c) Underground Storage Tanks. There are no and to City’s knowledge and belief have not been any underground storage tanks, above-ground storage tanks, underground piping (except for water), asbestos-containing materials, polychlorinated biphenyls or Hazardous Substances used, stored, treated or disposed of at the Real Property, the Line Improvements Location and/or the Easements.

(d) Water Quality Regulations and Requirements. City has made CalWater aware that, prior to 2020, the South Willows Water System produced water with concentrations of the contaminant known as Chromium 6 in amounts above California’s adopted maximum contaminant level (“**MCL**”). However, the South Willows Water System has been upgraded / modified to achieve compliance with the MCL and currently satisfies all applicable laws and requirements relative to drinking water standards.

7.7. Compliance with Other Laws. To the best of City’s knowledge and belief, City is not in violation of any applicable federal, state or local statutes, laws and regulations (including, without limitation, any applicable environmental, building, zoning, or other law, ordinance or regulation) affecting the Real Property, the Line Improvements Location, the Easements or any other portion(s) of the Assets.

7.8. Service Area and Customers. City has valid and enforceable rights to use and access the Service Area and to use, access, operate and otherwise conduct the operation of the Assets located within the Service Area, including the right to access and maintain the Assets located within the Service Area. To the best of City’s knowledge and belief, there is no pending litigation involving City’s ability to provide services or

otherwise conduct the South Willows Water System business or to access its properties or assets within, on or under the Service Area.

8. CALWATER'S REPRESENTATIONS AND WARRANTIES. CalWater hereby represents and warrants to City as follows:

8.1. Organization, Good Standing and Qualification. CalWater is a corporation duly organized, existing and in good standing under the laws of the State of California, and has all necessary corporate powers to own and operate its properties and to carry on its business as now owned and operated by it, and has all necessary corporate powers to acquire, own and operate the Assets as contemplated under this Agreement.

8.2. Authority and Consents. CalWater has the right, power, legal capacity and authority to enter into and perform its obligations under the Agreement, and no approvals or consents of any persons, other than the CPUC and/or DDW, are necessary in connection therewith. The execution and delivery of this Agreement and the consummation of the transactions hereunder by CalWater have been, or prior to the Closing will have been, duly authorized by all necessary corporate action of CalWater, and no further corporate authorization is or will be necessary on the part of CalWater. This Agreement constitutes a legal, valid and binding obligation of CalWater enforceable in accordance with its terms.

8.3. Capacity to Serve Existing Customers. Following the Closing, CalWater will have the ability and capacity to provide domestic water service to the Existing Customers using the CalWater Main Facilities, the Main Line Improvements and the Existing City Facilities.

9. CONDITIONS PRECEDENT TO CALWATER'S PERFORMANCE. The obligations of CalWater under this Agreement are subject to the satisfaction, at or before the Closing, of all the conditions set out below in this Section 9. CalWater may waive any or all of these conditions; provided, however, that no such waiver of a condition shall constitute a waiver by CalWater of any of its other rights or remedies, at law or in equity, if City shall be in default of any of its representations, warranties, covenants or agreements under this Agreement.

9.1. City's Performance. City shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by City on or before the Closing Date.

9.2. Agency Filings / Approvals. All filing and approval requirements of the CPUC and DDW (as appropriate) in relation to the transactions contemplated by this Agreement shall have been accomplished, all upon terms and conditions that are mutually acceptable to CalWater and City.

9.3. Accuracy of City's Representations and Warranties. The representations and warranties of City in connection with this Agreement shall be true on and as of the Closing Date as though such representations and warranties were made on and as of that date.

9.4. City Council Approval. On or before the Closing Date, City shall have received approval of its City Council for the execution and delivery of this Agreement and shall have taken all actions necessary or proper to fulfill its obligations to be performed under this Agreement. City shall provide CalWater with a resolution, order or other certificate that memorializes the foregoing.

9.5. No Litigation. No action, suit or proceeding before any court or any governmental body or authority pertaining to the transactions contemplated by this Agreement or to their consummation shall have been instituted or threatened on or before the Closing Date.

9.6. Completion of Supplemental Evaluations and Other Pre-Closing Tasks. CalWater shall be satisfied with the results of its Supplemental Evaluations and the resolution of any issues identified in connection therewith (see Section 5.1, above) and shall have notified City in writing regarding same. Moreover, the Parties shall have completed the Property Descriptions (see Section 5.2, above) and all tasks and conditions precedent to transfer of the water rights shall have been completed (see Section 5.3, above). CalWater shall also be satisfied with respect to the content of the Updated Title Report (see Section 5.4, above) and the ability of City to transfer the Real Property and the Easements to CalWater.

9.7. Title Policy. Title Company shall issue to CalWater a title policy (“**Title Policy**”) insuring CalWater’s interests in the Real Property and the Easements, all upon such terms and in such amounts and with such endorsements as CalWater shall require. All costs associated with the Title Policy shall be borne by CalWater.

9.8. Completion of Main Line Improvements. City shall have completed the installation of the Main Line Improvements within the Line Improvements Location, all in accordance with the Final Design.

9.9. Disconnection of Well Number One. City, at its sole cost and expense, shall have its Well Number One isolated with cross-connection control, if applicable, and disconnected from the Existing City Facilities prior to Closing, in accordance with all applicable laws, including DDW permitting and other requirements.

9.10. No Material Adverse Change. Prior to the Closing, there shall have been no material adverse change in the Assets or the ability of City to own, operate, maintain and transfer same.

10. CONDITIONS PRECEDENT TO CITY’S PERFORMANCE. The obligations of City under this Agreement are subject to the satisfaction, at or before the Closing, of all the conditions set out below in this Section 10. City may waive any or all of these conditions in writing; provided, however, that no such waiver of a condition shall constitute a waiver by it of any of its other rights or remedies, at law or in equity, if CalWater shall be in default of any of its representations, warranties, covenants or agreements under this Agreement.

10.1. Accuracy of CalWater's Representations and Warranties. The representations and warranties by CalWater contained in this Agreement shall be true on and as of the Closing Date as though such representations and warranties were made on and as of that date.

10.2. CalWater's Performance. CalWater shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by CalWater on or before the Closing Date.

10.3. CalWater's Corporate Approval. CalWater shall have received corporate authorization and approval for the execution and delivery of this Agreement and shall have taken all corporate action necessary or proper to fulfill its obligations to be performed under this Agreement on or before the Closing Date. CalWater shall provide City with a resolution, order or other certificate that memorializes the foregoing.

10.4. Agency Filings / Approvals. All filing and approval requirements of the CPUC and DDW (as appropriate) in relation to the transactions contemplated by this Agreement have been accomplished, all upon terms and conditions that are mutually acceptable to CalWater and City.

11. CITY'S OBLIGATIONS AFTER THE CLOSING.

11.1. Indemnification. City agrees to indemnify, defend and hold harmless CalWater, its board and employees against any and all losses, claims, liabilities, damages, actions, costs or expenses, including attorney's fees and costs ("**Indemnified Losses**") to the extent arising from, in connection with, or with respect to the following items:

(a) Any breach of any representation, warranty, covenant or agreement of City contained in this Agreement, or any agreement, certificate or document executed and delivered by City, or its affiliates pursuant hereto or in connection with any of the transactions contemplated in this Agreement;

(b) Any failure by City to satisfy, perform or pay any liabilities of City in relation to the Assets or the transfer thereof to CalWater;

(c) Any and all actions, suits, proceedings, claims or demands by third parties ("**Third Party Claims**") and losses, liabilities, expenses or judgments relating thereto, directly resulting from or arising from matters relating to City, the City's execution and performance of this Agreement, or the Assets (including the operation thereof) which occurred or are alleged to have occurred prior to the Closing. Third Party Claims shall include, without limitation, any and all actions, suits, proceedings, claims or demands by governmental agencies or third parties made in connection with any Environmental Condition (as defined in this Subsection 11.1(c)) that (i) exists or is alleged to have existed on the Real Property, the Line Improvements Location and/or the Easements on or prior to the Closing Date or (ii) that exists or is alleged to exist on other land due to activities on the Real Property, the Line Improvements Location and/or the Easements as of or prior to the Closing Date. "**Environmental Condition**"

means the presence of any "hazardous substance" as that term is defined in any federal, state, county or municipal statute, ordinance, regulation, rule, order, judgment or decree, including, without limitation, (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Resource Conservation and Recovery Act of 1976, as amended; the Clean Air Act; the Water Pollution Control Act (the Clean Water Act); the Toxic Substances Control Act; the Safe Drinking Water Act; and the Insecticide, Fungicide and Rodenticide Control Act, as amended; and any state counterpart of those laws; and (B) any material or substance which is now listed in the United States Department of Transportation Hazardous Materials Table (49 CFR §172.101); and any contaminant, oil, petroleum product or by-product, radioactive material or by-product, any mining waste, toxic substance, hazardous waste or other material, the removal of which is required or the existence or management of which is prohibited, penalized or regulated by any federal, state or local government agency, authority or unit.

If a Third Party Claim is made against CalWater, CalWater shall notify City in writing, and in reasonable detail, of the Third Party Claim within thirty (30) days after it receives written notice thereof; provided, however, that failure to give such notice shall not affect the indemnification obligation provided hereunder except to the extent City shall have been actually prejudiced as a result of such failure. Thereafter, CalWater shall deliver to City, within five (5) business days after CalWater's receipt thereof, copies of all notices and documents (including court papers) received by CalWater relating to Third Party Claim. City shall immediately assume the defense of said Third Party Claim and have the right to retain counsel. CalWater shall have the right to participate in the defense and to employ a counsel, at its expense, separate from the counsel employed by City. Counsel for CalWater shall cooperate and share information with counsel for City if they participate in the defense of the Third Party Claim, but City shall control such defense at all times except for non-monetary settlements on behalf of CalWater.

12. CALWATER'S OBLIGATIONS AFTER THE CLOSING.

12.1. Indemnification. CalWater agrees to indemnify, defend and hold harmless City against any and all losses, claims, liabilities, damages, actions, costs or expenses, including attorney's fees and costs (the "**Indemnified Losses**") to the extent arising from, in connection with, or with respect to the following items:

(a) Any breach of any representation, warranty, covenant or agreement of CalWater contained in this Agreement, or any agreement, certificate or document executed and delivered by CalWater, or its affiliates pursuant hereto or in connection with any of the transactions contemplated in this Agreement;

(b) Any and all actions, suits, proceedings, claims or demands by third parties, or assessments or judgments in their favor, directly resulting from or arising from matters relating to the Assets which occurred or are alleged to have occurred after the Closing; and

(c) Any and all actions, suits, claims or demands by any person or entity alleged to arise out of the negligent or intentional actions or failures to act by CalWater, its managers, employees, contractors and agents.

13. COSTS.

13.1. Escrow and Title Expenses. All costs, fees and expenses incurred in relation to the establishment and maintenance of an escrow with Title Company shall be split equally between City and CalWater. CalWater shall pay for all costs, fees and expenses incurred or to be incurred by it relating to the Title Policy.

13.2. Transfer Taxes and Other Conveyance Fees. City shall pay transfer taxes, if any, associated with the conveyance of all Assets to CalWater.

13.3. All Other Expenses. Except for those expenses described in Sections 13.1, 13.2 and elsewhere in this Agreement, each of the Parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

14. FORM OF AGREEMENT; MISCELLANEOUS PROVISIONS.

14.1. Headings. The subject headings of the sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

14.2. Entire Agreement; Modification; Waiver. This Agreement, together with all Exhibits, certificates and other instruments contemplated hereby, constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the Parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all Parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

14.3. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.4. Severability. If any provision in this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

15. PARTIES.

15.1. Parties in Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement

on any persons other than the Parties to it and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provisions give any third persons any right of subrogation or action against any party to this Agreement.

15.2. No Assignment. This Agreement may not be transferred, assigned, pledged or hypothecated by any party hereto, except by CalWater to an affiliated company which is controlled by, controls, or is under common control with it. This Agreement shall be binding on and shall inure to the benefit of the Parties to it and their respective heirs, legal representatives, successors and permitted assigns.

16. REMEDIES.

16.1. Recovery of Litigation Costs; Attorneys' Fees. If any legal action or other proceeding is brought by either City or CalWater for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

16.2. Non-Exclusivity of Remedies. The remedies provided for in this Section 16 are not intended, and shall not be deemed, to be exclusive or restrictive of any other rights to which the Parties are entitled by law or equity with respect to any breach or default of any representations, warranties, covenants or agreements under this Agreement.

17. NOTICES. Unless otherwise expressly stated in this Agreement, all notices, requests, demands and other communications under this Agreement shall be in writing and shall be delivered (i) in person, (ii) by registered or certified mail, return receipt requested, (iii) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), or (iv) by facsimile or other electronic transmission if a copy is sent simultaneously by a method described in clause (i), (ii) or (iii), addressed as hereinafter provided or at such other address of which the City or CalWater shall have given notice as provided in this Section 17. All such notices, requests and other communications shall be deemed to have been sufficiently given for all purposes hereof only upon receipt by the party to whom such notice is sent. Notices should be provided in accordance with this Section 20 at the following addresses:

To City at:

CITY OF WILLOWS
201 North Lassen
Willows, CA 95988
Attn: City Manager

With a Copy to:

City Attorney
City of Willows
201 North Lassen
Willows, CA 95988

To CalWater at:

CALIFORNIA WATER SERVICE COMPANY
1720 North First Street
San Jose, CA 95112
Attn: Lynne McGhee, Vice President, General Counsel

With a Copy to:

CALIFORNIA WATER SERVICE COMPANY
1720 North First Street
San Jose, CA 95112
Attn: Lynne McGhee

Any party may change its address for purposes of this Section 17 by giving the other party written notice of the new address in the manner set forth above.

18. SURVIVAL OF CERTAIN PROVISIONS. Each period of survival of the representations and warranties, covenants and agreements prescribed by Sections 18.1 and 18.2 herein is referred to as a “**Survival Period.**” The liabilities of each Party under its respective representations and warranties, covenants and agreements will expire as of the expiration of the applicable Survival Period; provided, however, that such expiration will not include, extend or apply to any representation or warranty or covenant the breach of which has been asserted by a Party in a written notice to the other Party before such expiration.

18.1. Representations and Warranties. The representations and warranties of City and CalWater set forth in Section 7 and Section 8 herein shall survive the Closing and shall continue in full force and effect without limitation after the Closing until the expiration of the statute of limitations applicable thereto has expired.

18.2. Indemnification. Except as otherwise set forth in Section 18.1 above, each of the covenants, agreements and obligations of the Parties contained in this Agreement, including, without limitation, the indemnification obligations of City and CalWater set forth in Section 11.1 and Section 12.1 will survive the Closing and will continue in full force and effect in accordance with its terms, or, if not specific as to duration, until the expiration of the applicable statutes of limitations relating thereto. All indemnities provided for in the Agreement shall apply even in the event of joint and/or

concurrent negligence, strict liability, or other fault of the Party whose liability is indemnified.

19. GOVERNING LAW. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California. The venue for any action shall be the County of Santa Clara.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the Parties to this Agreement have duly executed it as of the day and year first above written.

“City”

“CalWater”

CITY OF WILLOWS,
a California municipal corporation

CALIFORNIA WATER SERVICE
COMPANY, a California corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name: Michelle Mortensen
Title: Corporate Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Name:
Title:

By: _____
Name: Lynne McGhee
Title: VP, General Counsel

Exhibit A
Service Area

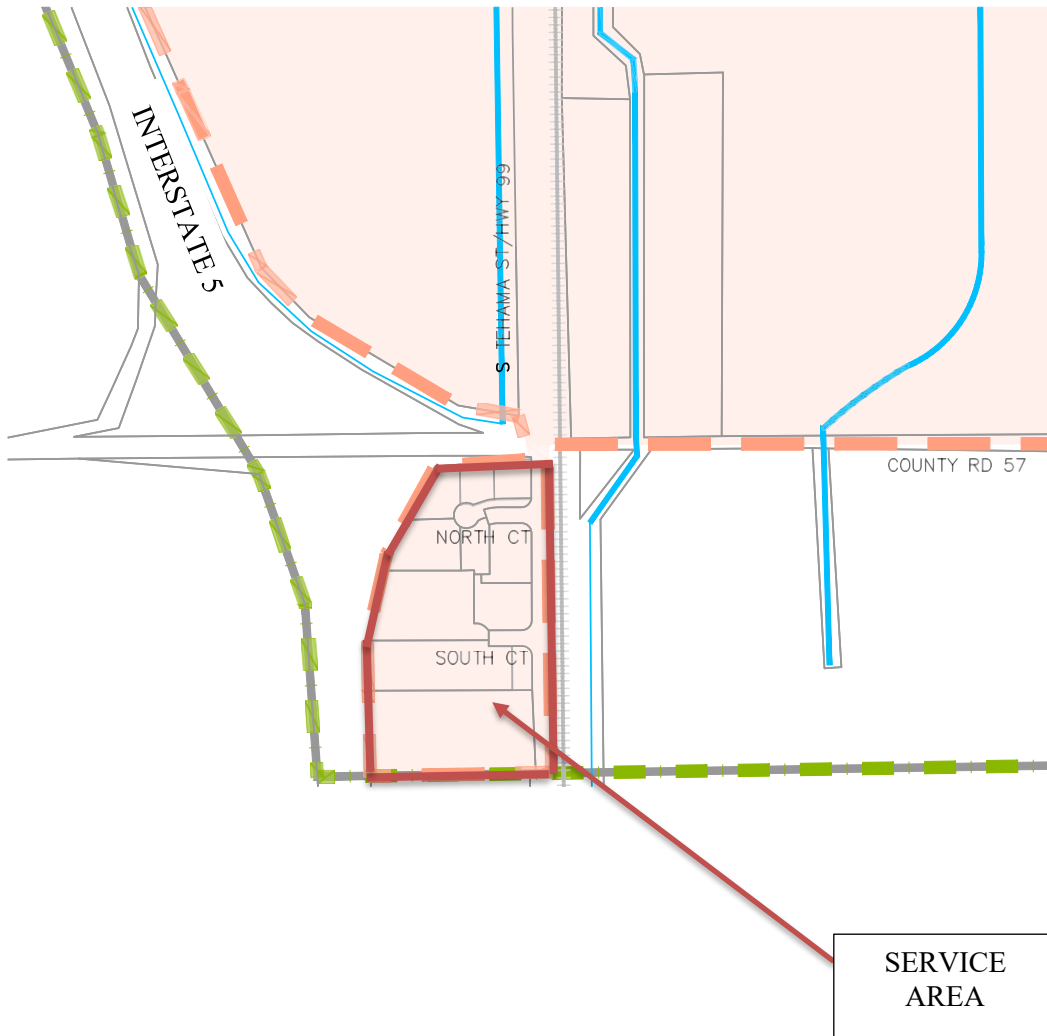


Exhibit B

Description of Existing City Facilities

(a) Water System. With the exception of the Excluded Assets (as defined in Section 2.3 above), all of City's right, title and interest in and to the water-related equipment, facilities, wells, pumping equipment, connections, tanks, reservoirs, mains, pipes, meters, meter boxes, valves, services, hydrants and associated facilities, improvements and appurtenances thereto owned, leased or otherwise possessed by City and used in connection with the South Willows Water System and in providing water service to the Existing Customers (collectively, "**Water System**") as shown on the "As Built" plans for the South Willows Commercial Development dated June 1995.

(b) Real Property. That certain real property, legally subdivided into a separate legal lot, located at _____, City of Willows, County of Glenn, State of California, being approximately seventy five thousand four hundred (75,400) square feet, identified as APN _____ and more specifically described as Parcel One of Parcel Map _____ recorded in the Official Records of Glenn County, California, on _____ as Instrument No. _____, and such other parcel(s) of real property to be conveyed by City that CalWater approves (collectively, "**Real Property**").

(c) Easements. All easements held or owned by City for the Water System's water utility purposes (collectively, "**Easements**").

(d) Water Rights. Those water rights, including, but not limited to overlying rights, whether exercised or unexercised, transferred by Deed from [insert] to "City of Willows" dated [insert date] and recorded [insert date] in Book [insert number] at Page [insert page number], Official Records of Glenn County (the "**Water Rights**").

Exhibit C

Preliminary Description of Main Line Improvements

The improvements to be installed with the main line extension of the watermain include the following:

- Two thousand six hundred thirty (2,630) lineal feet of 12-inch ductile iron water main pipe.
- Five 12-inch gate valves
- Fittings and appurtenances

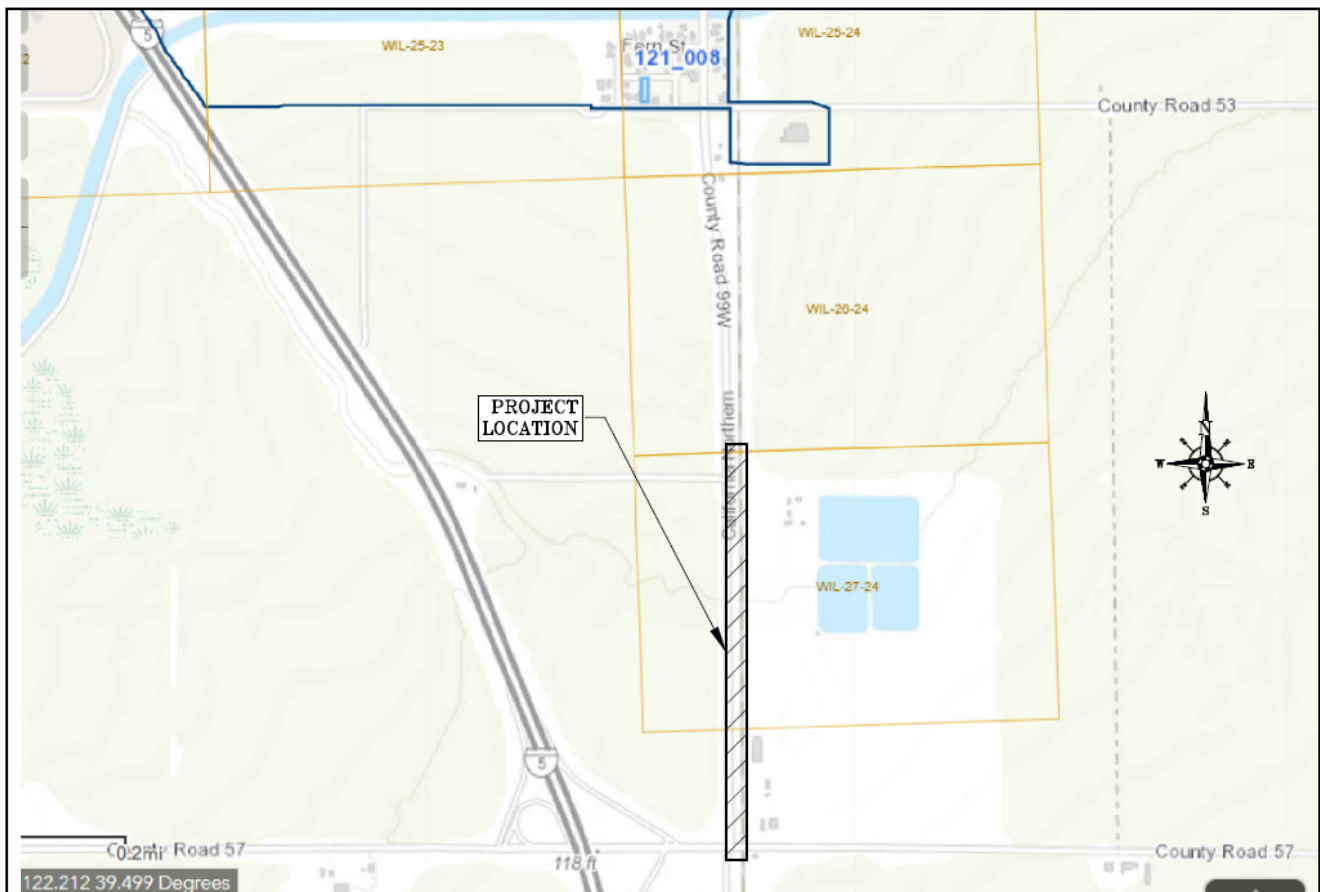
In addition to the physical improvements, the project will involve mobilization by the contractor, traffic control for construction, trench shoring and bracing, watermain tie-ins, asphalt concrete trench paving, and replacement of pavement markers. All improvements are shown on the plans dated May 25, 2022, for the South Tehama Water Main Extension as provided by California Water Services.

Exhibit D

Preliminary Description of Line Improvements Location

The waterline improvements shall be constructed in the westerly shoulder of South Tehama Street from the existing southerly terminus of the 12-inch watermain that was constructed with the South Willows Commercial and Industrial Center Phase 1, dated March 2018, to the existing 12-inch waterline at the intersection of South Tehama Street and County Road 57.

A general location of the improvements is shown in the vicinity map below.



VICINITY MAP
Not to Scale



**City of Willows
Resolution xx-2023**

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF WILLOWS, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO
EXECUTE AN AGREEMENT WITH CAL WATER REGARDING THE EXTENSION OF A 12-INCH
WATERMAIN AND ACQUISITION OF THE CITY'S EXISTING WATER SYSTEM**

WHEREAS, since the mid 1990's, the City of Willows has owned and operated a small water system in the southerly portion of the City serving three customers; and

WHEREAS, the water system operates at a deficit each year; and

WHEREAS, the City desires to enter into an agreement with California Water Services (the current purveyor of water for the City of Willows) to take over the water system from the City; and

WHEREAS, an agreement between the City and California Water Services has been prepared, reviewed and found acceptable; and

WHEREAS, a condition of the agreement requires the City to construct an extension of the existing water main to connect the California Water Services system to the City's system; and

WHEREAS, the City proposes to use approximately \$561,000 of ARPA funds to construct and extend the existing water main from Cal Water's existing infrastructure to the City's wells as approved by the City Council at the August 9, 2022, Council Meeting; and

WHEREAS, in order to construct the water line, the agreement with California Water systems needs to be fully executed.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS
AS FOLLOWS:**

1. The above recitals are true and correct and are hereby incorporated into this Resolution as findings of the City Council of the City of Willows.
2. The City Council hereby approves the agreement with California Water Services for the acquisition of the City of Willows' water system in the southern portion of the City and hereby authorizes The City Manager or her designee to execute the Agreement with California Water Services.

3. Staff is directed to publicly bid the watermain extension project associated with connecting the existing California Water Service system to the City of Willows' water system in South Tehama Street.

This Resolution shall become effective immediately.

All portions of this resolution are severable. Should any individual component of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining resolution portions shall be and continue in full force and effect, except as to those resolution portions that have been adjudged invalid. The City Council of the City of Willows hereby declares that it would have adopted this Resolution and each section, subsection, clause, sentence, phrase, and other portion thereof, irrespective of the fact that one or more section subsection, clause sentence, phrase or other portion may be held invalid or unconstitutional.

PASSED, APPROVED AND ADOPTED at the regular meeting of the City Council on this 9th day of May 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Richard Thomas, Mayor

Tara Rustenhoven, Deputy City Clerk



Date: May 9, 2023

To: Honorable Mayor and Councilmembers

From: John Wanger, City Engineer
Marti Brown, City Manager

Subject: Landscape and Lighting Assessment District – Receive the Preliminary Annual Engineer’s Report for FY 2023-2024, provide any direction to staff, adopt the Resolution of Intent to Levy and Collect Assessments and set the times and dates for the Public Information Meeting and the Public Protest hearing

Recommendation:

Receive the Preliminary Annual Engineer’s Report (Attachment 1) as prepared by Coastland Civil Engineering; provide any direction to staff regarding desired changes; adopt the Resolution (Attachment 2) of Intention to levy and collect assessments; and set the time and date of the required public protest hearing for the City of Willows Landscaping and Lighting Assessment District.

Background:

The Willows Landscaping and Lighting Assessment District (District) was initially formed by the City in 2005 in accordance with the Landscaping and Lighting Act of 1972 (1972 Act). The 1972 Act requires that the City undertake certain proceedings 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 February 14, 2023. The attached Preliminary Engineer’s Report and resolution accomplishes the second part of the proceedings for FY 2023-2024.

The attached Preliminary Annual Engineer's Report should be reviewed by the City Council. If there are any desired changes to be made to the report, the Council should direct staff to make those changes and incorporate them into the final report. In brief, the attached report outlines changes and summarizes the costs projected for FY 2023-2024 and provides the proposed overall assessments. Some of the changes include:

- In order to keep up with inflation, the estimated maximum annual assessment in Zones A, B and C are proposed for increase by the allowable annual Consumer Price Index (CPI) for 2022 of +4.9%. This allowable increase raises the maximum annual assessment for Zone A to \$578.32, the maximum annual assessment for Zone B to \$8,215.69 and the maximum annual assessment for Zone C to \$79,076.67.
- The actual Zone A assessment that will be levied and collected during FY 2023-2024 will be increased by \$38.00 from FY 2022-2023 to \$163.60 per unit.
- The actual Zone B assessment that will be levied and collected during FY 2023-2024 will be increased by approximately \$1,257.48 from FY 2022-2023 to \$1,257.48 per unit.
- The actual Zone C assessment that will be levied and collected during FY 2023-2024 will be increased approximately \$4,090.02 from FY 2022-2023 to \$4,626.40 per unit.

Assessments for FY 2023-24 are proposed to increase in all zones primarily because assessments were reduced last year due to contributions from excess annual reserves (due to those reserves exceeding the desired 10-20% range). No excess annual reserves were available this year in Zones A and B to reduce assessments. In Zone C, excess annual reserves were available this year but at a lesser amount than last year. The FY 2023-2024 annual assessments from all three zones will provide projected revenue of \$33,522.56.

During FY 2008-09, the Council established an annual reserve policy to better manage existing and pending expenses. The policy sets a target for maintaining an annual reserve balance of 10-20% of annual operating expenses, where feasible. The projected reserve balances for Zones A, B and C are projected to be within the target range at the end of FY 2023-2024.

The preliminary Engineer's Report is for your information and comment. The final step in the process is to hold a public protest hearing (required by the Streets and Highways Code for this type of assessment district). At the public protest hearing, any person within the assessment district can provide comments for the Council's consideration.

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 rolls. The County needs to have all information transmitted and corrected no later than August 10th of each year.

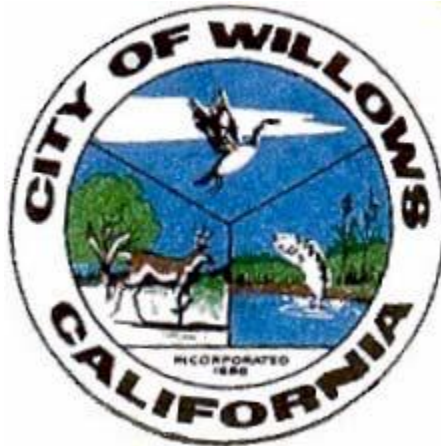
Fiscal Impact:

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

Attachments:

Attachment 1 - Preliminary Engineer's Report

Attachment 2 - Resolution of Intention to Levy and Collect Assessment



**ANNUAL ENGINEER'S REPORT
FOR
CITY OF WILLOWS
LANDSCAPING & LIGHTING ASSESSMENT DISTRICT
FY 2023-24**

PRELIMINARY

**City of Willows
County of Glenn
State of California**

May 2023

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

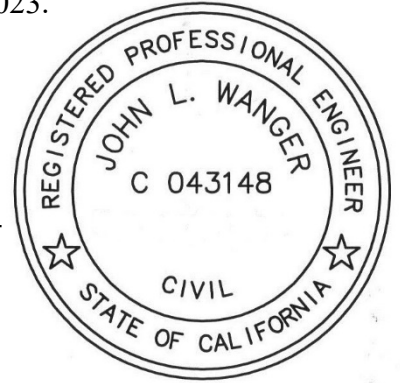
**CITY OF WILLOWS LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2023-24**

(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 February 14, 2023, the enclosed Engineer's Report on the 9th day of May 2023.

COASTLAND CIVIL ENGINEERING INC.

By: John L. Wanger
John L. Wanger, RCE 43148, Exp. 3/31/24



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 2023.

By: _____
City Clerk, 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 _____, 2023.

By: _____
City Clerk, 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 2023.

By: _____
City Clerk, City of Willows
Glenn County, California

**ANNUAL ENGINEER'S REPORT FOR
CITY OF WILLOWS
LANDSCAPING & LIGHTING ASSESSMENT DISTRICT**

(Pursuant to the Landscaping & Lighting Act of 1972)

FY 2023-24

Coastland Civil Engineering, the Engineer of Work for the City of Willows Landscaping & Lighting Assessment District, City of Willows, Glenn County, California, submits this annual Engineer's Report, as directed by the City Council on February 14, 2023, pursuant to Sections 22565 and 22620 of the California Streets & Highways Code.

Background

History of the Assessment District

The City of Willows Landscaping & Lighting Assessment District (Assessment District) was formed in October of 2005 to provide funding for the operation and maintenance of landscaping and streetlights within the public right-of-way for the Birch Street Village development, which has been designated as Zone A. In order to levy and collect assessments each fiscal year, the Landscaping & Lighting Act of 1972 requires the preparation and filing of annual Engineer's Reports. During these annual proceedings, cost estimates are developed for the operation and maintenance of 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 Fiscal Year (FY) 2012-13, 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).

In FY 2019-2020, Zone C was created to recover operations and maintenance costs associated with the South Willows Commercial and Industrial Center.

Annual Reserve Policy

During FY 2008-09, the City established a policy, where feasible, to maintain an annual reserve in each zone of 10-20% of annual operating expenses to better manage existing and pending expenses. If annual reserves are projected to exceed 20% at the end of the fiscal year, excess reserves can be utilized in those zones to reduce assessments and to reduce the projected year-end annual reserve to the target range.

For the purposes of this report, annual operating expenses are calculated from the Budgets in Part B as the "Total Expenses" minus any "Contribution to Street Light Knockdown Reserve" and/or "Contribution to Landscape Replacement Reserve."

Street Light Knockdown Reserve

While most budget items, such as utility, maintenance and administrative costs are incurred annually, costs for repairing or replacing street lights and signals will be expended only upon damage or destruction of an existing light or signal.

Zone A

No Street Light Knockdown Reserve has been established for Zone A.

Zones B and C

Pursuant to Code Section 22660, funds will be collected for Zones B and C in a Street Light Knockdown Reserve for the replacement of damaged street lights. Funds will be collected over the course of five years through annual contributions. Monies collected for this purpose are shown in Part B of this report. The Street Light Knockdown Reserve will accumulate to a maximum of \$5,000, with the maximum balance allowed to increase in the future if the estimated replacement cost increases.

Once this maximum balance is reached, there will be no additional accumulation of funds for that budget item until an expenditure to replace or repair a knocked-down street 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.

Landscape Replacement Reserve

While specific budget items, such as utility, repairs, landscaping maintenance and administrative costs are incurred annually, Zone C has implemented a Landscape Replacement Reserve for the long-term replacement of such items as new mulch, irrigation and plant replacement. Pursuant to Streets and Highways Code Section 22660, money for any non-annual line items may be collected through annual installments that the City will place in a fund specific for this work. Monies collected for any non-annual landscape maintenance item(s) are shown in Part B, of this report with the designation "Landscape Replacement."

Zones A and B

No Landscape Replacement Reserves have been established for these zones.

Zone C

For Zone C, the following Landscape Replacement Reserve has been established to include:

- \$2,000 to be used for applying new mulch once every five years, or as otherwise needed.
- \$9,000 to be used for landscaping replanting once every 10 years, or as otherwise needed.
- \$18,000 to be used for irrigation replacement once every 20 years, or as otherwise needed.

Annual contributions of \$2,200.00 will be made to the Landscape Replacement Reserve until a balance of \$44,000 has been reached. These accumulation levels will be allowed to increase in the future if the estimated cost of these landscape maintenance items increase. This increase in costs may increase the annual assessment, however it will not increase the annual assessment higher than the maximum assessment allowed.

Cost Index Information

In order to take inflation into account and to recognize noticing/voting requirements for increasing the assessments, Zones A, B and C include 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 2023-24, the maximum annual assessment for Zones A, B and C are proposed to be increased by +4.9% as allowed by the latest annual (2022) CPI.

City of Willows Assessment District Zones

The overall proposed Assessment District budget for FY 2023-24 is \$34,432.56, which is 2% higher than last year's budget of \$33,843.78. The following sections describe each assessment zone, its proposed budget for FY 2023-24, and any changes from the previous year.

Zone A – Birch Street Village

Zone A was created for the Birch Street Village Subdivision to provide funding for the operation and maintenance of landscaping and lighting, including turf, ground cover, shrubs, trees, plants, irrigation systems, masonry walls, fencing, entryway monuments, street lights and associated appurtenances located within the right-of-way. The locations of the improvements are shown in the Assessment Diagram in Part F of this Report.

Annual landscaping expenses may include the repair, removal or replacement of any landscape improvement, damaged irrigation facilities, diseased landscaping, weed and brush clearing, and any other allowable maintenance items per Section 22531 of the California Streets and Highways Code. Annual lighting expenses include utility, maintenance, and replacement costs. Administrative expenditures include the costs of managing the assessment district zone.

The total proposed Zone A budget for FY 2023-24 is \$5,562.40. This is a 15% increase from the FY 2022-23 budget. It should be noted that in FY 2022-23 there was a contribution from reserves due to reserves exceeding the desired 10-20% range. The contribution from reserves last year helped reduce assessments. In addition to no contributions from reserves this year, there were costs increases due to higher lighting utility costs and maintenance. The FY 2023-24 Zone A assessment is proposed to be \$163.60 per unit, which is \$38.00 higher than last year. Because annual reserves were projected to be 17%, within the target range of 10-20% of operating expenses, there were no available excess annual reserves this year that could be used to lower assessments.

The estimated annual reserve fund balance is anticipated to be 17%, within the desired reserve range of 10%-20% at the end of FY 2023-24.

Zone B – Walmart

Zone B provides funding for three street lights on North Airport Road alongside the Walmart development, and two traffic signals with street lights at the intersection of North Airport Road

and West Wood Street (Highway 162), as shown on the Zone B Assessment Diagram in Part F of this report. Annual expenses include utility, maintenance, replacement, and administrative expenditures. Replacement costs for street lights and traffic signals will be funded from a 'knockdown fund.'

During FY 2021-22, the McDonald's parcel was annexed into Zone B, increasing the number of parcel units in this zone from one to two.

The budget for Zone B is \$2,514.96. This is a 33% increase from the FY 2022-23 budget due to higher lighting utility costs and maintenance. The FY 2023-24 assessment is proposed to be \$1,257.48 per unit. Last year, the Zone B assessment was \$0.00 because there were sufficient excess annual reserves to cover 100% of the year's budget. This year, annual reserves were projected to be 14% of operating expenses, within the target range of 10-20%, and therefore there were no available excess annual reserves to be used to lower assessments. No annual contribution was made to the Zone B Knockdown Reserve Fund because the maximum balance of \$5,000 has been reached.

The estimated annual reserve fund balance is anticipated to be 14%, within the desired reserve range of 10%-20% at the end of FY 2023-24.

Zone C – South Willows Commercial and Industrial Center

In FY 2019-20, Zone C was created for the South Willows Commercial and Industrial Center development. Zone C covers the costs of landscape, weed abatement, and lighting improvements in the right-of-way or public parcels created as part of the South Willows Commercial and Industrial Center. The assessed improvements for the initial phase of construction included four street lights on Harvest Drive, one street light on S. Tehama Street, landscaped areas on either side of Harvest Drive and weed abatement areas on the north and south side of the development in the detention ponds created for the development. The improvements will benefit six parcels this fiscal year. These improvements are shown on the Zone C Assessment Diagram in Part F of this report.

Further subdivision of the largest parcel is anticipated at full build-out of the development, which may potentially create a total of 21 buildable parcels and a wetlands area as shown on the approved tentative map. Although the tentative map shows 21 parcels, the final number of parcels is subject to change in the future, as the ultimate lot configurations depend on development.

Annual landscaping expenses may include the repair, removal or replacement of any landscape improvement, damaged irrigation facilities, diseased landscaping, weed and brush clearing, and any other allowable maintenance items per Section 22531 of the California Streets and Highways Code. Annual lighting expenses include utility, maintenance and replacement expenditures. Administrative expenditures include the costs of managing the assessment district zone. Replacement costs for street lights will be funded from a 'Street Light Knockdown Reserve' and landscape replacement costs will be funded from a 'Landscape Replacement Reserve.'

The FY 2023-24 budget for Zone C is \$26,355.20. This is a 4% decrease from the FY 2022-23 budget due to reduced maintenance requirements. For FY 2023-24, the assessment is proposed to increase to \$4,626.40 per unit, which is \$4,090.02 higher than last year. Last year's assessment was \$536.38 because excess annual reserves were available to substantially reduce the assessment.

For FY 2023-24, annual reserves are projected to be 20%, at the upper limit of the target range, and therefore there are no excess reserves to reduce assessments as they did last year.

A contribution of \$750.00 was made to the Street Light Knockdown Reserve, which will bring the fund's balance to \$3,500.00 at the end of the fiscal year. Annual contributions to the Knockdown Reserve fund will be made until the maximum fund balance of \$5,000 has been reached.

The estimated annual reserve fund balance is anticipated to be 20%, within the desired reserve range of 10%-20% at the end of FY 2023-24.

Proposition 218 and Special Benefits

In 1996, California voters approved Proposition 218 which grants local governments the ability to create assessment districts, and to levy and collect assessments. This law, now a part of the California Constitution (Articles XIII C and XIII D), stipulates that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred upon that parcel. "Special benefit" is defined as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.

The Annual Engineer's Report must identify the special benefits conferred upon assessed parcels through the improvements and services funded by the District. The Report must also identify any general benefit conferred upon the public at large by those same improvements and services. The annual costs of said improvements and services must be apportioned between the two. The cost of services attributable to a general benefit may not be assessed.

For the City of Willows, the special benefits and general benefits provided by the various improvements, where furnished through the Assessment Districts, are described below.

Benefits of Landscaping

Landscaping improvements may include turf, mulch, plantings, irrigation systems, masonry walls, fencing, and landscape appurtenances. Landscaping improvements provide the following special benefits to each assessed parcel within the zone:

- Enhanced desirability of properties through association with the landscaping,
- Improved aesthetic appeal of the neighborhood, and
- Improved air quality from additional vegetation.

Each assessed parcel within a zone receives a particular and distinct special benefit from the maintenance of the landscaping within that zone even though the landscaping may not be adjacent to each parcel. Further, although members of the general public may walk or drive through a zone and appreciate the aesthetic appeal of the maintained landscaping, this does not necessarily confer a general benefit to the public at large.

Benefits of Street Lighting

Street lighting provided by the Assessment District must meet adopted City standards for lighting, including spacing requirements. Therefore, each assessed parcel within the zone receives approximately equal and special benefit for:

- Enhanced neighborhood, pedestrian and vehicle safety, and
- Increased neighborhood, pedestrian and vehicle security.

Each assessed parcel within a zone receives a particular and distinct special benefit from the lighting and maintenance thereof within that zone even though the lights may not be adjacent to each parcel.

Although members of the general public may walk or drive through a zone and appreciate the increased safety and security resulting from improved street lighting, this does not necessarily confer a general benefit to the public at large.

Benefits of Enhanced Traffic Control

The maintenance of traffic control improvements may include the utility costs, maintenance and replacement of traffic signals and street lighting. Traffic control often provides a combination of special and general benefits, which may include:

- Enhanced pedestrian and vehicle safety,
- Ease of access/egress, and
- Improved safety of the intersection.

Each assessed parcel within a zone receives a particular and distinct special benefit from the maintenance of the traffic control improvements within that zone even though there may be another access route to that parcel.

The general public may also benefit from improved traffic control, particularly when the improvements are located on highways and major arterial roads that serve many parcels outside of the assessed zone. The portion of enhanced safety and accessibility resulting from traffic control improvements conferred upon the public must be quantified and separated from the portion of special benefits conferred upon the assessed properties for each zone.

FY 2023-24 Engineer's Report Format

This Engineer's Report consists of the following Parts:

- PART A** **Plans and Specifications (Page 10)** - 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 11)** – 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, Zone B, and Zone C, a detailed FY 2023-24 Budget sheet and a FY 2023-24 Summary of Fund Balance sheet is provided for each Zone.
- PART C** **Assessment (Page 18)** – A listing of the annual assessment on each benefited parcel of land in Zone A, Zone B, and Zone C within the Assessment District. The assessment amount is the estimated cost each parcel will contribute during FY 2023-24 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 21)** - A statement of the method used by Engineer of Work to determine the amount proposed to be assessed against each parcel within Zone A, Zone B, and Zone C of the Assessment District. Additionally, this section describes the maximum assessment allowable and any inflationary adjustments.
- PART E** **Property Owners List (Page 26)** - Names and addresses of the owners of real property listed 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 29)** – The Assessment Diagrams (maps) showing all of the parcels of real property within Zone A, Zone B, and Zone C 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 of landscaping, weed abatement and street lights located in the public rights-of-way and public parcels in Zone C. 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, landscape plantings and irrigation 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 is 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 office. The plans and specifications showing the improvements for Assessment District Zone C are on file at the City offices for the South Willows Commercial and Industrial Center development.

PART B
FY 2023-24 Budget Cost Estimates

For FY 2023-24, the total budget summary for Willows Landscaping & Lighting Assessment District is as follows:

	<u>As Filed With the City</u>	<u>As Preliminarily Approved</u>	<u>As Finally Approved At the Public Hearing</u>
Zone A:	\$ 5,562.40	\$	\$
Zone B:	\$ 2,514.96	\$	\$
Zone C:	\$ 26,355.20	\$	\$
Total:	\$ 34,432.56	\$	\$

Detailed budgets for Zones A, B and C are provided in this section. Also included is the Summary of Fund Balance sheet for each zone.

**CITY OF WILLOWS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2023-24
Zone A - Birch Street Village
Budget**

Item	2022-23 Budget	2023-24 Budget
Engineers Report	\$1,166.00	\$1,437.20
Legal Services	\$100.00	\$175.00
Landscape Maintenance	\$2,500.00	\$2,500.00
Lighting Utilities & Maintenance	\$600.00	\$1,000.00
County Assessor Fees (3.5% of Revenue)	\$166.26	\$194.68
Contingency	\$218.14	\$255.52
Total Expenses	\$4,750.40	\$5,562.40
Contribution from Annual Reserves	\$480.00	\$0.00
Total Assessment Costs	\$4,270.40	\$5,562.40
Total Assessment Revenue	\$4,270.40	\$5,562.40
Estimated Number of Units in Zone A	34.0	34.0
Proposed Assessment per Unit for Zone A*	\$125.60	\$163.60

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

**CITY OF WILLOWS
 LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
 FY 2023-24
 Zone A - Birch Street Village
 Summary of Fund Balance**

	<u>2023-24</u>
Estimated Starting Annual Reserve on July 1	\$931.03
Estimated Interest Earned	\$8.00
Estimated Revenue	\$5,562.40
Total Estimated Funds Available	\$6,501.43
Total Estimated Expenditures	\$5,562.40
Estimated Ending Annual Reserve on June 30	\$939.03
As percent of Annual Operating Expenses (Goal is 10-20%)	17%

**CITY OF WILLOWS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2023-24
Zone B - Walmart
Budget**

Item	2022-23 Budget	2023-24 Budget
Engineers Report	\$376.10	\$591.30
Legal Services	\$100.00	\$175.00
Lighting Utilities & Maintenance	\$1,000.00	\$1,440.00
Contribution to Street Light Knockdown Reserve	\$0.00	\$0.00
County Assessor Fees (3.5% of Revenue)	\$58.89	\$88.02
Contingency	\$147.61	\$220.64
Total Expenses	\$1,682.60	\$2,514.96
Contribution from Annual Reserves	\$1,682.60	\$0.00
Total Assessment Costs	\$0.00	\$2,514.96
Total Assessment Revenue	\$0.00	\$2,514.96
Estimated Number of Units in Zone B	2.0	2.0
Proposed Assessment per Unit for Zone B*	\$0.00	\$1,257.48

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

**CITY OF WILLOWS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2023-24
Zone B - Walmart
Summary of Fund Balance**

	<u>2023-24</u>
Est. Starting Annual Reserve on July 1	\$360.40
Est. Starting Street Light Knockdown Reserve on July 1	\$5,000.00
Estimated Interest Earned	\$0.00
Estimated Annual Revenue	\$2,514.96
Estimated Street Light Knockdown Revenue	\$0.00
Total Estimated Annual Funds Available	\$2,875.36
Total Estimated Street Light Knockdown Reserve Available	\$5,000.00
Total Estimated Annual Expenditures	\$2,514.96
Total Estimated Knockdown Expenditures	\$0.00
Est. Ending Annual Reserve on June 30	\$360.40
As percent of Annual Operating Expenses (Goal is 10-20%)	14%
Est. Ending Street Light Knockdown Reserve on June 30 ¹	\$5,000.00

¹Street Light Knockdown Reserve goal for Zone B is \$5,000.

**CITY OF WILLOWS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2023-24
Zone C - S. Willows Commercial and Industrial Center
Budget**

Item	2022-23 Budget	2023-24 Budget
Engineers Report	\$5,937.90	\$6,036.40
Legal Services	\$100.00	\$175.00
Weed Abatement	\$11,000.00	\$11,000.00
Landscape Maintenance & Utilities	\$4,300.00	\$3,000.00
Lighting Utilities & Maintenance	\$487.50	\$700.00
Contribution to Street Light Knockdown Reserve	\$750.00	\$750.00
Contribution to Landscape Replacement Reserve	\$2,200.00	\$2,200.00
County Assessor Fees (3.5% of Revenue)	\$751.55	\$711.16
Contingency	\$1,883.83	\$1,782.64
Total Expenses	\$27,410.78	\$26,355.20
Contribution from Annual Reserves	\$24,460.69	\$910.00
Total Assessment Costs	\$2,950.09	\$25,445.20
Total Assessment Revenue	\$2,950.09	\$25,445.20
Estimated Number of Units in Zone C	5.5	5.5
Proposed Assessment per Unit for Zone C*	\$536.38	\$4,626.40

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

**CITY OF WILLOWS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2023-24
Zone C - S. Willows Commercial and Industrial Center
Summary of Fund Balance**

	<u>2023-24</u>
Est. Starting Annual Reserve on July 1	\$5,546.31
Est. Starting Street Light Knockdown Reserve on July 1	\$2,750.00
Est. Starting Landscape Replacement Reserve on July 1	\$7,150.00
 Estimated Interest Earned	 \$45.00
 Estimated Annual Revenue collected	 \$22,495.20
Estimated Street Light Knockdown Revenue collected	\$750.00
Estimated Landscape Replacement Revenue collected	\$2,200.00
 Total Estimated Funds Available	 \$40,936.51
 Total Estimated Annual Expenditures	 \$23,405.20
Estimated Street Light Knockdown Expenditure	\$0.00
Total Estimated Landscape Replacement Expenditures	\$0.00
 Est. Ending Annual Reserve on June 30	 \$4,681.31
As percent of Annual Operating Expenses (Goal is 10-20%)	20%
Est. Ending Street Light Knockdown Reserve on June 30 ¹	\$3,500.00
Est. Ending Landscape Replacement Reserve on June 30 ²	\$9,350.00

¹Street Light Knockdown Reserve goal for Zone C is \$5,000.

²Landscape Replacement Reserve goal for Zone C is \$44,000.

PART C

FY 2023-24 ASSESSMENT ROLL

The total proposed Assessment District revenues for FY 2023-24 consist entirely of assessments associated with Zones A, B, and C, as follows:

\$ 5,562.40	From Zone A
\$ 2,514.96	From Zone B
<u>\$ 25,445.20</u>	<u>From Zone C</u>
\$ 33,522.56	Total Assessment Revenue

The breakdown of FY 2023-24 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
FY 2023-24**

Zone A - Birch Street Village

APN	Assessment Diagram Number	Land Use Code	Land Use Type	Units	Assessment Amount	Owner Name	Address
001-071-009-000	26	R1XX	Single Family	1	\$163.60	Tovar, Bradford & Tovar, Jillian Mc Garr	320 S. Humboldt Ave Willows, CA 95988
001-071-010-000	27	R1XX	Single Family	1	\$163.60	Nungaray, Jose T A & Arteaga Lorena C J/T	330 S Humboldt Ave, Willows, CA 95988
001-071-011-000	28	R1XX	Single Family	1	\$163.60	Medina Humberto	340 S Humboldt Ave, Willows, CA 95988
001-071-012-000	29	R1XX	Single Family	1	\$163.60	Pollock Robert R	350 S Humboldt Ave, Willows, CA 95988
001-071-013-000	30	R1XX	Single Family	1	\$163.60	Baczkowski, Thomas W.	360 S Humboldt Ave, Willows, CA 95988
001-071-014-000	31	R1XX	Single Family	1	\$163.60	Gonzalez, Sthefany Padilla & Ochoa, Ramon G J/T	370 S. Humboldt Ave, Willows, CA 95988
001-071-015-000	32	R1XX	Single Family	1	\$163.60	Towes, Randel & Roberta J/T	380 S. Humboldt Ave, Willows, CA 95988
001-071-016-000	33	R1XX	Single Family	1	\$163.60	Hernandez J A Palomino & Palomino Hilda	1330 W. Humboldt Ave, Willows, CA 95988
001-071-017-000	34	R1XX	Single Family	1	\$163.60	Cox, Thomas L Jr. S/S	1320 W. Humboldt Ave, Willows, CA 95988
001-071-018-000	16	R1XX	Single Family	1	\$163.60	Kumar Priti	199 N Humboldt Ave, Willows, CA 95988
001-071-019-000	15	R1XX	Single Family	1	\$163.60	Street Amy L & Street Timothy R	451 El Dorado Ave, Willows, CA 95988
001-071-020-000	14	R1XX	Single Family	1	\$163.60	Thornton, Michael R ETAL	461 El Dorado Ave, Willows, CA 95988
001-071-021-000	17	R1XX	Single Family	1	\$163.60	Buskirk, Patricia A	PO Box 634, Willows, CA 95988
001-071-022-000	18	R1XX	Single Family	1	\$163.60	Donnelly, Michael D & Carolyn M	421 El Dorado Ave, Willows, CA 95988
001-071-023-000	19	R1XX	Single Family	1	\$163.60	Martinez, Ramiro Licea & Licea Yesenia J/T	381 El Dorado Ave, Willows, CA 95988
001-071-024-000	20	R1XX	Single Family	1	\$163.60	Ngo Cuong Bach & Tra Thuy Thanh Thi TRS	371 El Dorado Ave, Willows, CA 95988
001-071-025-000	21	R1XX	Single Family	1	\$163.60	Feeney, Kevin S/S	65 Lindauer Lane, Red Bluff, CA 96088
001-071-026-000	22	R1XX	Single Family	1	\$163.60	Arias Ana	351 El Dorado Ave, Willows, CA 95988
001-071-027-000	23	R1XX	Single Family	1	\$163.60	Baker Nicole C	341 El Dorado Ave, Willows, CA 95988
001-071-028-000	24	R1XX	Single Family	1	\$163.60	Zarate Fransico & Gabriela R J/T	331 El Dorado Ave, Willows, CA 95988
001-071-029-000	25	R1XX	Single Family	1	\$163.60	Clark Janie C TRS	321 El Dorado Ave, Willows, CA 95988
001-071-030-000	13	R1XX	Single Family	1	\$163.60	Lederer, Eric M	PO Box 1298, Willows, CA 95988
001-071-031-000	12	R1XX	Single Family	1	\$163.60	Hernandez Jaime & Hernandez Gabriela	320 El Dorado Ave, Willows, CA 95988
001-071-032-000	11	R1XX	Single Family	1	\$163.60	Barragan, Ruban J.	330 El Dorado Ave, Willows, CA 95988
001-071-033-000	10	R1XX	Single Family	1	\$163.60	Jaramillo Jose Luis & Jaramillo Brenda	340 El Dorado Ave, Willows, CA 95988
001-071-034-000	9	R1XX	Single Family	1	\$163.60	Sigala, Yesenia J & Reymundo J/T	350 El Dorado Ave, Willows, CA 95988
001-071-035-000	8	R1XX	Single Family	1	\$163.60	Hancock, Jacob B & Terri J/t	360 El Dorado Ave, Willows CA 95988
001-071-036-000	7	R1XX	Single Family	1	\$163.60	Corriea Larry G	475 S Culver St, Willows, CA 95988
001-071-037-000	6	R1XX	Single Family	1	\$163.60	Salas, Crystal A & Sengmany, Rakxat J/T	380 El Dorado Ave, Willows, CA 95988
001-071-038-000	5	R1XX	Single Family	1	\$163.60	Bobadilla, Pedro D & Raygoza Marisol J/T	410 El Dorado Ave, Willows, CA 95988
001-071-039-000	4	R1XX	Single Family	1	\$163.60	Gutierrez, Alejandro & Gutierrez Ashley M J/T	420 El Dorado Ave, Willows, CA 95988
001-071-040-000	3	R1XX	Single Family	1	\$163.60	Drazkowski Tonia & Scott Lindsay B Co Trs	PO Box 434, Sea Ranch, CA 95497
001-071-041-000	2	R1XX	Single Family	1	\$163.60	Irwin Dennis L	440 El Dorado Ave, Willows, CA 95988
001-071-042-000	1	R1XX	Single Family	1	\$163.60	Southam Boyd & Southam Stephanie	450 El Dorado Ave, Willows, CA 95988
Lot A	Lot A	Null	Easement	0	\$0.00	Null	Null
			Total	34	\$5,562.40		

Table 1 (continued)

Zone B - Walmart

APN	Assessment Diagram Number	Land Use Code	Land Use Type	Units	Assessment Amount	Owner Name	Address
017-210-050-000	45	CE/ML/ PD	Gen. Commercial/ Light Manufacturing/ Planned Development	1	\$1,257.48	McDonalds USA LLC	611 Country Dr, Chico CA 95928
017-210-052-000	35	CEXX	Commercial Retail Outlet	1	\$1,257.48	Walmart RE Business Trust c/o Walmart Tax Dept #2053	P.O. Box 8050, Bentonville, AR 72712-8050
Total				2	\$2,514.96		

Zone C - S. Willows Commercial and Industrial Center

APN	Assessment Diagram Number	Land Use Code	Land Use Type	Units	Assessment Amount	Owner Name	Address
017-170-034-000	36	GVXX	Governmental Vacant	0	\$0.00	City of Willows	201 North Lassen St, Willows, CA 95988
017-170-037-000	37	GXXX	Governmental Waste	0	\$0.00	City of Willows	201 North Lassen St, Willows, CA 95988
017-170-051-000	38	RVAX	Residential Vacant, Ag	0.5	\$2,313.20	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-001-000	41	RVAX	Residential Vacant, Ag	0	\$0.00	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-002-000	40	RVAX	Residential Vacant, Ag	1	\$4,626.40	Snow Mountain Properties LLC	1629 Co Rd E, Willows CA 95988
017-350-003-000	39	RVAX	Residential Vacant, Ag	1	\$4,626.40	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-007-000	42	RVAX	Residential Vacant, Ag	1	\$4,626.40	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-008-000	43	RVAX	Residential Vacant, Ag	1	\$4,626.40	Martines Laythen	20370 Skyhawk Ln., Topanga, CA 90290
017-350-009-000	44	RVAX	Residential Vacant, Ag	1	\$4,626.40	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
Total				5.5	\$25,445.20		

PART D

METHOD OF APPORTIONMENT OF ASSESSMENT

This section describes the manner by which the annual assessment has been apportioned (spread) to the assessed parcels within each Zone:

Zone A – Birch Street Village

Zone A includes the maintenance of the landscaping and street lighting located within the right-of-way of Birch Street Village. The parcels within the zone receive a direct and special benefit from the landscaping and street lighting, which include enhanced desirability of properties within the zone, improved aesthetic appeal of the neighborhood, improved air quality, enhanced safety and security for the neighborhood, pedestrians, and vehicles.

Although members of the general public may walk or drive through a zone and appreciate the aesthetic appeal of the maintained landscaping, this does not necessarily confer a general benefit to the public at large and, in any case, is determined to be negligible relative to the special benefits conferred upon the parcels within a particular zone.

Land use codes from the County of Glenn were used to determine the basic use units assigned to each parcel. The following basic use units reflect the relative special benefit accruing to parcels of land within Zone A:

- | | |
|-------------------------------|---------|
| 1. Developed parcel | 1 unit |
| 2. Vacant, developable parcel | ½ unit |
| 3. Undevelopable parcel | 0 units |

Accordingly, the annual assessment cost per parcel shall be obtained by dividing the total Zone A annual assessment cost by the total number of units within Zone A.

Zone B – Walmart

Zone B includes the maintenance of three street lights on North Airport Boulevard and a portion of a 4-way traffic signal with street lights at the intersection of West Wood Street and North Airport Road. The special and general benefits for each improvement, and the portions thereof, are described below.

Street Lights

The two parcels within Zone B, Walmart and McDonald's, receive direct and special benefits from the street lights on North Airport Boulevard. The special benefits include enhanced safety and security for the neighborhood, pedestrians, and vehicles. Each parcel within the zone receives a particular and distinct special benefit from the lighting and maintenance thereof within that zone even though the lights may not be adjacent to each parcel.

Although members of the general public may walk or drive through a zone and appreciate the increased safety and security resulting from improved street lighting, this does not necessarily confer a general benefit to the public at large and, in any case, is determined to be negligible relative to the special benefits conferred upon the parcels within a particular zone.

Land Use codes as received from the County of Glenn are used to determine the basic use units to be assigned to each parcel. The following basic use units reflect the relative special benefit accruing to parcels of land within Zone B:

- | | |
|-------------------------------|---------|
| 1. Developed parcel | 1 unit |
| 2. Vacant, developable parcel | ½ unit |
| 3. Undevelopable parcel | 0 units |

Accordingly, the annual assessment cost per parcel shall be obtained by dividing the total Zone B annual assessment cost by the total number of units within Zone B.

Traffic Signal:

The four-way traffic signal system, consisting of four traffic signals, street lighting and controller, was installed at the intersection of West Wood Street and North Airport Road to address traffic congestion resulting from the expanded Walmart Super Store. Prior to the Walmart development, there was no need for a traffic signal at this intersection.

The parcels within Zone B, receive direct and special benefits from the 4-way traffic signal. These special benefits include enhanced safety and security for the neighborhood, pedestrians, and vehicles, as well as ease of access and egress, and improved safety of the intersection. West Wood Street also carries traffic not associated with Zone B, and therefore the enhanced traffic control also confers a general benefit to the public at large.

The enhanced traffic control provided to north/south traffic on North Airport Road is considered to be a special benefit principally to Zone B as the traffic control in that direction serves their primary entrance to the north. Comparatively, there is very little traffic directed to the south, which serves the local Willows airport, and the general benefit provided in this direction is considered negligible.

The enhanced traffic control provided to east/west traffic along State Highway 162 is considered to provide primarily a general benefit to the public at large.

Therefore, the direct and special benefits provided to Zone B for improved traffic control in the north-south direction is considered to be one-half of the total traffic control benefits. The remaining one-half of the traffic control benefits, conferred on east-west traffic along State Highway 162, is considered a general benefit to the public.

The annual assessment cost for special benefits conferred to Zone B for traffic control shall be one-half of the total costs of providing and maintaining the 4 signals, lights and controller plus associated costs. The remainder of the costs associated with this signal is paid for by Caltrans, as West Wood Street is a State highway. This is indicated on the Assessment Diagram as 2 traffic signals.

Accordingly, the method by which the two Zone B parcels shall be assessed for traffic signal costs is determined by dividing the Zone B traffic signal costs by the total number of parcels within Zone B. The Zone B traffic signal costs include the cost of maintenance and operation of the City's portion of the traffic signal (including lights), half the cost of the controller, and the administrative costs associated with this zone.

A Street Light Knockdown Reserve has been established for Zone B to cover expenses associated with replacing a street light 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 or the cost of street light replacement is determined to have increased.

Zone C – South Willows Commercial and Industrial Center

Zone C includes weed abatement, and the maintenance of landscaping and street lighting located within the South Willows Commercial and Industrial Center. The parcels within the zone receive a direct and special benefit from the weed abatement, landscaping and street lighting, which include enhanced desirability of properties within the zone, improved aesthetic appeal of the neighborhood, improved air quality, and enhanced safety and security for the neighborhood, pedestrians, and vehicles.

Although members of the general public may walk or drive through a zone and appreciate the increased safety and security resulting from improved street lighting or the aesthetic appeal of the maintained landscaping, this does not necessarily confer a general benefit to the public at large and, in any case, is determined to be negligible relative to the special benefits conferred upon the parcels within a particular zone.

Land Use codes as received from the County of Glenn are used to determine the basic use units to be assigned to each parcel. The following basic use units reflect the relative special benefit accruing to parcels of land within Zone C:

1. Developed parcel	1 unit
2. Vacant, developable parcel	½ unit
3. Undevelopable parcel	0 units

Accordingly, the annual assessment cost per unit shall be obtained by dividing the total Zone C annual assessment cost by the total number of units within Zone C.

A Street Light Knockdown Reserve has been established for Zone B to cover expenses associated with replacing a street light 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 or the cost of street light replacement is determined to have increased.

The Zone C total knockdown replacement fund to be accumulated over 5 years is \$5,000. This amount, \$5,000, divided by five years equals an annual street light knockdown reserve contribution of \$1,000.

The annual knockdown reserve cost per unit shall be obtained by dividing the Zone C annual knockdown replacement cost (\$1,000) by the total number of units within Zone C (as defined in this section above).

A landscape replacement fund will be established for Zone C to cover expenses associated with long-term landscaping items such as new bark mulch, plants, and replacement of the irrigation system, as needed. The overall landscape replacement fund costs are as follows:

Landscape Replacement Fund Costs

New bark mulch to be replaced every five years:	\$2,000 (\$8,000 over 20 years)
New plants to be replaced over 10 years:	\$9,000 (\$18,000 over 20 years)
Irrigation system replacement every 20 years:	<u>\$18,000 (\$18,000 over 20 years)</u>
	\$44,000 over 20 years

The total landscape replacement fund to be accumulated over 20 years is \$44,000. This amount, \$44,000, divided by twenty years equals an annual landscape replacement fund of \$2,200 for this zone.

The annual landscape replacement cost per unit shall be obtained by dividing the annual landscape replacement fund cost (\$2,200) by the total number of units within Zone C (as defined in this section above).

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, from FY 2010-11 through FY 2016-17 and from FY 2020-21 through FY 2021-22, the implemented increase was less than 3%.

The CPI adjustments to the Maximum Allowable Assessment from FY 2016-17 through FY 2023-24 are shown as follows:

Maximum Allowable Assessment								
Assessment Year	Annual CPI Increase		Zone A Birch Street Village		Zone B Walmart		Zone C S. Willows Commercial & Industrial Center	
	Year	%	Allowed Adjustment Amount	Total Assessment Maximum (per Unit)	Allowed Adjustment Amount	Total Assessment Maximum (per Unit)	Allowed Adjustment Amount	Total Assessment Maximum (per Zone)
FY 2016-17	2015	2.60%	\$11.69	\$461.34	\$166.08	\$6,553.66		
FY 2017-18	2016	3.00%	\$13.84	\$475.18	\$196.61	\$6,750.27		
FY 2018-19	2017	2.90%	\$13.78	\$488.96	\$195.76	\$6,946.03		
FY 2019-20 Zone C original Assessment	2018	3.50%	\$17.11	\$506.07	\$243.11	\$7,189.14		\$69,196.02
FY 2020-21	2019	2.50%	\$12.65	\$518.72	\$179.73	\$7,368.87	\$1,729.90	\$70,925.92
FY 2021-22	2020	2.00%	\$10.37	\$529.09	\$147.38	\$7,516.25	\$1,418.52	\$72,344.44
FY 2022-23	2021	4.20%	\$22.22	\$551.31	\$315.68	\$7,831.93	\$3,038.47	\$75,382.91
FY 2022-24	2022	4.9%	\$27.01	\$578.32	\$383.76	\$8,215.69	\$3,693.76	\$79,076.67

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).

PART E

FY 2023-24 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 in Table 2. 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
FY 2023-24
Property Owner's List

APN	Assessment Diagram Number	Owner Name	Mailing Address
001-071-009-000	26	Tovar, Bradford & Tovar, Jillian Mc Garr	320 S. Humboldt Ave Willows, CA 95988
001-071-010-000	27	Nungaray, Jose T A & Arteaga Lorena C J/T	330 S Humboldt Ave, Willows, CA 95988
001-071-011-000	28	Medina Humberto	340 S Humboldt Ave, Willows, CA 95988
001-071-012-000	29	Pollock Robert R	350 S Humboldt Ave, Willows, CA 95988
001-071-013-000	30	Baczkowski, Thomas W.	360 S Humboldt Ave, Willows, CA 95988
001-071-014-000	31	Gonzalez, Sthefany Padilla & Ochoa, Ramon G J/T	370 S. Humboldt Ave, Willows, CA 95988
001-071-015-000	32	Towes, Randel & Roberta J/T	380 S. Humboldt Ave, Willows, CA 95988
001-071-016-000	33	Hernandez J A Palomino & Palomino Hilda	1330 W. Humboldt Ave, Willows, CA 95988
001-071-017-000	34	Cox, Thomas L Jr. S/S	1320 W. Humboldt Ave, Willows, CA 95988
001-071-018-000	16	Kumar Priti	199 N Humboldt Ave, Willows, CA 95988
001-071-019-000	15	Street Amy L & Street Timothy R	451 El Dorado Ave, Willows, CA 95988
001-071-020-000	14	Thornton, Michael R ETAL	461 El Dorado Ave, Willows, CA 95988
001-071-021-000	17	Buskirk, Patricia A	PO Box 634, Willows, CA 95988
001-071-022-000	18	Donnelly, Michael D & Carolyn M	421 El Dorado Ave, Willows, CA 95988
001-071-023-000	19	Martinez, Ramiro Licea & Licea Yesenia J/T	381 El Dorado Ave, Willows, CA 95988
001-071-024-000	20	Ngo Cuong Bach & Tra Thuy Thanh Thi TRS	371 El Dorado Ave, Willows, CA 95988
001-071-025-000	21	Feeney, Kevin S/S	65 Lindauer Lane, Red Bluff, CA 96088
001-071-026-000	22	Arias Ana	351 El Dorado Ave, Willows, CA 95988
001-071-027-000	23	Baker Nicole C	341 El Dorado Ave, Willows, CA 95988
001-071-028-000	24	Zarate Fransico & Gabriela R J/T	331 El Dorado Ave, Willows, CA 95988
001-071-029-000	25	Clark Janie C TRS	321 El Dorado Ave, Willows, CA 95988
001-071-030-000	13	Lederer, Eric M	PO Box 1298, Willows, CA 95988
001-071-031-000	12	Hernandez Jaime & Hernandez Gabriela	320 El Dorado Ave, Willows, CA 95988
001-071-032-000	11	Barragan, Ruban J.	330 El Dorado Ave, Willows, CA 95988
001-071-033-000	10	Jaramillo Jose Luis & Jaramillo Brenda	340 El Dorado Ave, Willows, CA 95988
001-071-034-000	9	Sigala, Yesenia J & Reymundo J/T	350 El Dorado Ave, Willows, CA 95988
001-071-035-000	8	Hancock, Jacob B & Terri J/t	360 El Dorado Ave, Willows CA 95988
001-071-036-000	7	Corriea Larry G	475 S Culver St, Willows, CA 95988
001-071-037-000	6	Salas, Crystal A & Sengmany, Rakxat J/T	380 El Dorado Ave, Willows, CA 95988
001-071-038-000	5	Bobadilla, Pedro D & Raygoza Marisol J/T	410 El Dorado Ave, Willows, CA 95988
001-071-039-000	4	Gutierrez, Alejandro & Gutierrez Ashley M J/T	420 El Dorado Ave, Willows, CA 95988
001-071-040-000	3	Drazkowski Tonia & Scott Lindsay B Co Trs	PO Box 434, Sea Ranch, CA 95497
001-071-041-000	2	Irwin Dennis L	440 El Dorado Ave, Willows, CA 95988
001-071-042-000	1	Southam Boyd & Southam Stephanie	450 El Dorado Ave, Willows, CA 95988
Lot A	Lot A	Null	Null

Table 2 (Continued)

APN	Assessment Diagram Number	Owner Name	Mailing Address
017-170-034-000	36	City of Willows	201 North Lassen St, Willows, CA 95988
017-170-037-000	37	City of Willows	201 North Lassen St, Willows, CA 95988
017-170-051-000	38	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-210-050-000	45	McDonalds USA LLC	611 Country Dr, Chico CA 95928
017-210-052-000	35	Walmart RE Business Trust c/o Walmart Tax Dept #2053	P.O. Box 8050, Bentonville, AR 72712-8050
017-350-001-000	41	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-002-000	40	Snow Mountain Properties LLC	1629 Co Rd E, Willows CA 95988
017-350-003-000	39	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-007-000	42	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-008-000	43	California Land Invest LLC	316 California Ave #350, Reno, NV 89509
017-350-009-000	44	California Land Invest LLC	316 California Ave #350, Reno, NV 89509

PART F

FY 2023-24 ASSESSMENT DIAGRAM

Attached, you will find Assessment Diagrams (maps) for Zones A, B, and C 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 017-210-052-000.

All the land lying within the McDonald's parcel, known at the Assessor's Office of the County of Glenn as Assessor's Parcel Number 017-210-050-000.

Zone C

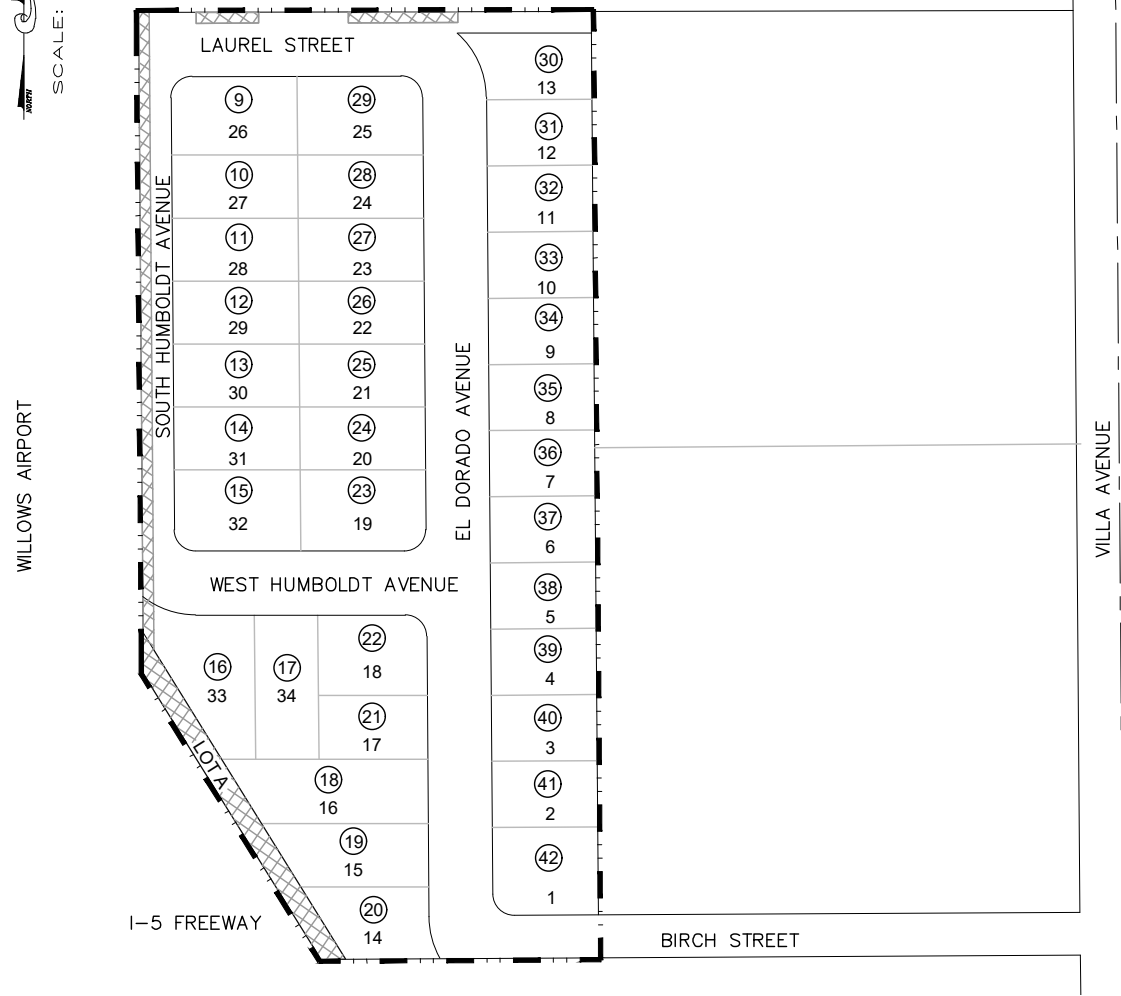
All the land lying within the South Willows Commercial and Industrial Center development, known at the Assessor's Office of the County of Glenn as Assessor's Parcel Numbers 017-170-034-000, 017-170-037-000, 017-170-051-000 and 017-350-001-000 through 017-350-006-000.

F:\Projects\Willows\LLAD\2023-24 LLAD 72-4989\23-Wil-Engr's Report - Prelim.docx

Images: Loc-map.jpg; Xrefs:
 Path: F:\BMAP-STD\Willows\LLAD\2021-22 Assessment Diagrams.dwg Layout Name: Zone A Plot Date: Apr 04, 2023 at 10:09 am



APN: BOOK 001, PAGE 07, BLOCK 1.
 THE SPECIFIC LOT NUMBER IS SHOWN IN THE CIRCLE.
 THE ASSESSMENT DIAGRAM NUMBER IS BELOW THE LOT NUMBER.

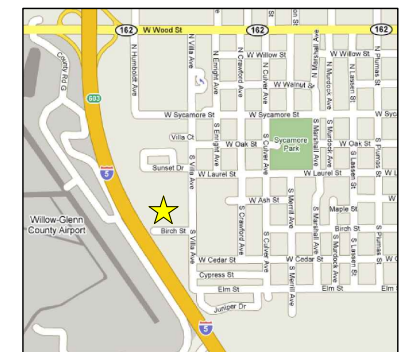


CITY OF WILLOWS

LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

ASSESSMENT DIAGRAM

ZONE A - BIRCH STREET VILLAGE



VICINITY MAP

- Landscape Maintenance Area
- Assessment District Boundary

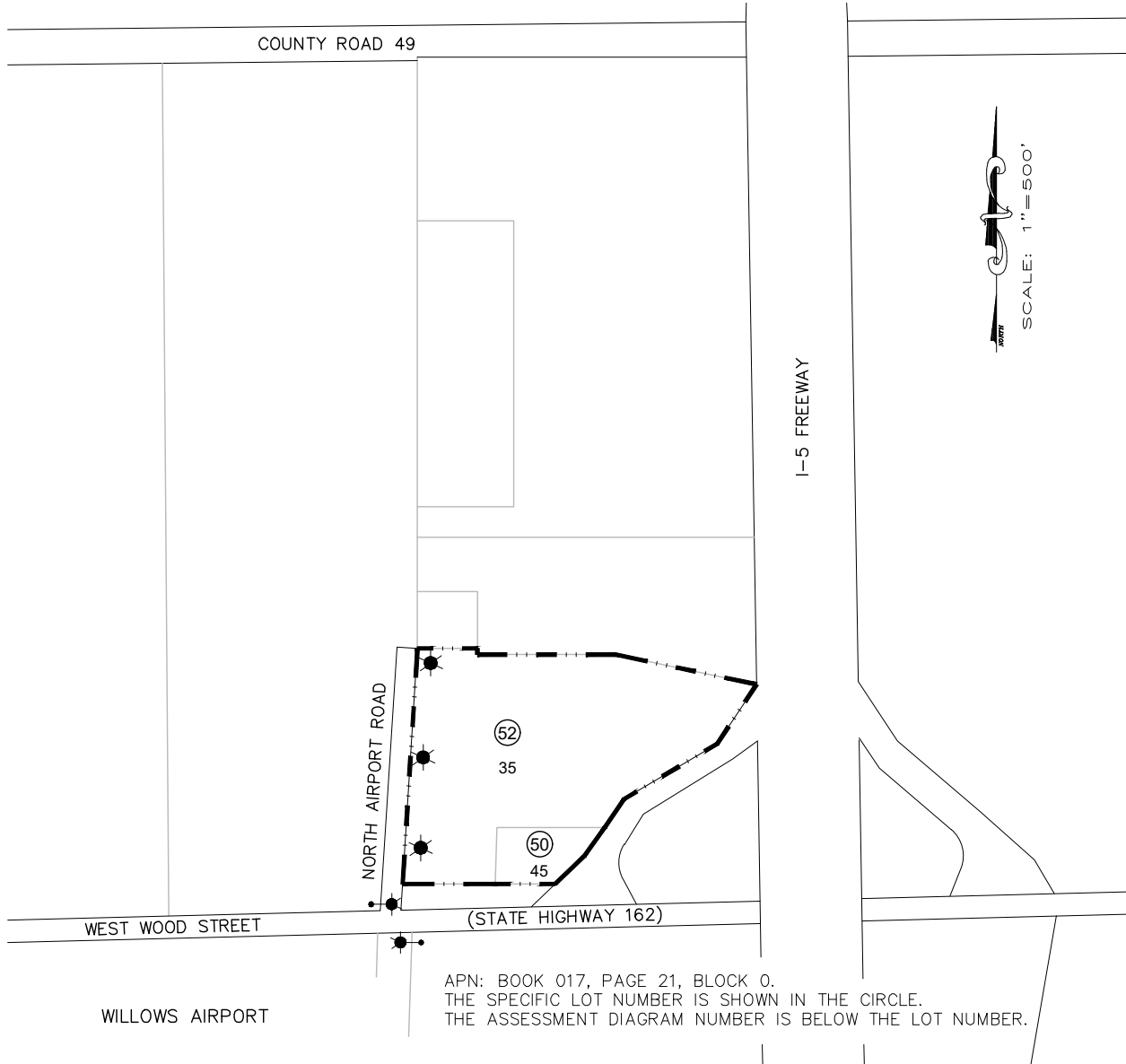
NOTE:
 FOR THE DISTINCTIVE ASSESSMENT NUMBER AND DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL REFER TO THE ASSESSOR'S MAPS FOR THE CITY OF WILLOWS AVAILABLE AT THE GLENN COUNTY ASSESSOR'S OFFICE.



COASTLAND | DCCM
 1400 Neotomas Avenue Santa Rosa, CA 95405
 707.571.8005 | coastlandcivil.com

PREPARED FOR
CITY OF WILLOWS
 GLENN COUNTY CALIFORNIA
 2023-2024 FISCAL YEAR

Images: Loc-map.jpg; Xrefs:
 Path: F:\BMAP-STD\Willows\2021-22 Assessment Diagrams.dwg Layout Name: Zone B Plot Date: Apr 04, 2023 at 10:10 am



CITY OF WILLOWS



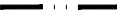
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

ASSESSMENT DIAGRAM

ZONE B - WALMART



VICINITY MAP

-  Zone B traffic signal with street light locations
-  Zone B 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 ASSESSOR'S OFFICE.



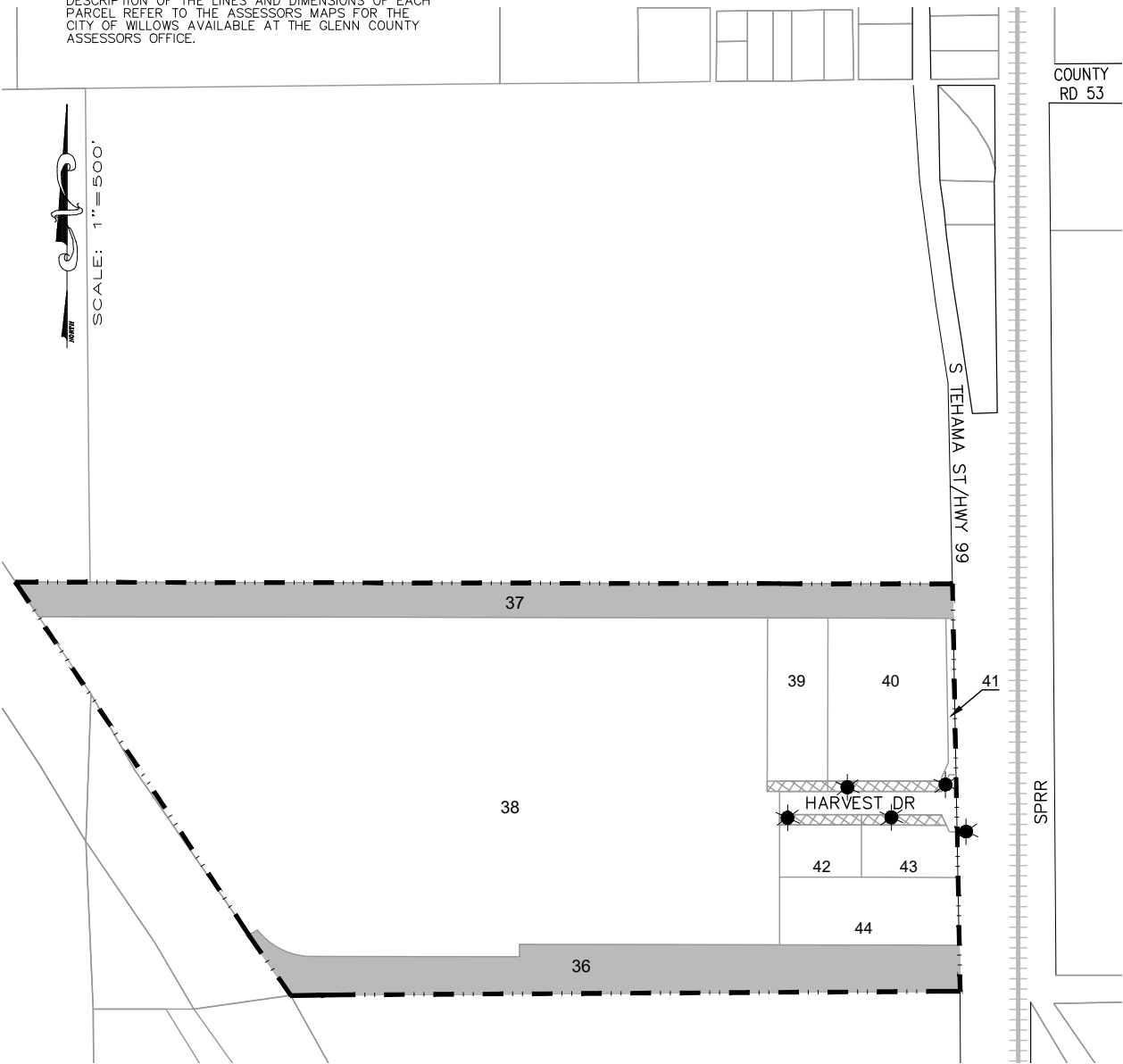
COASTLAND | DCCM
 1400 Neotomas Avenue Santa Rosa, CA 95405
 707.571.8005 | coastlandcivil.com

PREPARED FOR
CITY OF WILLOWS
 GLENN COUNTY CALIFORNIA
 2023-2024 Fiscal Year

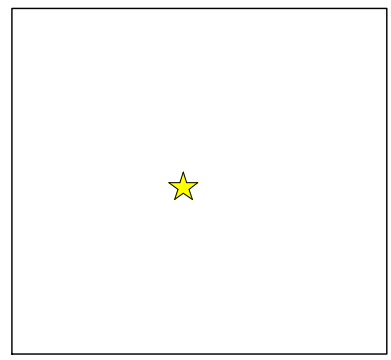
NOTE:

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.

SCALE: 1" = 500'



CITY OF WILLOWS
LANDSCAPING AND LIGHTING
ASSESSMENT DISTRICT
ASSESSMENT DIAGRAM
ZONE C - SOUTH WILLOWS
COMMERCIAL AND INDUSTRIAL CENTER



VICINITY MAP

- 38 Assessment Diagram Number. See Table 2 of this report for the corresponding Assessor's Parcel Number.
- Zone C street light locations
- Landscape Maintenance Area
- Weed Abatement of Detention Ponds
- Assessment District Boundary



COASTLAND | DCCM
 1400 Neotomas Avenue Santa Rosa, CA 95405
 707.571.8005 | coastlandcivil.com

PREPARED FOR
CITY OF WILLOWS
 GLENN COUNTY CALIFORNIA
 2023-2024 FISCAL YEAR

Images: Loc-map.jpg Xrefs: Path: F:\BMAP-STD\Willows\LLAD\2021-22 Assessment Diagrams.dwg Layout Name: Zone C Plot Date: Apr 04, 2023 at 10:10 am



**CITY OF WILLOWS
RESOLUTION NO. ____-2023**

**A RESOLUTION OF INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS, PRELIMINARILY
APPROVING THE ENGINEER’S REPORT FOR FY 2023-2024 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 2023-2024; 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 February 14, 2023, the City Council appointed Coastland Civil Engineering as the Engineer of Work, directing the preparation and filing of the annual FY 2023-2024 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 and McDonald’s developments; and

WHEREAS, the annual operation, maintenance and other incidental costs associated with Zone C of the Assessment District includes landscaping, weed abatement and lighting improvements within the South Willows Commercial and Industrial Center development; and

WHEREAS, Coastland Civil Engineering has prepared and filed with the City the Preliminary Engineer's Report for FY 2023-2024 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, B, and C of the Assessment District and the proposed FY 2023-2024 assessments upon assessable lots and parcels of land within the Assessment District; and

WHEREAS, in order to keep up with inflation the FY 2023-2024, it is proposed that the maximum annual assessment for Zone A be increased by the allowable Consumer Price Index (CPI) to \$578.32 per unit; and

WHEREAS, in order to keep up with inflation the FY 2023-2024, it is proposed that the maximum annual assessment for Zone B be increased by the allowable CPI to \$8,215.69 per unit; and

WHEREAS, in order to keep up with inflation the FY 2023-2024, it is proposed that the maximum annual assessment for Zone C be increased by the allowable CPI to \$79,076.67 per zone; and

WHEREAS, the proposed FY 2023-2024 annual assessment to levy and collect for Zone A is \$163.60 per unit; and

WHEREAS, the proposed FY 2023-2024 annual assessment to levy and collect for Zone B is \$1,257.48 per unit; and

WHEREAS, the proposed FY 2023-2024 annual assessment to levy and collect for Zone C is \$4,626.40 per unit.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Willows hereby intends to, levy and collect assessments during FY 203-2024 and preliminarily approves the filed FY 2023-2024 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, B and C, all in accordance with the annual 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 the public protest hearing will be held on June 13, 2023, at 7:00 p.m. at City Hall, 201 N. Lassen Street, Willows. At the public protest hearing, the City Council will consider the Engineer’s Report and authorization to levy and collect assessments for Fiscal Year 2023-2024; 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.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Willows does hereby certified that the foregoing Resolution No. _____–2023 was duly introduced to the City Council of the City of Willows.

PASSED AND ADOPTED by the City Council of the City of Willows this 9th day of May, 2023, by the following vote:

AYES in favor of:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Richard Thomas, Mayor

Tara Rustenhoven, Deputy City Clerk



Date: May 9, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: Future of the City Swimming Pool Ad Hoc Committee and Other Civic Discussions

Recommendation:

Based on the city swimming pool project’s status, staff recommends that the Council take one or more of the following actions:

1. Since staff is currently working to repair the swimming pool in time for the 2024 summer swim season as a result of Council direction and approval on April 11, 2023, disband the City Swimming Pool Ad Hoc Committee established by the Council in January 2023 as its goal has been achieved; and
2. Establish a new Ad Hoc Committee with a new and/or expanded area of focus to be determined by the Council; or
3. Discontinue the Ad Hoc Committee and encourage current Council Swimming Pool Ad Hoc Committee Members to continue holding “Town Hall” meetings with the community on any and all topics of interest to them and/or the community; and share the outcomes of those meetings with the entire Council as needed and as they see fit.

Rationale for Recommendation:

After Council direction and approval on April 11, 2023, City staff are and have been working to prepare a scope of work, circulate a Request for Proposals for bids, and repair the City swimming pool in time for the 2024 summer swim season. As a result, the focus area of the City Swimming Pool Ad Hoc Committee has been resolved and the Committee can be disbanded and, either a new Ad Hoc Committee with a new focus area can be established or a “Town Hall” meeting approach can be taken to address a variety of civic areas of concern by one or more Councilmembers.

Background:

On January 10, 2023, the City Council approved establishing a Swimming Pool Ad Hoc Committee. See the approved minutes below:

January 10, 2023, Agenda – Approved Minutes

Council Ad Hoc Committee to Address the City’s Swimming Pool

Action: Mayor Thomas appointed Vice-Mayor Vodden and Councilmember Hofhenke to the Council Ad Hoc Committee to Address the City’s Swimming Pool with the consent and approval of the full Council. Moved/Seconded: No motion was required. Council consent. Yes: There were no votes cast.

Based on the Council discussion at the January 10 City Council meeting, staff returned to the January 24, 2023, Council meeting to establish a Swimming Pool Steering Committee; however, as illustrated by the Council approved minutes below from the January 24 meeting, it was determined that a formal steering committee would not be necessary:

January 24, 2023, Agenda – Approved Minutes

Swimming Pool Steering Committee

Action: Established no time frame for a structure for appointing members of the public to a Swimming Pool Steering Committee to research options for renovating the City’s existing swimming pool and/or fundraising for a new swimming pool and other associated structures. Moved/Seconded: No motion was required. There were no votes cast.

Shortly thereafter, the Swimming Pool Ad Hoc Committee started meeting regarding the repairs to the City Swimming Pool. After the Committee and community’s very successful efforts to move the project forward, implementation to repair the pool was turned back over to City staff at the April 11, 2023, City Council meeting and staff have been working diligently on it ever since. In fact, the City Engineer is currently working on a scope of work and Request for Proposals to circulate in the summer of 2023.

Discussion & Analysis:

Now that staff are working on the city swimming pool repairs (in time for the 2024 summer swim season), the Ad Hoc Committee and community’s mission has been accomplished and efforts to complete and implement the Committee’s original goal - to repair the City’s swimming pool - is underway.

Since the original focus and purview of the Ad Hoc Committee has been resolved, it is recommended that the Ad Hoc Committee be disbanded and, either a new Ad Hoc Committee with a new focus area and purview be established or interested Councilmembers (of one or two members only, so as not to violate the Brown Act) hold “Town Hall” style community meetings on any civic topics of interest to them and/or the community on an as need basis. A new status and outcomes of those “Town Hall” meetings could be shared with the entire Council during the Council Comment section of the agenda and, if the results of those meetings warrant it, a

new Ad Hoc Committee could be established at that time, or Councilmembers may propose a new project for a future agenda and Council consideration.

Fiscal Impact:

There is no fiscal impact.



Date: May 9, 2023
To: Honorable Mayor and Council Members
From: Marti Brown, City Manager
Subject: Library Board Vacancies and Appointment Process

Recommendation:

Appoint two Council Members to serve on the Library Board of Trustees Subcommittee to propose a schedule, process and recommend three Library Trustee appointments to the full Council.

Rationale for Recommendation:

There are three vacancies on the Library Board of Trustees and the Municipal Code requires establishing a subcommittee of the Council in order to appoint new Board Members.

Background:

As outlined in Section 2.70 of the City's Code of Ordinances, the Library Board of Trustees consist of five members, who are appointed by the City Council. Members are appointed for overlapping three-year terms and serve at the pleasure of the City Council. Board Members Lynn Soeth, Andrzej Kubak and Dan Gupton terms expire on June 30, 2023.

Discussion & Analysis:

As has been past practice, staff recommends advertising these vacancies and accepting applications and letters of interest through June 16, 2023.

Staff also recommends that two members of the City Council be appointed to serve on the Library Board of Trustees Subcommittee in order to conduct applicant interviews on June 21 and June 22. Subcommittee recommendations to the full Council for Trustee appointments will be made at the June 27 City Council meeting.

Fiscal Impact:

There is no fiscal impact.



COMMENTS AND REPORTS



CLOSED SESSION