Willows City Council Regular Meeting

July 14, 2026
Willows City Hall
Closed Session: 5:00 PM
Open Session: 6:00 PM

City Council
Evan Hutson, Mayor
Richard Thomas, Vice Mayor
Gary Hansen, Council Member
Lorri Pride, Council Member
Matt Busby, Council Member

City Manager
Marti Brown

City Clerk

Karleen Price

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

Agenda

Watch the Council meeting online via Zoom: https://us06web.zoom.us/j/88634737626

Remote viewing of the City Council meeting for members of the public is provided for convenience only. In the event that the remote viewing connection malfunctions for any reason, the City Council reserves the right to conduct the meeting without remote viewing.

If you have documents you would like to submit to the Council, please deliver or mail them to the City Clerk at 201 N. Lassen St., Willows, CA 95988, or email cityclerk@cityofwillows.org.

1. **CALL TO ORDER - 5:00 PM**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **CHANGES TO THE AGENDA**
5. **CLOSED SESSION**

   Prior to the City Council convening into Closed Session, the public will have an opportunity to address the Council regarding the item listed below, pursuant to Government Code §54954.3. Public Comments are generally restricted to three minutes.

   a. **Conference With Legal Counsel - Existing Litigation (54956.9(d)(1))**
   Name of Case: City of Willows v. County of Glenn, et al., Glenn County Superior Court Case No. 26CV00193

6. **RECONVENE IN OPEN SESSION – 6:00 PM**
7. **CEREMONIAL**

   a. **Proclamation: Celebrating the 100th Anniversary of California Water Service**

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

   All items on the Consent Calendar are considered routine and may be approved with a single vote unless removed for separate discussion by the Council or City Manager. Individuals wishing to speak on Consent items or matters *not* on the agenda are asked to complete a Speaker Card and submit it to the City Clerk. All remarks shall be directed to the Mayor and Councilmembers and are limited to three minutes. By law, the Council cannot discuss or take action on items not listed on the posted agenda.

a. **Register Approval**
Recommended Action: Approve general checking, payroll, and direct deposit check registers.
Contact: Joei Harrison, Finance Director, jharrison@cityofwillows.org

b. **Minutes Approval**
Recommended Action: Approve the minutes of the June 23, 2026, City Council Meeting, and the June 25, 2026, Special City Council Meeting.
Contact: Karleen Price, City Clerk, kprice@cityofwillows.org

c. **Glenn-Colusa Irrigation District Easement Agreement**
Recommended Action: Adopt Resolution XX-2026 (Attachment 1) approving the Easement Agreement between the City of Willows and the Glenn-Colusa Irrigation District (Attachment 2), authorizing the conveyance and quitclaim of the City's interest in the canal infrastructure improvements associated with Lateral 26-2B, granting a perpetual non-exclusive easement for the purposes set forth in the Easement Agreement, and authorizing the City Manager, or her designee, to execute the Easement Agreement and related documents necessary to implement the Agreement.
Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

d. **Temporary Moratorium on New Mobile Food Applications**
Introduce, by title only, an ordinance authorizing a temporary moratorium on new mobile food truck applications in the City of Willows and waive the full reading of the ordinance (Attachment 1). Direct staff to schedule the ordinance for a second reading and adoption at the July 28, 2026 City Council meeting.
Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

e. **Utility Biller – New Job Classification & Salary Schedule**
Recommended Action: Adopt the attached job classification and salary schedule for a new part-time Utility Biller Position.
Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

f. **Prentice Long, PC: New Contract for the Municipal Code Update Project**
Recommended Action: Authorize the City Manager to execute a new contract with Prentice Long, PC through December 31, 2026, to complete the City of Willows Municipal Code Update.
Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

g. **Civic Center ADA Door Upgrades Project Agreement - Amendment**
Recommended Action: Adopt the Civic Center ADA Door Upgrades Resolution (Attachment 1) authorizing the City Manager to execute Amendment 1 (Attachment 2) to the Billson Construction agreement.
Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

h. **Engine 2 Lease Agreement: Community Leasing Partners**

Recommended Action: Adopt Resolution XX-2026 authorizing the City Manager, or her designee, to enter into a lease agreement with Community Leasing Partners for the purchase and outfitting of a new Type 1 fire engine for a term of nine (9) years.
Contact: Nathan Monck, Fire Chief, nmonck@cityofwillows.org

9. **PUBLIC HEARING**

All matters in this section of the agenda are formal public hearings and will be acted on individually. Individuals wishing to speak on these items are asked to complete a Speaker Card and submit it to the City Clerk. Comments should be directed to the Mayor and Councilmembers and are limited to three minutes. If you have any documentation you would like distributed to the Council, please give it to the City Clerk for distribution.

   a. **Public Hearing: Proposition 218 Sewer Rate Increase**
   Conduct a public hearing, receive public comments and written protests regarding the proposed sewer rate adjustments, and upon conclusion of the public hearing, consider adoption of the Resolution approving sewer rates for the five-year period beginning August 1, 2026.
   Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

   b. **Urgency Ordinance – Food Truck Moratorium**
   Recommended Action: Hold a public hearing and adopt an interim urgency ordinance extending Ordinance No. 765-2025, which established a temporary moratorium on new mobile food truck applications in all zoning districts within the City of Willows.
   Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

10. **DISCUSSION & ACTION CALENDAR**

All matters on the Discussion & Action calendar will be discussed and acted on individually. Individuals wishing to speak on these items are asked to complete a Speaker Card and submit it to the City Clerk. Comments should be directed to the Mayor and Councilmembers and are limited to three minutes. By law, the Council cannot discuss or take action on items not listed on the posted agenda.

   a. **Surplus Police Equipment Purchase**
   Recommended Action: Authorize the City Manager, or her designee, to purchase and accept transfer of three surplus police vehicles and other assorted police equipment from the City of Orland for a cost not to exceed $5,003.
   Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

   b. **City Council Vacancy and Appointment Process**
   Recommended Action: Receive the staff report, consider the available options for filling the City Council vacancy, and provide direction to staff to proceed with the appointment process.
   Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

11. **COMMENTS & REPORTS**

   a. **Council Correspondence**

   b. **City Council Comments & Reports**

c. **City Manager's Report**

12. **CLOSED SESSION**

Prior to the City Council convening into Closed Session, the public will have an opportunity to address the Council regarding the item listed below, pursuant to Government Code §54954.3. Public Comments are generally restricted to three minutes.

a. **Conference With Legal Counsel - Existing Litigation (54956.9(d)(1))**
Name of Case: City of Willows v. County of Glenn, et al., Glenn County Superior Court Case No. 26CV00193

b. **Conference with Real Property Negotiators (§ 54956.8)**
Property: 0 Sycamore Street, Willows CA 95988 / APN #003-113-006-000
Agency Negotiator: Marti Brown
Negotiating Parties: Ivan Alexis Ayala-Mendoza
Under Negotiation: Price and terms of payment

13. **ADJOURNMENT**

This agenda was posted on July 10, 2026.

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Karleen Price, 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 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 (530) 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.

CLOSED SESSION

CEREMONIAL MATTERS

City of Willows

Proclamation

Celebrating the 100th Anniversary of California Water Service

WHEREAS, California Water Service (CalWater) was founded in 1926 and has provided safe, reliable, and high-quality water service to communities throughout California for 100 years; and

WHEREAS, for generations, CalWater has proudly served the City of Willows by delivering clean drinking water, maintaining critical infrastructure, and supporting the health, safety, and well-being of the community; and

WHEREAS, over the past century, Cal Water has demonstrated a commitment to reliable service, responsible water stewardship, infrastructure investment, and community partnership; and

WHEREAS, CalWater has fostered strong partnerships with local governments, schools, businesses, and community organizations while supporting programs and initiatives that strengthen local communities; and

WHEREAS, the City of Willows recognizes and appreciates the dedication of Cal Water's employees and celebrates the company's century of service to its customers and the communities it serves; and

WHEREAS, the celebration of Cal Water's 100th Anniversary provides an opportunity to recognize a century of service, innovation, and stewardship, and to acknowledge the important role the company continues to play in supporting the health, safety, and prosperity of the City of Willows and communities throughout California.

NOW, THEREFORE, BE IT RESOLVED, I, Evan Hutson, Mayor of the City of Willows and on behalf of the Willows City Council and the Citizens of Willows, do hereby recognize and celebrate the **100th Anniversary of California Water Service** and extend sincere congratulations and appreciation to its leadership, employees, and retirees for 100 years of dedicated service.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 14th day of July 2026.

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Evan Hutson, Mayor

PUBLIC COMMENT & CONSENT CALENDAR FORUM

City of Willows

Payment Register

APPKT00611 - CHECK RUN 6-19-26

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Bank: Gen Chk - General Checking

Vendor Number	Vendor Name	Total Vendor Amount
	Void	0.00

Payment Type	Payment Number	Payment Date	Payment Amount
**Void Check	56820	06/19/2026	0.00
**Void Check	56821	06/19/2026	0.00
**Void Check	56822	06/19/2026	0.00
**Void Check	56823	06/19/2026	0.00
**Void Check	56824	06/19/2026	0.00

Vendor Number	Vendor Name	Total Vendor Amount
1051	ALVES DOOR COMPANY, INC.	123.05

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56814	06/19/2026	123.05

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
11757	HINGE FOR SERVICE DOOR - FIRE	06/18/2026	06/18/2026	0.00	123.05

Vendor Number	Vendor Name	Total Vendor Amount
1052	AMAZON CAPITAL SERVICES	4,023.70

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56815	06/19/2026	4,023.70

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
136G-PTXT-YJHC	BOOK - LIBRARY	06/18/2026	06/18/2026	0.00	19.14
1CHG-DQKT-XD9V	46 BOOKS - LIBRARY	06/18/2026	06/18/2026	0.00	785.85
1PD4-YPYN-YJY4	49 BOOKS - LIBRARY	06/18/2026	06/18/2026	0.00	759.98
1R39-NQPG-QM7V	45 BOOKS - LIBRARY	06/18/2026	06/18/2026	0.00	855.91
1T4X-VFDR-4CGM	49 BOOKS - LIBRARY	06/18/2026	06/18/2026	0.00	781.42
1X3X-6P3X-H164	47 BOOKS - LIBRARY	06/18/2026	06/18/2026	0.00	821.40

Vendor Number	Vendor Name	Total Vendor Amount
1172	CALIFORNIA WATER SERVICE	116.93

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56816	06/19/2026	116.93

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
1053836442-060926	SERVICE TO 6-9-26 - LLAD ZONE C	06/18/2026	06/18/2026	0.00	116.93

Vendor Number	Vendor Name	Total Vendor Amount
1219	CENGAGE LEARNING INC/GALE	84.94

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56817	06/19/2026	84.94

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
999102744499	4 BESTSELLERS - LIBRARY	06/18/2026	06/18/2026	0.00	84.94

Vendor Number	Vendor Name	Total Vendor Amount
2513	CHRISTINE WATSON	215.38

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56818	06/19/2026	215.38

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
061926CW	CLLS CONFERENCE TO BE REIMB - LIBRARY	06/18/2026	06/18/2026	0.00	215.38

Vendor Number	Vendor Name				Total Vendor Amount
2484	COLUMBIA BANK COMMERCIAL CARD - Bin #480725				5,153.73

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56819	06/19/2026	5,153.73

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
061926CW	AMAZON - CREDIT - ZIP BOOKS - LIBRARY	06/19/2026	06/19/2026	0.00	-22.11
BROWN053126-01	COOKIES - THE COOKIE TREE - CC & CP MEETING - CW	06/16/2026	06/16/2026	0.00	52.00
ENOS053126-01	WALMART - SUPPLIES - FIRE	06/16/2026	06/16/2026	0.00	254.83
FUENTES053126-01	SHASTA COLLEGE - FIRE FIGHTER EXAM/CERT - FIRE	06/16/2026	06/16/2026	0.00	196.00
FUENTES053126-02	DOLLAR STORE - PARTY SUPPLIES - FIRE	06/16/2026	06/16/2026	0.00	34.63
HARRIS053126-01	WALMART - PAPER & AIR FRESHENER SPRAY - PW	06/18/2026	06/18/2026	0.00	31.81
HARRIS053126-02	AIR RESOURCE BOARD - CTC VIS - PW	06/18/2026	06/18/2026	0.00	64.26
HARRIS053126-03	AIR RESOURCE BOARD - TRANSACTION FEE - PW	06/18/2026	06/18/2026	0.00	1.92
LOMBARD053126-01	GLENN CO SHERIFFS OFFICE - LIVESCAN - FIRE	06/16/2026	06/16/2026	0.00	72.00
LOMBARD053126-02	SIERRA SACRAMENTO VALLEY EMS - CERT - FIRE	06/16/2026	06/16/2026	0.00	39.00
LOMBARD053126-03	ZOLL MEDICAL CORP - CARRY CASE - FIRE	06/16/2026	06/16/2026	0.00	32.10
MONCK053126-01	WALMART - OFFICE SUPPLIES - FIRE	06/16/2026	06/16/2026	0.00	110.93
MONCK053126-02	WALMART - OFFICE SUPPLIES - FIRE	06/16/2026	06/16/2026	0.00	44.02
MONCK053126-03	BEST BUY - STARLINK CASE - FIRE	06/16/2026	06/16/2026	0.00	97.86
MONCK053126-04	LA CORONA - TO BE REIMBURSED	06/16/2026	06/16/2026	0.00	75.00
MONCK053126-05	GROCERY OUTLET-FOOD & SUP-PREPOSITION 2600026-F	06/16/2026	06/16/2026	0.00	82.79
MONCK053126-06	SAVMOR FOODS - FOOD & SUP-PREPOSITION 2600026-F	06/16/2026	06/16/2026	0.00	62.80
MONCK053126-07	CHEVERON - PREPOSITION 260026 - FUEL - FIRE	06/16/2026	06/16/2026	0.00	119.19
MONCK053126-08	CARLYLE HOTEL - LODGING FOR TRAINING - FIRE	06/18/2026	06/18/2026	0.00	311.36
MONCK053126-09	CHEVRON STATION - FUEL - FIRE	06/18/2026	06/18/2026	0.00	175.00
PFYL053126-01	WAL- MART - SUPPLIES - PW	06/18/2026	06/18/2026	0.00	82.26
PFYL053126-02	MAR - VAL - PW WEEK EVENT - BBQ SUPPLIES - PW	06/18/2026	06/18/2026	0.00	25.74
PRICE053126-01	OFFICE DEPOT - OFFICE SUPPLIES - CW	06/18/2026	06/18/2026	0.00	189.19
PRICE053126-02	AMAZON - REFUND	06/18/2026	06/18/2026	0.00	-30.47
PRICE053126-03	JENNY EVANS - WELLNESS PLAN FLASH CARDS - CW	06/18/2026	06/18/2026	0.00	412.90
PRICE053126-04	XFINITY NOW WIFI - LAMB DERBY EVENT WIFI - CW	06/18/2026	06/18/2026	0.00	10.00
PRICE053126-05	DOLLAR TREE - SUPPLIES - LAMB DERBY EVENT - CW	06/18/2026	06/18/2026	0.00	12.88
PRICE053126-06	WALMART - SUPPLIES - LAMB DERBY EVENT - CW	06/18/2026	06/18/2026	0.00	24.40
PRICE053126-07	RED 88 - TO BE REIMBURSED	06/18/2026	06/18/2026	0.00	51.22
PRICE053126-08	PERMITS TEST - CC FEE	06/18/2026	06/18/2026	0.00	2.50
PRICE053126-09	PERMITS - TEST	06/18/2026	06/18/2026	0.00	1.00
PRICE053126-10	PERMITS TEST - CC FEE	06/18/2026	06/18/2026	0.00	2.50
PRICE053126-11	PERMITS TEST	06/18/2026	06/18/2026	0.00	1.00
PRICE053126-12	DOLLAR TREE - SUPPLIES -AMERICAN CHEESE MONTH - C	06/18/2026	06/18/2026	0.00	12.50
PRICE053126-13	WALMART - SUPPLIES - AMERICAN CHEESE MONTH - CW	06/18/2026	06/18/2026	0.00	92.73
PRICE053126-14	AMAZON - OFFICE SUPPLIES - CW	06/18/2026	06/18/2026	0.00	84.35
PRICE053126-15	AMAZON - OFFICE SUPPLIES - CW	06/18/2026	06/18/2026	0.00	48.73
PRICE053126-16	DOLLAR TREE - OFFICE SUPPLIES - CW	06/18/2026	06/18/2026	0.00	2.72
PRICE053126-17	AMAZON - OFFICE SUPPLIES - CW	06/18/2026	06/18/2026	0.00	25.31
PRICE053126-18	WALMART - SUPPLIES - PW WEEK EVENT - PW	06/18/2026	06/18/2026	0.00	396.38
PRICE053126-19	STARBUCKS - COFFEE - PW WEEK EVENT - PW	06/18/2026	06/18/2026	0.00	22.00
PRICE053126-20	AMAZON - DIGITAL TAPE MEASURE - TOOLS - PW	06/18/2026	06/18/2026	0.00	42.07
WATSON053126-01	DOLLAR TREE - SUMMER READING SUPPLIES - LIB	06/18/2026	06/18/2026	0.00	29.63
WATSON053126-02	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	35.88
WATSON053126-03	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	22.11
WATSON053126-04	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	19.26
WATSON053126-05	AMAZON - LIBRARY MATERIAL - LIBRARY	06/18/2026	06/18/2026	0.00	32.59
WATSON053126-06	AMAZON - LIBRARY MATERIALS - LIBRARY	06/18/2026	06/18/2026	0.00	24.46
WATSON053126-07	AMAZON - LIBRARY MATERIALS - LIBRARY	06/18/2026	06/18/2026	0.00	16.27
WATSON053126-08	AMAZON - LIBRARY MATERIALS - LIBRARY	06/18/2026	06/18/2026	0.00	13.65
WATSON053126-09	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	17.86
WATSON053126-10	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	23.91
WATSON053126-11	AMAZON - LAMB DERBY SUPPLIES - LIBRARY	06/18/2026	06/18/2026	0.00	13.91
WATSON053126-12	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	32.79
WATSON053126-13	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	32.30
WATSON053126-14	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	11.73
WATSON053126-15	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	9.84

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
WATSON053126-16	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	35.14
WATSON053126-17	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	25.28
WATSON053126-18	AMAZON - DONATION BOX - LIBRARY	06/18/2026	06/18/2026	0.00	74.31
WATSON053126-19	AMAZON - CHILDREN'S SUPPLIES - LIBRARY	06/18/2026	06/18/2026	0.00	10.86
WATSON053126-20	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	12.86
WATSON053126-21	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	57.78
WATSON053126-22	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	19.14
WATSON053126-23	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	8.63
WATSON053126-24	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	22.44
WATSON053126-25	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	58.35
WATSON053126-26	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	27.13
WATSON053126-27	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	10.86
WATSON053126-28	POINT BREAK BAR & GRILL - CLLS ORIENT DINNER -LIBR	06/18/2026	06/18/2026	0.00	52.39
WATSON053126-29	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	32.43
WATSON053126-30	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	12.99
WATSON053126-31	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	47.82
WATSON053126-32	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	15.17
WATSON053126-33	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	22.58
WATSON053126-34	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	13.13
WATSON053126-35	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	11.36
WATSON053126-36	AMAZON - ZIP BOOK GRANT - LIBRARY	06/18/2026	06/18/2026	0.00	14.78
WATSON053126-37	AMAZON - SUMMER READING SUPPLIES - LIBRARY	06/18/2026	06/18/2026	0.00	184.76
WATSON053126-38	AMAZON - CHILDREN'S FURNITURE - LIBRARY	06/18/2026	06/18/2026	0.00	152.07
WATSON053126-39	AMAZON - SUMMER READING SUPPLIES - LIBRARY	06/18/2026	06/18/2026	0.00	547.98

Vendor Number	Vendor Name	Total Vendor Amount
1288	CREATIVE COMPOSITION	351.72

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56825	06/19/2026	351.72

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
38809	BUSINESS CARDS - CW	06/18/2026	06/18/2026	0.00	173.39
39279	BUSINESS CARDS - CW	06/18/2026	06/18/2026	0.00	178.33

Vendor Number	Vendor Name	Total Vendor Amount
1389	EMPLOYMENT DEV. DEPT.	1,559.24

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56826	06/19/2026	1,559.24

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
060226EDD	ACCT #776-5339-2 - Q1 - LETTER ID L0060313136 - CW	06/08/2026	06/08/2026	0.00	1,118.09
060626EDD	ACCT #800-3891-2 - Q2 - LETTER ID L1192402480 - CW	06/09/2026	06/09/2026	0.00	441.15

Vendor Number	Vendor Name	Total Vendor Amount
1396	ENLOE MEDICAL CENTER	649.00

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56827	06/19/2026	649.00

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
061926EMC	MEDICAL SCREENING FOR 1 - FIRE	06/18/2026	06/18/2026	0.00	649.00

Vendor Number	Vendor Name	Total Vendor Amount
1463	GANDY & STALEY OIL CO	1,976.58

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56828	06/19/2026	1,976.58

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
235861	FUEL - PUBLIC WORKS & SEWER	06/18/2026	06/18/2026	0.00	559.92
235872	FUEL - PUBLIC WORKS & SEWER	06/18/2026	06/18/2026	0.00	1,416.66

Vendor Number	Vendor Name					Total Vendor Amount
1467	GAYNOR TELESYSTEMS, INC.					469.49
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56829				06/19/2026	469.49
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
SUB4245.0626	JUNE 2026 SERVICE - CW		06/18/2026	06/18/2026	0.00	469.49

Vendor Number	Vendor Name					Total Vendor Amount
2468	HARRIS & ASSOCIATES					32,992.50
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56830				06/19/2026	32,992.50
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
70796	NOV-DEC 2026 - COST RECOVERY, ZONING & PLANNING-		06/18/2026	06/18/2026	0.00	17,202.50
71147	JANUARY 2026 - COST RECOVERY, ZONING, PLANNING- P		06/18/2026	06/18/2026	0.00	15,790.00

Vendor Number	Vendor Name					Total Vendor Amount
1539	HINDERLITER DELLAMAS & AS					2,173.86
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56831				06/19/2026	2,173.86
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
SIN064290	SALES TAX - APRIL - JUNE 2026 - FIN		06/18/2026	06/18/2026	0.00	1,273.86
SIN064591	TRANSACTION TAX - TOT - APRIL-JUNE 2026 - FIN		06/18/2026	06/18/2026	0.00	900.00

Vendor Number	Vendor Name					Total Vendor Amount
1606	JEREMY'S PEST STOMPERS					100.00
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56832				06/19/2026	100.00
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
6126210	JUNE 2026 SERVCE - FIRE		06/18/2026	06/18/2026	0.00	45.00
652615	JUNE 2026 SERVICE - CIVIC CENTER		06/18/2026	06/18/2026	0.00	55.00

Vendor Number	Vendor Name					Total Vendor Amount
2557	LECHOWICZ & TSENG MUNICIPAL CONSULTANTS					14,642.19
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56833				06/19/2026	14,642.19
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
#3-061926	2026 SEWER RATE STUDY - SEWER		06/18/2026	06/18/2026	0.00	14,642.19

Vendor Number	Vendor Name					Total Vendor Amount
1696	LEHR					1,319.55
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56834				06/19/2026	1,319.55
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
SI130087	PARTS - 2026 F-150 #1 - PW		06/18/2026	06/18/2026	0.00	704.91
SI130372	PARTS - 2026 F-150 #1 - PW		06/18/2026	06/18/2026	0.00	374.95
SI130502	SIREN SPEAKER - ENGINE #5 - FIRE		06/18/2026	06/18/2026	0.00	239.69

Vendor Number	Vendor Name					Total Vendor Amount
1760	MATSON & ISOM TECHNOLOGY					5,199.00
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56835				06/19/2026	5,199.00
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
103471	JUNE 2026 IT SERVICE - CW		06/18/2026	06/18/2026	0.00	5,199.00

Vendor Number	Vendor Name					Total Vendor Amount
2312	NAPA AUTO PARTS					181.57
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56836				06/19/2026	181.57
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
727930	BUTANE - SHOP - PW		06/18/2026	06/18/2026	0.00	15.76
727955	LIGHT - SWEEPER - PW		06/18/2026	06/18/2026	0.00	10.31
728016	CO2 - SHOP - PW		06/18/2026	06/18/2026	0.00	104.40

728157	GAUGE - SHOP - PW	06/18/2026	06/18/2026	0.00	51.10

Vendor Number	**Vendor Name**				**Total Vendor Amount**
2521	PAPE' KENWORTH				531.00
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56837			06/19/2026	531.00
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
780729	SMOG TESTING # 10, 11, 16, & 29 - PW	06/18/2026	07/10/2026	0.00	531.00

Vendor Number	**Vendor Name**				**Total Vendor Amount**
1143	PEDRO BOBADILLA				576.92
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56838			06/19/2026	576.92
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
061926PB	RECREATIONAL SERVICES 6-6-26 TO 6-19-26 - REC	06/19/2026	06/19/2026	0.00	576.92

Vendor Number	**Vendor Name**				**Total Vendor Amount**
1917	PG & E				224,886.66
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56839			06/19/2026	224,886.66
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
1773553795-7-06032026	SERVICE TO 6-3-26	06/18/2026	06/18/2026	0.00	46.53
4434252874-0-06032026	TRUE UP & SERVICE 6-3-26	06/18/2026	06/18/2026	0.00	224,840.13

Vendor Number	**Vendor Name**				**Total Vendor Amount**
1926	PLEXUS GLOBAL LLC				146.00
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56840			06/19/2026	146.00
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
20216	DOT PLUS BAT TESTING - PW	06/18/2026	06/18/2026	0.00	146.00

Vendor Number	**Vendor Name**				**Total Vendor Amount**
2332	PRENTICE LONG, PC				7,450.00
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56841			06/19/2026	7,450.00
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
8800	MEDIATOR FEES - JUDICATE WEST- CITY VS COUNTY - CA	06/18/2026	06/18/2026	0.00	7,450.00

Vendor Number	**Vendor Name**				**Total Vendor Amount**
2041	SACRAMENTO VALLEY MIRROR				272.70
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56842			06/19/2026	272.70
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
4406	LEGAL ADS-LLAD & VACANT POSITIONS - CW	06/19/2026	06/19/2026	0.00	272.70

Vendor Number	**Vendor Name**				**Total Vendor Amount**
2094	SONGBIRD LANDSCAPE SUPPLY				48.25
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56843			06/19/2026	48.25
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
10051	GARDENIA MYSTERY - CIVIC CENTER	06/19/2026	06/19/2026	0.00	48.25

Vendor Number	**Vendor Name**				**Total Vendor Amount**
2447	TOP NOTCH COMMERCIAL CLEANING				1,100.00
Payment Type	**Payment Number**			**Payment Date**	**Payment Amount**
Check	56844			06/19/2026	1,100.00
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**
12996	JUNE 2026 JANITORIAL SERVICES - CIVIC CENTER	06/19/2026	06/19/2026	0.00	1,100.00

Vendor Number	Vendor Name					Total Vendor Amount
2207	TYLER TECHNOLOGIES, INC					3,800.00
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56845				06/19/2026	3,800.00
Payable Number		Description	Payable Date	Due Date	Discount Amount	Payable Amount
025-554020		ERP PRO UTILITIES-C&F STATE REVIEW & FINALIZE FORM	06/19/2026	06/19/2026	0.00	3,480.00
025-556429		TUTORING SESSON 3 PROJECT ACCOUNTING - FIN	06/19/2026	06/19/2026	0.00	320.00

Vendor Number	Vendor Name					Total Vendor Amount
2433	VESTIS					393.35
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56846				06/19/2026	393.35
Payable Number		Description	Payable Date	Due Date	Discount Amount	Payable Amount
5067157638		UNIFORM SERVICE - PUBLIC WORKS	06/19/2026	06/19/2026	0.00	206.86
5067162579		UNIFORM SERVICE - PUBLIC WORKS	06/19/2026	06/19/2026	0.00	186.49

Vendor Number	Vendor Name					Total Vendor Amount
2567	WILLOWS 4TH OF JULY					1,000.00
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56847				06/19/2026	1,000.00
Payable Number		Description	Payable Date	Due Date	Discount Amount	Payable Amount
061926W4J		SPONSORSHIP - FIREWORKS SHOW EVENT - CW	06/18/2026	06/18/2026	0.00	1,000.00

Vendor Number	Vendor Name					Total Vendor Amount
2295	WILLOWS ACE HARDWARE					386.50
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56848				06/19/2026	386.50
Payable Number		Description	Payable Date	Due Date	Discount Amount	Payable Amount
138877		BATTERIES - SHOP SUPPLIES - PW	06/19/2026	06/19/2026	0.00	10.43
138906		FERTILIZER – FACILITIES - PW	06/19/2026	06/19/2026	0.00	57.63
138928		SEED & MULCH - PUBLIC WORKS	06/19/2026	06/19/2026	0.00	41.27
139067		FASTENERS - BENCH - CIVIC CENTER	06/19/2026	06/19/2026	0.00	6.29
139123		PVC PARTS - LITTLE LEAGUE - JENSEN PARK - PW	06/19/2026	06/19/2026	0.00	14.31
139194		PADLOCK & VISE - FIRE	06/19/2026	06/19/2026	0.00	184.85
139250		STATION PLUGS - FIRE	06/19/2026	06/19/2026	0.00	32.59
139392		SOLDER - HEADSET EINGINE # 3 - FIRE	06/19/2026	06/19/2026	0.00	14.13
139430		HOSE - JENSEN PARK - PW	06/19/2026	06/19/2026	0.00	25.00

Vendor Number	Vendor Name					Total Vendor Amount
2282	WILLOWS HARDWARE, INC.					136.99
Payment Type	Payment Number				Payment Date	Payment Amount
Check	56849				06/19/2026	136.99
Payable Number		Description	Payable Date	Due Date	Discount Amount	Payable Amount
370040		2 SAW CHAINS & 6 SHARPENINGS - PW	06/19/2026	06/19/2026	0.00	115.28
370047		SPRINKLER NOZZEL - MALL AREA	06/19/2026	06/19/2026	0.00	2.16
370594		FAUCET STEM - MENS RESTROOM - CIVIC CENTER	06/19/2026	06/19/2026	0.00	19.55

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
Gen Chk	Voided **Void Check	0	1	0.00	0.00
Gen Chk	Check	108	18	0.00	36,310.97
Gen Chk	Voided **Void Check	0	4	0.00	0.00
Gen Chk	Check	32	13	0.00	275,749.83
	Packet Totals:	**140**	**36**	**0.00**	**312,060.80**

Cash Fund Summary

Fund	Name		Amount
999	CASH CLEARING		-312,060.80
		Packet Totals:	**-312,060.80**

Payment Register

City of Willows

APPKT00617 - CHECK RUN 7-2-26

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Bank: Gen Chk - General Checking

Vendor Number	Vendor Name					Total Vendor Amount
	Void					0.00
Payment Type	**Payment Number**				**Payment Date**	**Payment Amount**
**Void Check	56862				07/02/2026	0.00
**Void Check	56881				07/02/2026	0.00
**Void Check	56882				07/02/2026	0.00
**Void Check	56883				07/02/2026	0.00

Vendor Number	Vendor Name					Total Vendor Amount
1008	A.T.& T.					324.84
Payment Type	**Payment Number**				**Payment Date**	**Payment Amount**
Check	56856				07/02/2026	324.84
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**	
000025420094	BAN - 9391061616 - 05-19-26 TO 06-18-26 SERVICE	06/29/2026	06/29/2026	0.00	294.27	
000025420099	BAN - 9391061624 - 05-19-26 TO 6-18-26 SERVICE	06/29/2026	06/29/2026	0.00	30.57	

Vendor Number	Vendor Name					Total Vendor Amount
2568	ALL ABOUT A FARM ATTENDANT					575.00
Payment Type	**Payment Number**				**Payment Date**	**Payment Amount**
Check	56857				07/02/2026	575.00
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**	
070226AAAFA	PETTING ZOO - SUMMER READING PR 7-14-26 - LIBRARY	06/29/2026	06/29/2026	0.00	575.00	

Vendor Number	Vendor Name					Total Vendor Amount
1051	ALVES DOOR COMPANY, INC.					366.40
Payment Type	**Payment Number**				**Payment Date**	**Payment Amount**
Check	56858				07/02/2026	366.40
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**	
11769	CAMERAS & INSTALLATION - FIRE	06/29/2026	06/29/2026	0.00	366.40	

Vendor Number	Vendor Name					Total Vendor Amount
1052	AMAZON CAPITAL SERVICES					1,638.87
Payment Type	**Payment Number**				**Payment Date**	**Payment Amount**
Check	56859				07/02/2026	1,638.87
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**	
11DJ-MFHX-HJ49	OFFICE SUPPLIES - LIBRARY	06/30/2026	06/30/2026	0.00	240.49	
14JF-YGWL-CVMJ	ZIP BOOKS GRANT - LIBRARY	06/30/2026	06/30/2026	0.00	23.91	
14KM-CH4L-GQGJ	DISLPAY, CLEANING & EQUIPMENT MAINT - LIBRARY	06/30/2026	06/30/2026	0.00	379.64	
16QC-HKT6-FJRH	ZIP BOOKS GRANT - LIBRARY	06/30/2026	06/30/2026	0.00	54.12	
1KK3-L33J-64GN	BOOKS & MATERIALS #6 - LIBRARY	06/30/2026	06/30/2026	0.00	302.45	
1KK3-L33J-HNRQ	SUPPLIES SUMMER READING CHILDRENS SERV-LIBRARY	06/30/2026	06/30/2026	0.00	504.65	
1QNP-3DDH-F69R	BOOKS & MATERIALS #2 - LIBRARY	06/30/2026	06/30/2026	0.00	54.97	
1WQ6-QPJL-HDJX	ZIP BOOKS GRANT - LIBRARY	06/30/2026	06/30/2026	0.00	48.27	
1XCK-G31T-H7RY	2 BOOKS - LIBRARY	06/30/2026	06/30/2026	0.00	30.37	

Vendor Number	Vendor Name					Total Vendor Amount
1194	CALIFORNIA STATE DISBURSE					162.92
Payment Type	**Payment Number**				**Payment Date**	**Payment Amount**
Check	56860				07/02/2026	162.92
Payable Number	**Description**	**Payable Date**	**Due Date**	**Discount Amount**	**Payable Amount**	
INV0001938	CHILD SUPPORT	07/02/2026	07/02/2026	0.00	162.92	

Vendor Number	Vendor Name				Total Vendor Amount
1172	CALIFORNIA WATER SERVICE				5,149.15
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56861			07/02/2026	5,149.15
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
8491677777-061226	SERVICE TO 6-12-26 - CW	06/29/2026	06/29/2026	0.00	5,149.15

Vendor Number	Vendor Name				Total Vendor Amount
1252	CLEARWAY ENERGY LLC				15,851.95
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56863			07/02/2026	15,851.95
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
1873651	MAY 2026 SERVICE - SEWER	06/29/2026	06/29/2026	0.00	15,851.95

Vendor Number	Vendor Name				Total Vendor Amount
1261	COMCAST CABLE				523.79
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56864			07/02/2026	523.79
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
8155600290115941-072826	SERVICE TO 7-28-26 - CIVIC CENTER	06/30/2026	06/30/2026	0.00	370.63
8155600290116196-071826	SERVICE TO 7-18-26 - FIRE	06/29/2026	06/29/2026	0.00	153.16

Vendor Number	Vendor Name				Total Vendor Amount
1275	CORBIN WILLITS SYSTEMS				518.96
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56865			07/02/2026	518.96
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
000C606151	JUNE 2026 - MOM'S SOFTWARE - FIN	06/29/2026	06/29/2026	0.00	518.96

Vendor Number	Vendor Name				Total Vendor Amount
2390	CULLIGAN QUENCH USA, INC				140.31
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56866			07/02/2026	140.31
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV11045645	JULY 2026 SERVICE - CW	06/29/2026	06/29/2026	0.00	140.31

Vendor Number	Vendor Name				Total Vendor Amount
1463	GANDY & STALEY OIL CO				1,192.21
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56867			07/02/2026	1,192.21
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
87140-053126	FUEL - FIRE	06/29/2026	06/29/2026	0.00	1,192.21

Vendor Number	Vendor Name				Total Vendor Amount
2468	HARRIS & ASSOCIATES				5,042.50
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56868			07/02/2026	5,042.50
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
72683	MAY 2026 - COST REC, ZONING, P HEARING & PLAN -PL	06/29/2026	06/29/2026	0.00	5,042.50

Vendor Number	Vendor Name				Total Vendor Amount
1566	INFRAMARK LLC				58,344.36
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56869			07/02/2026	58,344.36
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
182510	JUNE 2026 SERVICE - SEWER	06/29/2026	06/29/2026	0.00	58,344.36

Vendor Number	Vendor Name				Total Vendor Amount
1680	LANNIE'S SEPTIC TANK SERV				436.39
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56870			07/02/2026	436.39
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
27892	PORTABLE TOILET RENTAL & SERVICE - POOL	06/29/2026	06/29/2026	0.00	146.81
27893	PORTABLE TOILET RENTAL & SERV - SOFTBALL GAME-FIR	06/30/2026	06/30/2026	0.00	289.58

Vendor Number	Vendor Name				Total Vendor Amount
1760	MATSON & ISOM TECHNOLOGY				8,545.34
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56871			07/02/2026	8,545.34
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
102647	ORDER #697 LAPTOP - LIBRARY	06/29/2026	06/29/2026	0.00	6,064.43
103569	ORDER #770 MOM'S TRANSITION WORKSTATION - CW	06/30/2026	06/30/2026	0.00	2,480.91

Vendor Number	Vendor Name				Total Vendor Amount
1763	MAXIMUM SECURITY SYSTEMS				60.00
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56872			07/02/2026	60.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
00036480	QUARTERLY MONITORING SERV- JULY, AUG, SEPT 2026-F	06/29/2026	06/29/2026	0.00	60.00

Vendor Number	Vendor Name				Total Vendor Amount
1778	MIDAMERICA ADMIN & RETIRE				378.00
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56873			07/02/2026	378.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
0362268	1Q26 ADMIN/PLATFORM FEE (ER) - CW	06/29/2026	06/29/2026	0.00	378.00

Vendor Number	Vendor Name				Total Vendor Amount
2312	NAPA AUTO PARTS				459.15
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56874			07/02/2026	459.15
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
728242	AC HOSE & OXK TANK - PW	06/30/2026	06/30/2026	0.00	-152.26
728252	AC HOSE - PW	06/30/2026	06/30/2026	0.00	-163.11
728360	BATTERY - CAT GENERATOR #35 - PW	06/30/2026	06/30/2026	0.00	560.78
728622	SUPPLIES - SHOP - PW	06/30/2026	06/30/2026	0.00	58.69
728723	SHOP TOWELS - PW	06/30/2026	06/30/2026	0.00	13.02
729229	FILTERS & SEAL - STUMP GRINDER #44 - PW	06/30/2026	06/30/2026	0.00	142.03

Vendor Number	Vendor Name				Total Vendor Amount
1820	NATHANIAL MONCK				356.00
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56875			07/02/2026	356.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
070226NM1	REIMBURSEMENT - GRASS VALLEY CA -MARCH 2026 - FIR	06/29/2026	06/29/2026	0.00	118.00
070226NM2	REIMBURSEMENT - SAN JOSE CA - MAY 2026 - FIRE	06/29/2026	06/29/2026	0.00	238.00

Vendor Number	Vendor Name				Total Vendor Amount
1864	O'REILLY AUTO PARTS				169.55
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56876			07/02/2026	169.55
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
4878-127140	PARTS - FORD F-350 #20 - PW	06/30/2026	06/30/2026	0.00	38.05
4878-127949	BATTERY - PW	06/30/2026	06/30/2026	0.00	131.50

Vendor Number	Vendor Name				Total Vendor Amount
1877	ORLAND SAW & MOWER				167.83
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56877			07/02/2026	167.83
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
066551	FUEL LINE REPLACEMENT - #T4 - FIRE	06/30/2026	06/30/2026	0.00	167.83

Vendor Number	Vendor Name				Total Vendor Amount
2402	OVERDRIVE, INC				4,539.97
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56878			07/02/2026	4,539.97
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
02323CO26206865	31 EBOOKS & 56 AUDIOBOOKS - LIBRARY	06/29/2026	06/29/2026	0.00	4,539.97

Vendor Number	Vendor Name				Total Vendor Amount
1143	PEDRO BOBADILLA				577.00
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56879			07/02/2026	577.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
070226PB	RECREATIONAL SERVICES 6-20-26 TO 7-3-26 - REC	06/30/2026	06/30/2026	0.00	577.00

Vendor Number	Vendor Name				Total Vendor Amount
1917	PG & E				12,710.84
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56880			07/02/2026	12,710.84
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
0939281537-0-062326	SERVICE TO 6-23-26 - CW	06/30/2026	06/30/2026	0.00	12,710.84

Vendor Number	Vendor Name				Total Vendor Amount
2556	RADIAL POWER LLC				1,400.53
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56884			07/02/2026	1,400.53
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV807	JUNE 2026 PRODUCTION - SOLAR - FIRE	06/30/2026	06/30/2026	0.00	1,400.53

Vendor Number	Vendor Name				Total Vendor Amount
2207	TYLER TECHNOLOGIES, INC				4,555.00
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56885			07/02/2026	4,555.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
025-556986	TUTORING SESSION #4 HR - FIN	06/30/2026	06/30/2026	0.00	320.00
025-556987	ERP PRO UTILITES - CONFIGURATION	06/30/2026	06/30/2026	0.00	3,770.00
025-557581	TUTORING SESSION #5 GENERAL LEDGER - FIN	06/30/2026	06/30/2026	0.00	320.00
025-557582	ERP PRO UTILITES - CONFIGURATION	06/30/2026	06/30/2026	0.00	145.00

Vendor Number	Vendor Name				Total Vendor Amount
2223	UNITED PUBLIC EMPLOYEES A				266.53
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56886			07/02/2026	266.53
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV0001955	UPEC DUES	07/02/2026	07/31/2026	0.00	266.53

Vendor Number	Vendor Name				Total Vendor Amount
2433	VESTIS				186.49
Payment Type	Payment Number			Payment Date	Payment Amount
Check	56887			07/02/2026	186.49
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
5067167475	UNIFORM SERVICE - PUBLIC WORKS	06/29/2026	06/29/2026	0.00	186.49

Vendor Number	Vendor Name					Total Vendor Amount
2295	WILLOWS ACE HARDWARE					1,300.22

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56888	07/02/2026	1,300.22

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
139482	STENCIL & PAINT - SOFTBALL FIELD - PW	06/30/2026	06/30/2026	0.00	35.85
139559	FLAG - CIVIC CENTER	06/30/2026	06/30/2026	0.00	43.49
139789	24 FALSON SPRINKLERS - PARKS	06/30/2026	06/30/2026	0.00	1,220.88

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
Gen Chk	Voided **Void Check	0	1	0.00	0.00
Gen Chk	Check	51	27	0.00	67,018.74
Gen Chk	Voided **Void Check	0	3	0.00	0.00
Gen Chk	Check	2	2	0.00	58,921.36
	Packet Totals:	**53**	**33**	**0.00**	**125,940.10**

Cash Fund Summary

Fund	Name		Amount
999	CASH CLEARING		-125,940.10
		Packet Totals:	**-125,940.10**

Payment Register

City of Willows

APPKT00612 - Monthly Vendors June 2026

-

Bank: Gen Chk - General Checking

Vendor Number	Vendor Name	Total Vendor Amount
	Void	0.00

Payment Type	Payment Number	Payment Date	Payment Amount
**Void Check	56852	06/18/2026	0.00

Vendor Number	Vendor Name	Total Vendor Amount
1029	AFLAC- FLEX ONE	770.38

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56850	06/18/2026	770.38

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV0001869	AFLAC DENTAL	06/05/2026	06/30/2026	0.00	84.90
INV0001870	AFLAC CANCER	06/05/2026	06/30/2026	0.00	113.63
INV0001871	AFLAC ACCIDENT	06/05/2026	06/05/2026	0.00	114.54
INV0001872	AFLAC STD	06/05/2026	06/30/2026	0.00	17.94
INV0001873	AFLAC EVENT/CRITICAL	06/05/2026	06/30/2026	0.00	54.18
INV0001903	AFLAC DENTAL	06/18/2026	06/30/2026	0.00	84.90
INV0001904	AFLAC CANCER	06/18/2026	06/30/2026	0.00	113.63
INV0001905	AFLAC ACCIDENT	06/18/2026	06/18/2026	0.00	114.54
INV0001906	AFLAC STD	06/18/2026	06/30/2026	0.00	17.94
INV0001907	AFLAC EVENT/CRITICAL	06/18/2026	06/30/2026	0.00	54.18

Vendor Number	Vendor Name	Total Vendor Amount
2527	ANTHEM BLUE CROSS OF CALIFORNIA	21,077.45

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56851	06/18/2026	21,077.45

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV0001877	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	415.13
INV0001878	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	845.52
INV0001879	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	1,019.93
INV0001880	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	376.47
INV0001881	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	634.67
INV0001882	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	1,446.81
INV0001883	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	515.34
INV0001884	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	881.25
INV0001885	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	1,914.52
INV0001886	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	791.60
INV0001887	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	498.57
INV0001888	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	453.78
INV0001889	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	340.42
INV0001890	MEDICAL INSURANCE PREMIUM	06/05/2026	06/30/2026	0.00	404.73
INV0001911	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	415.12
INV0001912	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	845.52
INV0001913	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	1,019.93
INV0001914	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	376.47
INV0001915	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	634.66
INV0001916	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	1,446.81
INV0001917	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	515.33
INV0001918	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	881.25
INV0001919	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	1,914.52
INV0001920	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	791.60
INV0001921	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	498.57
INV0001922	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	453.78
INV0001923	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	340.42

INV0001924	MEDICAL INSURANCE PREMIUM	06/18/2026	06/30/2026	0.00	404.73

Vendor Number	Vendor Name	Total Vendor Amount
1194	CALIFORNIA STATE DISBURSE	162.92

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56853	06/18/2026	162.92

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV0001908	CHILD SUPPORT	06/18/2026	06/18/2026	0.00	162.92

Vendor Number	Vendor Name	Total Vendor Amount
1551	HUMANA DENTAL/VISION	1,969.74

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56854	06/18/2026	1,969.74

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV0001875	DENTAL	06/05/2026	06/30/2026	0.00	385.36
INV0001876	DENTAL	06/05/2026	06/30/2026	0.00	431.15
INV0001892	VISION	06/05/2026	06/30/2026	0.00	48.21
INV0001893	VISION	06/05/2026	06/30/2026	0.00	43.34
INV0001909	DENTAL	06/18/2026	06/30/2026	0.00	385.32
INV0001910	DENTAL	06/18/2026	06/30/2026	0.00	431.15
INV0001926	VISION	06/18/2026	06/30/2026	0.00	48.20
INV0001927	VISION	06/18/2026	06/30/2026	0.00	43.34
JUNE2026	VISION/DENTAL	06/18/2026	06/18/2026	0.00	153.67

Vendor Number	Vendor Name	Total Vendor Amount
2223	UNITED PUBLIC EMPLOYEES A	266.53

Payment Type	Payment Number	Payment Date	Payment Amount
Check	56855	06/18/2026	266.53

Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
INV0001925	UPEC DUES	06/18/2026	06/30/2026	0.00	266.53

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
Gen Chk	Voided **Void Check	0	1	0.00	0.00
Gen Chk	Check	49	5	0.00	24,247.02
	Packet Totals:	**49**	**6**	**0.00**	**24,247.02**

Cash Fund Summary

Fund	Name		Amount
999	CASH CLEARING		-24,247.02
		Packet Totals:	**-24,247.02**

City of Willows

Payroll Check Register

Checks

Pay Period: 6/15/2026-6/28/2026

Packet: PYPKT00656 - PAYROLL 6-15-26 TO 6-28-26 PAY DATE 7-2-26
Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Check Type	Date	Amount	Number
GARCIA, AARON	GAR04	Regular	07/02/2026	276.98	41187
BOBADILLA, TIAGO	BOB03	Regular	07/02/2026	184.65	41188
CHRISTY, CADE	CAD00	Regular	07/02/2026	246.20	41189
COGGINS, TYLIE	COG00	Regular	07/02/2026	184.65	41190
LINARES VILLALBA, LIANI	LIA00	Regular	07/02/2026	257.75	41191

City of Willows

Payroll Check Register

Direct Deposits

Pay Period: 6/15/2026-6/28/2026

Packet: PYPKT00656 - PAYROLL 6-15-26 TO 6-28-26 PAY DATE 7-2-26
Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Date	Amount	Number
BUSBY, MATTHEW	BUS01	07/02/2026	227.62	2282
HANSEN, GARY L	HAN02	07/02/2026	227.62	2283
PRIDE, LORRI A	PRI00	07/02/2026	227.62	2284
THOMAS, RICHARD	THO00	07/02/2026	227.62	2285
BROWN, MARTHA	BRO01	07/02/2026	3,987.69	2286
PRICE, KARLEEN	PRI01	07/02/2026	1,787.29	2287
HARRISON, JOEI	HAR01	07/02/2026	2,001.95	2288
HAZLETT, ROBIN	HAZ01	07/02/2026	1,572.74	2289
BROTT, SHERRY	BRO02	07/02/2026	45.52	2290
CORUM, RAYMOND	COR02	07/02/2026	45.52	2291
MCNEIL, MICHAEL JAMES	MCN00	07/02/2026	45.52	2292
NYGARD, ROBYN	NYG00	07/02/2026	45.52	2293
RICHARDSON, TARYN	RIC00	07/02/2026	1,345.13	2294
RUSTENHOVEN, TARA L	RUS01	07/02/2026	1,855.62	2295
GAMBOA, YADIRA	GAM00	07/02/2026	439.45	2296
LUNA-SARINAS, CRISTINA	LUN00	07/02/2026	682.44	2297
MYERS, KEVIN M	MYE00	07/02/2026	439.28	2298
RUBALCAVA-TORRES, VIANKA	RUB01	07/02/2026	1,442.19	2299
WATSON, CHRISTINE	WAT01	07/02/2026	2,736.41	2300
BOBADILLA, TAVIAN	BOB02	07/02/2026	200.03	2301
FLOWERDEW, JAKE	FLO01	07/02/2026	253.89	2302
PUENTE, ANTHONY	PUE00	07/02/2026	184.65	2303
ENOS, KYLE	ENO00	07/02/2026	2,223.54	2304
FUENTES, JAIME	FUE01	07/02/2026	1,872.77	2305
HUTSON, EVAN C	HUT01	07/02/2026	227.62	2306
LOMBARD, TYLER JOSEPH	LOM00	07/02/2026	2,594.07	2307
PETERICH, JOHN	PET01	07/02/2026	798.05	2308
MINGS, MICHAEL E	MIN00	07/02/2026	1,473.16	2309
RANDOLPH, MATTHEW	RAN01	07/02/2026	1,427.80	2310
REED, JOSHUA	REE00	07/02/2026	1,403.84	2311
VASQUEZ, PEDRO CEASAR	VAS01	07/02/2026	1,991.02	2312
ZOLLER-HARRIS, TRAVIS	ZOL00	07/02/2026	2,252.38	2313
BETTENCOURT, JOSEPH	BET01	07/02/2026	3,691.19	2314
MONCK, NATHANIAL T	MON00	07/02/2026	3,291.68	2315
PFYL, NATISA N	PFY00	07/02/2026	2,145.70	2316

City of Willows

Payroll Check Register
Employee Pay Summary
Pay Period: 6/15/2026-6/28/2026

Packet: PYPKT00656 - PAYROLL 6-15-26 TO 6-28-26 PAY DATE 7-2-26
Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Payment Date	Number	Earnings	Deductions	Taxes	Net
BETTENCOURT, JOSEPH	BET01	07/02/2026	2314	5,052.09	404.17	956.73	3,691.19
BOBADILLA, TAVIAN	BOB02	07/02/2026	2301	219.70	0.00	19.67	200.03
BOBADILLA, TIAGO	BOB03	07/02/2026	41188	202.80	0.00	18.15	184.65
BROTT, SHERRY	BRO02	07/02/2026	2290	50.00	0.00	4.48	45.52
BROWN, MARTHA	BRO01	07/02/2026	2286	6,613.48	919.78	1,706.01	3,987.69
BUSBY, MATTHEW	BUS01	07/02/2026	2282	250.00	0.00	22.38	227.62
CHRISTY, CADE	CAD00	07/02/2026	41189	270.40	0.00	24.20	246.20
COGGINS, TYLIE	COG00	07/02/2026	41190	202.80	0.00	18.15	184.65
CORUM, RAYMOND	COR02	07/02/2026	2291	50.00	0.00	4.48	45.52
ENOS, KYLE	ENO00	07/02/2026	2304	3,251.96	629.91	398.51	2,223.54
FLOWERDEW, JAKE	FLO01	07/02/2026	2302	278.85	0.00	24.96	253.89
FUENTES, JAIME	FUE01	07/02/2026	2305	2,449.12	355.48	220.87	1,872.77
GAMBOA, YADIRA	GAM00	07/02/2026	2296	504.00	0.00	64.55	439.45
GARCIA, AARON	GAR04	07/02/2026	41187	304.20	0.00	27.22	276.98
HANSEN, GARY L	HAN02	07/02/2026	2283	250.00	0.00	22.38	227.62
HARRISON, JOEI	HAR01	07/02/2026	2288	4,783.00	2,133.50	647.55	2,001.95
HAZLETT, ROBIN	HAZ01	07/02/2026	2289	2,086.72	333.84	180.14	1,572.74
HUTSON, EVAN C	HUT01	07/02/2026	2306	250.00	0.00	22.38	227.62
LINARES VILLALBA, LIANI	LIA00	07/02/2026	41191	283.08	0.00	25.33	257.75
LOMBARD, TYLER JOSEPH	LOM00	07/02/2026	2307	3,843.60	869.94	379.59	2,594.07
LUNA-SARINAS, CRISTINA	LUN00	07/02/2026	2297	756.00	0.00	73.56	682.44
MCNEIL, MICHAEL JAMES	MCN00	07/02/2026	2292	50.00	0.00	4.48	45.52
MINGS, MICHAEL E	MIN00	07/02/2026	2309	2,361.12	509.88	378.08	1,473.16
MONCK, NATHANIAL T	MON00	07/02/2026	2315	5,396.17	807.98	1,296.51	3,291.68
MYERS, KEVIN M	MYE00	07/02/2026	2298	486.00	0.00	46.72	439.28
NYGARD, ROBYN	NYG00	07/02/2026	2293	50.00	0.00	4.48	45.52
PETERICH, JOHN	PET01	07/02/2026	2308	884.54	0.00	86.49	798.05
PFYL, NATISA N	PFY00	07/02/2026	2316	3,431.34	528.93	756.71	2,145.70
PRICE, KARLEEN	PRI01	07/02/2026	2287	2,508.92	271.24	450.39	1,787.29
PRIDE, LORRI A	PRI00	07/02/2026	2284	250.00	0.00	22.38	227.62
PUENTE, ANTHONY	PUE00	07/02/2026	2303	202.80	0.00	18.15	184.65
RANDOLPH, MATTHEW	RAN01	07/02/2026	2310	2,026.40	248.35	350.25	1,427.80
REED, JOSHUA	REE00	07/02/2026	2311	2,026.40	423.39	199.17	1,403.84
RICHARDSON, TARYN	RIC00	07/02/2026	2294	1,871.20	201.15	324.92	1,345.13
RUBALCAVA-TORRES, VIANK	RUB01	07/02/2026	2299	1,970.88	173.87	354.82	1,442.19
RUSTENHOVEN, TARA L	RUS01	07/02/2026	2295	2,555.60	343.87	356.11	1,855.62
THOMAS, RICHARD	THO00	07/02/2026	2285	250.00	0.00	22.38	227.62
VASQUEZ, PEDRO CEASAR	VAS01	07/02/2026	2312	2,842.84	409.86	441.96	1,991.02
WATSON, CHRISTINE	WAT01	07/02/2026	2300	4,147.20	318.31	1,092.48	2,736.41
ZOLLER-HARRIS, TRAVIS	ZOL00	07/02/2026	2313	3,014.40	272.43	489.59	2,252.38
			Totals:	**68,277.61**	**10,155.88**	**11,557.36**	**46,564.37**

City of Willows

Payroll Check Register

Report Summary

Pay Period: 6/15/2026-6/28/2026

Packet: PYPKT00656 - PAYROLL 6-15-26 TO 6-28-26 PAY DATE 7-2-26
Payroll Set: Payroll Set 01 - 01

Type	Count	Amount
Regular Checks	5	1,150.23
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	35	45,414.14
Total	**40**	**46,564.37**

Willows City Council
Regular Meeting
Action Minutes

June 23, 2026
Willows City Hall
6:00 PM

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: Vice Mayor Thomas, Councilmember Busby, Councilmember Hansen, and Councilmember Pride
   Councilmembers Absent: Mayor Hutson

4. **CHANGES TO THE AGENDA**

   Item #8a was continued to the July 14, 2026 City Council Meeting.

   Item #8b was moved to be heard immediately following the consent calendar and prior to Public Hearing item 7a.

5. **CEREMONIAL**

   a. **Proclamation –** National Family Owned and Operated Business Day - received by Jessica Tapia, Willows Chamber of Commerce.

   b. **Proclamation –** National Food Truck Day - received by Jessica Tapia, Willows Chamber of Commerce.

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

   Public Comments
   Written Public Comment #1: Jim Bettencourt

   a. **Register Approval**
   Action: Approved general checking, payroll, and direct deposit check registers.

   b. **Minutes Approval**
   Action: Approved the minutes of the June 9, 2026, City Council Meeting.

   c. **FY 2026–27 Appropriations Limit**
   Action: Adopted Resolution 24-2026 establishing the FY 2026-27 Appropriations Limit for the City of Willows.

   d. **November 2026 General Municipal Election**

Action: Adopted Resolution FY 25-2026 calling for and giving notice of a General Municipal Election to be consolidated with the Statewide General Election to be held on Tuesday, November 3, 2026, for the election of two City Council Members; requesting the County of Glenn approve said consolidation; requesting the County render specified election services for such election; and setting forth regulations for candidate statements.

Motion to approve consent calendar items #6a, 6b, 6c, and 6d as presented.
Moved/Seconded: Councilmember Hansen/Councilmember Busby
Yes: Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride
No: None
Absent: Mayor Hutson

8. **DISCUSSION & ACTION CALENDAR**

b. **Contract for Private Security (Heard out of order)**
Action: No action was taken because no motion was made.

Public Comments:
Public Comment #1: Julia Storz
Public Comment #2: Danielle Montoya
Public Comment #3: Jim Bettencourt
Public Comment #4: Maria Ehorn
Public Comment #5: Jered Shipley
Public Comment #6: Janet Fruit
Public Comment #7: Michelle Knight
Public Comment #8: Carol McCoy
Public Comment #9: Joyce Ksander
Public Comment #10: Carl Walter
Public Comment #11: Gina Taylor
Public Comment #12: Kathy Orendorff
Public Comment #13: Victoria Shipley – read by City Clerk
Public Comment #14: Staci Roque
Public Comment #15: Marlena Sparkman
Public Comment #16: Ken Alves
Public Comment #17: Dan Gupton
Public Comment #18: Dog Ross
Public Comment #19: Birdy Phanthavong
Public Comment #20: Jesse
Public Comment #21: Forrest Sprague – read by Vice Mayor Thomas
Public Comment #22: Roxanne Reed – read by Vice Mayor Thomas
Public Comment #23: Maria Ehorn
Public Comment #24: Emma Flynn
Public Comment #25: Michelle Knight

Public Comment #26: Zack Lopeteguy
Public Comment #27: Marlena Sparkman

7. **PUBLIC HEARING**

   a. **FY 2025 – 2029 Five-Year Capital Improvement Program (CIP)**
   Action: Conducted a public hearing and approved Resolution 26-2026 adopting the Five-Year Capital Improvement Program (CIP) for Fiscal Years 2025-2029.

   Public Hearing Open: 8:30 PM, Closed 8:31 PM

   Roll Call Vote
   Moved/Seconded: Councilmember Hansen/Councilmember Pride
   Yes: Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride
   No: None
   Absent: Mayor Hutson
   Passed: 4-0

   b. **Landscaping and Lighting Special Assessment District – Authorization Levy Assessments**
   Action: Conducted the required public protest hearing and adopted Resolution 27-2026 approving the Engineer's Report as filed, confirming the assessment diagram and amounts as set forth therein and authorizing the levy and collection of assessments for Fiscal Year 2026-27.

   Public Hearing Open: 8:35 PM, Closed 8:36 PM

   Roll Call Vote
   Moved/Seconded: Councilmember Pride/Councilmember Busby
   Yes: Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride
   No: None
   Absent: Mayor Hutson
   Passed: 4-0

   c. **Adoption of Cannabis Business Tax Ordinance and Election Resolutions**
   Action: Conducted a public hearing; adopted by title only and waived the second reading of the text of an ordinance entitled "AN ORDINANCE OF THE CITY OF WILLOWS, CALIFORNIA ADDING CHAPTER 3.12 (CANNABIS BUSINESS TAX) TO TITLE 3 OF THE WILLOWS MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS BUSINESS ACTIVITIES WITHIN THE CITY," subject to voter approval at the November 3, 2026, General Municipal Election; and adopted Resolution 28-2026 establishing November 3, 2026 as the date for a General Election on a proposed ballot measure seeking voter approval of a General Business Tax on Cannabis Businesses operating in the City of Willows.

   Public Hearing Open: 8:40 PM, Closed 8:41 PM

   Roll Call Vote
   Moved/Seconded: Councilmember Hansen/Councilmember Busby

Yes: Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride
No: None
Absent: Mayor Hutson
Passed: 4-0

8. **DISCUSSION & ACTION CALENDAR (continued)**

   a. **Amend Chapter 2.70 – Library of the Willows Municipal Code**
   Action: This item was continued to the July 14, 2026, City Council Meeting.

9. **COMMENTS AND REPORTS**

   a. **Council Correspondence**
   Councilmembers reported receiving emails regarding Police Services.

   b. **City Council Comments & Reports**
   Councilmember Pride requested an update on the Sycamore Park and Pool grant. City Manager Marti Brown provided an update.

   Councilmembers reported on various community events and meetings attended.

   c. **City Manager's Report**

10. **CLOSED SESSION – 8:53 PM**

   a. **Conference With Legal Counsel - Initiation of Litigation (54956.9(d)(4)) (one case)**
   Report Out: Council met and was provided information on current litigation. (1 case)
   Name of Case: City of Willows v. County of Glenn, et al., Glenn County Superior Court Case No. 26CV00193

11. **ADJOURNMENT – 9:55 PM**

____

Karleen Price, City Clerk

Willows City Council Special Meeting Action Minutes

June 25, 2026
Willows City Hall
4:00 PM

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

1. **CALL TO ORDER – 4:00 PM**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**
   Councilmembers Present: Mayor Hutson, Vice Mayor Thomas, Councilmember Busby, Councilmember Hansen, Councilmember Pride
   Councilmembers Absent: None

4. **DISCUSSION & ACTION CALENDAR**

   a. **Emergency Proclamation Declaring a Public Safety Emergency**

   Public Comment
   Public Comment #1: Karen Johnson
   Public Comment #2: Michelle Knight
   Public Comment #3: Jason Holly
   Public Comment #4: Marlena Sparkman
   Public Comment #5: Victoria Shipley
   Public Comment #6: Jerod Shipley
   Public Comment #7: Ardythe Brandon
   Public Comment #8: Resident
   Public Comment #9: Becky Pescatore
   Public Comment #10: Jerod Shipley
   Public Comment #11: Michelle Knight
   Public Comment #12: Resident

   Motion to adopt an Emergency Proclamation of the City Council of the City of Willows proclaiming a public safety emergency.

   Moved/Seconded: Vice Mayor Thomas/Councilmember Busby

Vice Mayor Thomas left the meeting at 4:57 PM

Roll Call Vote
Yes: Mayor Hutson, Councilmember Busby, Councilmember Hansen
No: Councilmember Pride
Absent: Vice Mayor Thomas

Motion failed by a vote of 3-1. The emergency proclamation required an affirmative vote of at least four members (four-fifths of the five-member City Council).

5. **ADJOURNMENT – 5:18 PM**

____
Karleen Price, City Clerk

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager
Karleen Price, City Clerk/Assistant to the City Manager

Subject: Glenn-Colusa Irrigation District Easement Agreement

Recommendation:

Adopt Resolution XX-2026 (Attachment 1) approving the easement agreement between the City of Willows and the Glenn-Colusa Irrigation District (Attachment 2), authorizing the conveyance and quitclaim of the City's interest in the canal infrastructure improvements associated with lateral 26-2B, granting a perpetual non-exclusive easement for the purposes set forth in the easement agreement, and authorizing the City Manager, or her designee, to execute the easement agreement and related documents necessary to implement the agreement.

Rationale for Recommendation:

Approval of the easement agreement will allow the Glenn-Colusa Irrigation District (GCID) to assume ownership, operation, and maintenance responsibility for the canal infrastructure improvements associated with lateral 26-2B while the City retains ownership of the underlying property. The Agreement grants GCID the perpetual easement rights necessary to operate and maintain the irrigation facilities, reducing the City's long-term maintenance obligations and liability.

Background:

GCID provides irrigation water service throughout Glenn and Colusa Counties and owns and maintains an extensive system of canals and laterals. GCID policy assumes operational and maintenance (O&M) responsibility for privately owned laterals when specific conditions are met, including the conveyance of ownership of the canal infrastructure improvements and the grant of appropriate easements.

Private lateral 26-2B serves multiple landowners within the GCID service area, including property owned by the City of Willows. Historically, the Lateral has been privately owned and maintained by the affected landowners.

On October 17, 2025, the landowners served by lateral 26-2B petitioned GCID to assume operation and maintenance responsibility for the lateral pursuant to GCID's Operation and Maintenance Policy. Following approval of the petition, GCID prepared the attached easement agreement. Under the agreement, participating landowners, including the City of Willows, will convey and quitclaim their interest in the existing canal infrastructure improvements to GCID while retaining ownership of the underlying real property. The Agreement also grants GCID a perpetual non-exclusive easement fifty (50) feet in width (twenty-five (25) feet on each side of the canal centerline) to allow operation, maintenance, repair, replacement, reconstruction, and improvement of the irrigation facilities.

Discussion & Analysis:

Approval of the easement agreement transfers ownership, operation, and maintenance responsibility for the existing canal infrastructure improvements associated with lateral 26-2B to the Glenn-Colusa Irrigation District. The City will retain ownership of the underlying property while granting GCID the perpetual easement rights necessary to operate, maintain, repair, replace, reconstruct, and improve the irrigation facilities. This action places long-term responsibility for the irrigation infrastructure with the regional agency best equipped to manage it.

Conveyance of Canal Infrastructure Improvements

Approval of the easement agreement authorizes the City to convey and quitclaim all of its right, title, and interest in the existing canal infrastructure improvements located within the Canal Corridor to GCID. Ownership of the underlying real property remains with the City. Following conveyance, GCID will own, operate, maintain, repair, replace, reconstruct, and improve the canal infrastructure improvements in accordance with the easement agreement.

Grant of Easement

The easement agreement grants GCID a perpetual, non-exclusive easement fifty (50) feet in width, consisting of twenty-five (25) feet on each side of the existing canal centerline. The easement provides GCID with the rights necessary to access, inspect, operate, maintain, repair, replace, reconstruct, and improve the canal infrastructure improvements while allowing the City to retain ownership and compatible use of the underlying property.

Benefits to the City

Once the conveyance and easement are completed and GCID formally assumes O&M responsibility:

- The City will no longer own, operate, maintain, or repair the canal infrastructure improvements associated with lateral 26-2B;
- Liability associated with the ownership, operation, and maintenance of the canal infrastructure improvements will transfer to GCID in accordance with the easement agreement; and
- Irrigation service will be managed by the agency best equipped to operate and maintain the facility.

Consistency with Council Priorities and Goals:

Approval of this conveyance is consistent with the City Council’s Priority #1: Fiscal Stability, Goal 2: Seek Cost Savings by transferring ownership and maintenance of specialized infrastructure to the appropriate regional agency thereby reducing future financial liability on the City of Willows.

Fiscal Impact:

There is no immediate fiscal impact associated with the proposed action. Over the long term, approval of the easement agreement is expected to reduce City costs associated with the ownership, operation, maintenance, repair, and potential liability of the canal infrastructure improvements associated with lateral 26-2B.

Attachments:

- Attachment 1: Resolution XX-2026
- Attachment 2: Easement Agreement Between the City of Willows and Glenn-Colusa Irrigation District
- Attachment 3: Map of Private Lateral 26-2b and Affected Landowners

Attachment 1

City of Willows
Resolution XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING AN EASEMENT AGREEMENT WITH THE GLENN-COLUSA IRRIGATION DISTRICT FOR LATERAL 26-2B, AUTHORIZING THE CONVEYANCE OF CANAL INFRASTRUCTURE IMPROVEMENTS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, the Glenn-Colusa Irrigation District ("GCID") owns, operates, and maintains an extensive system of canals and laterals for the delivery of irrigation water within Glenn and Colusa Counties; and

WHEREAS, GCID policy allows for the assumption of operation and maintenance responsibility for privately owned laterals when participating landowners convey ownership of the lateral and grant appropriate easements to the District; and

WHEREAS, Private Lateral 26-2B serves multiple landowners within the GCID service area, including property owned by the City of Willows ("City"), and has historically been privately owned and maintained by the affected landowners; and

WHEREAS, on October 17, 2025, the landowners served by Private Lateral 26-2B submitted a petition requesting that GCID assume operation and maintenance responsibility for the lateral; and

WHEREAS, the petition requires participating landowners, including the City, to convey all right, title, and interest in the existing canal infrastructure improvements associated with Lateral 26-2B and to grant a perpetual 50-foot-wide easement (25 feet on each side of the canal centerline) for operation, maintenance, repair, replacement, reconstruction, and improvement of the facilities; and

WHEREAS, the Glenn-Colusa Irrigation District has prepared an Easement Agreement providing for the conveyance of all of the City's right, title, and interest in the existing canal infrastructure improvements located within the easement corridor, while retaining City ownership of the underlying real property, and granting the District a perpetual non-exclusive easement for the operation, maintenance, repair, replacement, reconstruction, and improvement of Lateral 26-2B; and

WHEREAS, the conveyance of the existing canal infrastructure improvements transfers ownership, operation, maintenance responsibility, and associated liability to GCID, while the City retains ownership of the underlying real property, and the Easement Agreement grants only those easement rights necessary to support the irrigation facilities; and

WHEREAS, the City Council finds that transferring ownership and maintenance responsibility of specialized irrigation infrastructure to the appropriate regional agency is in the best interest of the City.

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

1. **Approval of Easement Agreement**
   The City Council hereby approves the Easement Agreement between the City of Willows and the Glenn-Colusa Irrigation District relating to Lateral 26-2B, attached hereto as Exhibit A and incorporated herein by this reference.

2. **Conveyance of Canal Infrastructure**
   The City Council hereby approves the conveyance and quitclaim to the Glenn-Colusa Irrigation District of all of the City's right, title, and interest in the existing canal infrastructure improvements located within the Canal Corridor, while retaining ownership of the underlying real property, as set forth in the Easement Agreement.

3. **Grant of Easement**
   The City Council approves the grant of a perpetual, non-exclusive easement fifty (50) feet in width, consisting of twenty-five (25) feet on each side of the existing canal centerline, for the purposes described in the Easement Agreement.

4. **Authorization to Execute Documents**
   The City Manager, or designee, is authorized to execute the Easement Agreement and any related documents necessary to implement the Agreement.

5. **Effective Date**
   This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 14th day of July 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: ATTESTED:

_________________________________ _________________________________

Evan Hutson, Mayor Karleen Price, City Clerk

Exhibit A

Attachment 2

Recording Requested By:

GLENN-COLUSA IRRIGATION DISTRICT

When Recorded Mail To:

Glenn-Colusa Irrigation District
Post Office Box 150
Willows, CA 95988

Space Above This Line For Recorder's Use

The undersigned declares:

No Recording Fee Payable
Government Code Section 6103 and 27383

No Transfer Tax Payable
Revenue and Taxation Code Section 11922

EASEMENT AGREEMENT

This EASEMENT AGREEMENT (Agreement) for the conveyance of interests in certain property is made this ______ day of _______________ 20__, by and between the City of Willows, a general law city and municipal corporation of the State of California (Grantor) and the Glenn-Colusa Irrigation District (District), a California irrigation district operating pursuant to the Irrigation District Law of the California Water Code (section 20500, et seq.) for the purpose of furnishing irrigation water to lands within the District's boundaries. Each of the parties to this Agreement is referred to herein as a "Party" and the parties are collectively referred to herein as the "Parties."

RECITALS

1. Grantor is the owner of that real property in Glenn County, California, more particularly described in Exhibit C, attached hereto (hereinafter "Property").

2. An existing irrigation canal and related water conveyance facilities are located on, over, and across the Property.

3. The District has duly adopted its Water Distribution System Operation and Maintenance Policy (O&M Policy), setting forth the procedures for the District to assume Operation and Maintenance responsibility for Private Laterals.

4. Pursuant to the O&M Policy, Grantor, along with other affected landowners adjacent to and that receive water from Lateral 26-2b, petitioned District to assume responsibility for Operation and Maintenance of Lateral 26-2b, and District approved said petition.

5. Grantor and District enter into this Agreement for the purpose of: 1) Grantor conveying ownership of the below-described existing canal infrastructure facilities to District, and 2) establishing a perpetual easement corridor for the District's operation, maintenance, repair, replacement, reconstruction, and improvement of such facilities along Lateral 26-2b.

6. Grantor no longer desires to retain any interest in the Facilities because District has agreed to operate and maintain Lateral 26-2b and associated Facilities for conveyance and delivery of irrigation water. The Parties expressly intend that fee title to the underlying land shall remain under Grantor's ownership, and that this Agreement conveys improvements and easement rights only.

NOW, FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, it is agreed as follows:

Grantor's Quitclaim of Interest in Canal Infrastructure

Quitclaim of Canal Facilities
Grantor irrevocably quitclaims, grants, transfers, assigns, and conveys to District all right, title, and interest in and to the existing canal infrastructure improvements (collectively, the Canal Facilities) located within the Canal Corridor (defined below). The Parties agree that all such Canal Facilities are real property.

Scope of Canal Facilities
Canal Facilities includes, without limitation:
- Canal prism (lined or unlined)
- Concrete lining, earthen banks, riprap, and stabilization improvements
- Headgates, turnouts, check structures
- Drop structures, siphons, culverts
- Pipelines and appurtenances
- Measurement devices and control equipment
- Access improvements integral to canal operations
- All fixtures and appurtenant structures used for water conveyance

No Transfer or Grant of Underlying Land
Notwithstanding anything herein to the contrary:
- No fee interest in the Property is conveyed
- No estate in land is transferred
- Ownership of the underlying soil and subsurface remains with Grantor
- The Canal Facilities are acknowledged by the Parties to be owned by District separate and apart from the underlying land

Relocation/Modification of Facilities
District shall not be obligated to relocate Canal Facilities at Grantor's request. Any relocation shall require: 1) District's written approval; and 2) Grantor's reimbursement of all engineering, permitting, construction, and administrative costs incurred by District.

Grant of Permanent, Non-Exclusive Easement

Grant

Grantor hereby grants to District a perpetual, non-exclusive easement over, under, across, and through that portion of the Property described as follows:

> A strip of land fifty (50) feet in total width, being twenty-five (25) feet measured horizontally on each side of the surveyed centerline of the existing canal, as shown on Exhibit B (Canal Corridor).

Purpose of Easement

The easement is granted for the purposes of:

- Conveying water
- Operating, inspecting, maintaining, repairing, replacing, enlarging, lining, improving, and reconstructing Canal Facilities
- Access by District personnel, vehicles, and equipment
- Removing vegetation, trees, improvements, and obstructions
- Performing grading, erosion control, and bank stabilization
- Installing utilities necessary for canal operation
- Temporary construction staging within the Canal Corridor

Rights of Ingress and Egress

District shall have reasonable rights of ingress and egress across the Property to access the Canal Corridor when necessary, provided District uses reasonable efforts to minimize interference with Grantor's use.

District's Maintenance and Restoration

District shall:

- Maintain Canal Facilities in good working order
- Restore the surface of the Property following maintenance activities to substantially the same condition as existed prior to entry, reasonable wear excepted
- Not be responsible for pre-existing conditions unrelated to District's activities

Prohibited Encroachments

Grantor shall not construct, install, or permit within the Canal Corridor, without prior written consent of District:

- Buildings or permanent structures
- Fences that obstruct access
- Underground utilities conflicting with Canal Facilities
- Fill or grading altering drainage toward the canal
- Trees or deep-rooted vegetation
- Any unauthorized encroachment may be removed by District after reasonable notice

Grantor's Subordinate Use

Grantor retains the right to use the Canal Corridor for agricultural or other lawful purposes that do not materially interfere with District's rights.

General Provisions

Entire Agreement
This Agreement contains the entire agreement between the Parties relating to the rights herein granted and the obligations herein assumed.

Indemnification
Grantor will indemnify District for any claim, loss, or other liability, caused or alleged to be caused in whole or in part by any negligent act or omission, whether active or passive, that arises out of, is related to, or is in any way connected with Grantor's performance under this Agreement, except that the indemnification does not apply to the sole negligence or willful misconduct of District.

Binding Effect
Parties enter this Agreement for the direct benefit of Grantor's Property. This Agreement shall run with the land and shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the Parties hereto.

Interpretation
This Agreement is entered into freely and voluntarily. Parties arrived at this Agreement through negotiation, and each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

Notices
All notices, requests, demands, and other communications that either Party may require or desire to serve on the other under this Agreement shall be in writing and shall be served (as an alternative to personal service) by registered or certified mail, with postage thereon fully prepaid, and addressed to the Party so to be served, as follows:

District:
General Manager
Glenn-Colusa Irrigation District
Post Office Box 150
Willows, California 95988

Telephone: 530.934.8881

Grantor:

City of Willows
201 North Lassen Street
Willows, California 95988

Telephone: 530.934.7041

All notices and other communications shall be deemed communicated as of the date of actual receipt or the third day after deposit in the mail. The Parties may change their address for purposes of this paragraph by giving the other Parties written notice of the new address in the manner set forth above.

Attorneys' Fees and Costs
In the event of any controversy, claim, or dispute, relating to this Agreement or the breach thereof, the prevailing Party shall be entitled to recover from the non-prevailing Party reasonable expenses, attorneys' fees, expert witnesses' fees, and costs.

Recording
After execution of this Agreement, the Parties agree that the District will promptly cause this Agreement to be recorded in the Official Records of the County of Glenn, California, against title to Grantor's property.

Counterparts
Parties may execute this Agreement in any number of counterparts, and any Party hereto may execute any counterpart, each of which when executed and delivered shall be deemed to be an original and all of which, taken together, shall be deemed to be but one and the same instrument.

Amendment
Any amendment of this Agreement must be in writing, signed and acknowledged by the Grantor and District and duly recorded in the Official Records of the County Recorder of the County of Glenn, State of California.

Applicable Law
This Agreement will be construed under and will be deemed to be governed by the law of the State of California.

Certification of Authority
Each of the signatories to this Agreement certify that they have the requisite power and authority to: 1) execute this Agreement in their respective capacities on behalf of the Party for which they sign; and 2) bind such Party to the terms hereof.

GRANTOR

Date: _______________, 20____

By: _____________________________________
City of Willows

AGREEMENT AND ACCEPTANCE BY DISTRICT

This is to certify that the terms, conditions, and covenants of this Agreement, and the interest(s) in any property conveyed by this Agreement to Glenn-Colusa Irrigation District, a governmental agency, operating under and by virtue of Division 11 of the California Water Code, are hereby agreed to and accepted by the undersigned on behalf of the Board of Directors of Glenn-Colusa Irrigation District pursuant to authority conferred by Resolution Number ______-___ of said Board adopted on ___________________.

Date: _______________, 20____

By: _____________________________________
Jeffrey P. Sutton, General Manager

NOTARY CERTIFICATION FOR GRANTOR

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California

County of ______________________

On _________________________, before me, ______________________________, Notary Public, personally appeared ____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:

My commission expires on ____________

(Seal)

NOTARY CERTIFICATION FOR DISTRICT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California

County of ______________________

On _________________________, before me, ______________________________, Notary Public, personally appeared ____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:

My commission expires on ____________

(Seal)

EXHIBIT C

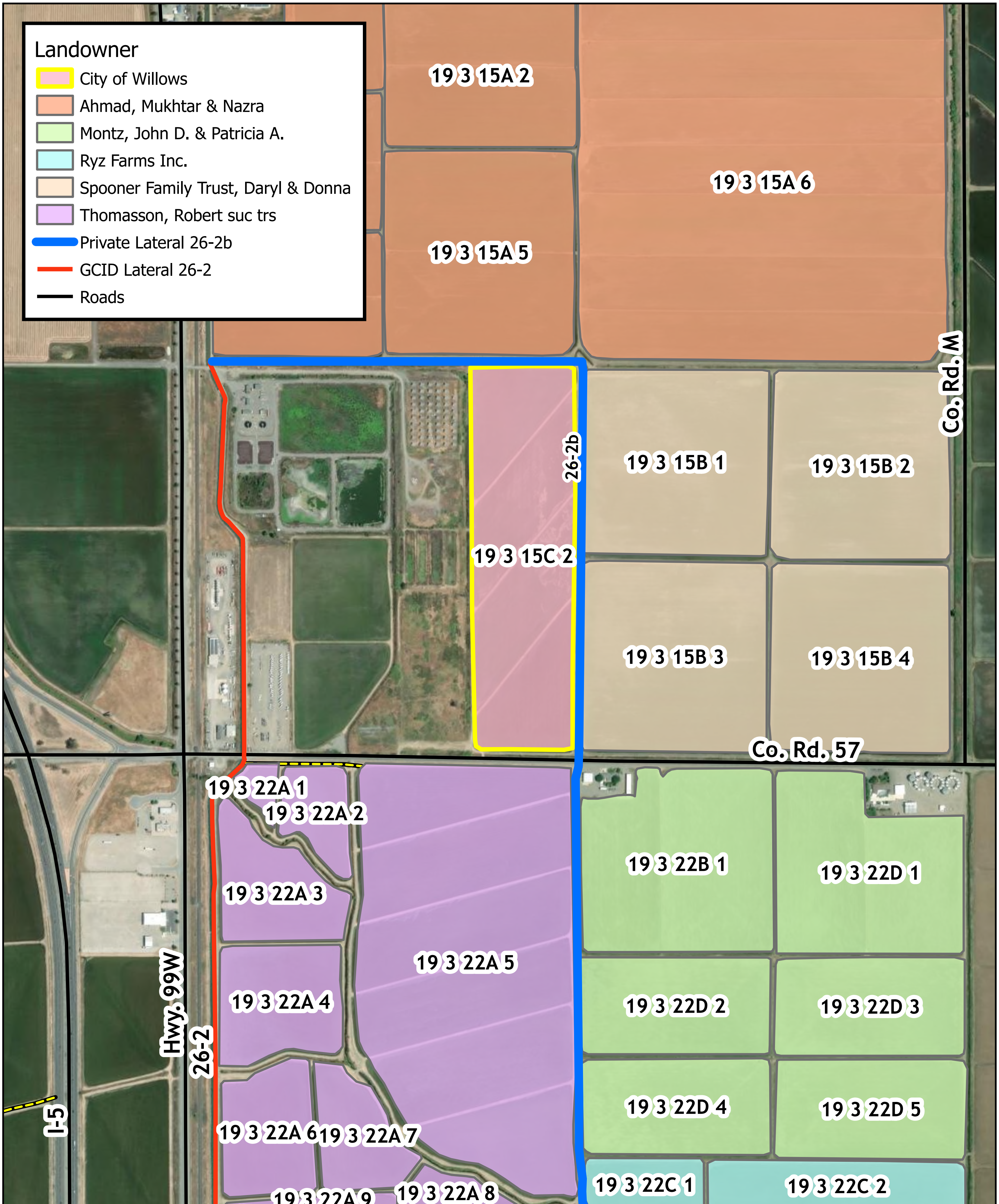
Legal Description of Grantor's Property

A portion of APN# 017-170-050-000

GCID Parcel Number: 19 3 15 C 2

As shown on parcel map recorded in book 13, page 94 and parcel map 90-30 recorded in the county of Glenn.

BEGINNING at the Northeast corner of the Southwest quarter of Section 15, Township 19 North, Range 3 West, M.D.B. & M., thence running Westerly along the North line of said Southwest quarter 600 feet; thence Southerly, 600 feet from and parallel to the east line of said quarter section, 2680 feet; thence Easterly parallel to the North line of the said quarter section 600 feet to the East line of said Southwest quarter section; thence Northerly along the East line of the aforesaid quarter section 2680 feet to the place of beginning.



26-2b Service Area

GCID
GLENN-COLUSA IRRIGATION DISTRICT

Date:	July 14, 2026
To:	Honorable Mayor and Councilmembers
From:	Joe Bettencourt, Community Development and Services Director Marti Brown, City Manager
Subject:	Temporary Moratorium on New Mobile Food Applications

Recommendation:

Introduce, by title only, an ordinance authorizing a temporary moratorium on new mobile food truck applications in the City of Willows and waive the full reading of the ordinance (Attachment 1). Direct staff to schedule the ordinance for a second reading and adoption at the July 28, 2026 City Council meeting.

Rationale for Recommendation:

This action provides a regular, non-urgency ordinance process to continue the temporary moratorium while the City completes updates to Chapter 18 of the Willows Municipal Code.

Background:

On May 6, 2025, the Planning Commission held a public hearing and recommended approval of a temporary moratorium on new mobile food truck applications. The moratorium was intended to allow time to clarify mobile food truck definitions, uses, zoning locations, and related operating standards.

The City Council subsequently adopted Ordinance No. 765-2025 establishing a 12-month moratorium, or until adoption of the revised Chapter 18 of the Willows Municipal Code, whichever occurs first. Because the ordinance became effective 30 days after adoption, the existing moratorium is set to expire July 17, 2026 before the Chapter 18 update is complete.

Discussion & Analysis:

The City is processing this regular ordinance at the same time as an urgency ordinance. The urgency ordinance would take effect immediately if approved by a four-fifths vote of the City Council. However, if the four-fifths vote is not achieved, the regular ordinance provides an alternative path to reestablish the moratorium.

Because this is a regular ordinance, it requires a first reading on July 14, 2026, a second reading and adoption on July 28, 2026, and would not become effective until 30 days after adoption. If the urgency ordinance is not adopted, this would leave an approximately 45-day gap in the moratorium before the regular ordinance becomes effective.

The proposed ordinance does not affect existing mobile food trucks operating under valid City permits or entitlements. Existing operators may continue to operate in compliance with applicable requirements while the City completes the Chapter 18 update.

Consistency with Council Priorities and Goals:

This action aligns with the Council's priority for Economic Development by supporting completion of a code update to promote clear and consistent business regulations.

Fiscal Impact:

There is no fiscal impact.

Attachments:

- Attachment 1: Ordinance for Moratorium on New Mobile Food Vendor Applications

Attachment #1

City of Willows
Ordinance XXX-2026

AN ORDINANCE OF THE WILLOWS CITY COUNCIL AUTHORIZING A TEMPORARY MORATORIUM ON NEW MOBILE FOOD TRUCK APPLICATIONS IN THE CITY OF WILLOWS

WHEREAS, the City Council previously adopted Ordinance No. 765-2025 establishing a temporary moratorium on new mobile food truck applications in the City of Willows; and

WHEREAS, the moratorium was adopted to allow the City time to study mobile food truck operations and prepare appropriate zoning, operational, and permitting requirements; and

WHEREAS, the existing moratorium is scheduled to expire on July 17, 2026 before the City has completed the update to Chapter 18 of the Willows Municipal Code; and

WHEREAS, the City Council finds that continued review is necessary to clarify the definition of mobile food trucks, identify appropriate zoning districts and operating standards, and address public health, safety, traffic, and aesthetic considerations; and

WHEREAS, this Ordinance is being adopted through the regular ordinance process and shall take effect 30 days after adoption; and

WHEREAS, existing mobile food trucks operating under valid City permits or entitlements may continue to operate in compliance with applicable requirements during the moratorium.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLOWS DOES ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS

The City Council finds and determines as follows:

1. Mobile food truck operations are not currently regulated in a manner that clearly addresses definitions, permitted locations, operating standards, traffic, public safety, and aesthetic concerns.

2. A temporary moratorium is necessary to allow the City to complete its review and update the Willows Municipal Code to address mobile food truck uses and related standards.

3. The moratorium will allow the City to complete this work without the continued expansion of new mobile food truck operations before updated regulations are adopted.

SECTION 2. TEMPORARY MORATORIUM

A temporary moratorium is hereby imposed on new applications for mobile food trucks in all zoning districts within the City of Willows.

During the effective period of this moratorium, the City shall not accept, process, approve, or issue new permits, licenses, use permits, or other entitlements for new mobile food truck operations. Existing mobile food trucks currently operating under valid City permits or entitlements may continue to operate in compliance with applicable requirements.

SECTION 3. STUDY AND RECOMMENDATIONS

The City of Willows Planning Department, Planning Commission, and City Council shall continue work on updates to Chapter 18 of the Willows Municipal Code to clarify mobile food truck definitions, zoning requirements, operating standards, and related regulations.

SECTION 4. SEVERABILITY

If any provision of this Ordinance is found to be invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION 5. DURATION

This moratorium shall remain in effect for a period of 12 months from the effective date of this Ordinance or until adoption of the revised Chapter 18 of the Willows Municipal Code, whichever occurs first, unless extended or repealed by the City Council.

SECTION 6. CEQA COMPLIANCE

This Ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3), because it can be determined with certainty that there is no possibility that the temporary moratorium may have a significant effect on the environment.

SECTION 7. EFFECTIVE DATE

This Ordinance shall take effect 30 days after its adoption.

SECTION 8. LEGAL AUTHORITY

This Ordinance is adopted pursuant to the zoning authority granted by Government Code Section 65800 et seq. and other applicable law.

INTRODUCED at a regular meeting of the City Council of the City of Willows on the 14th day of July, 2026, and PASSED AND ADOPTED at a regular meeting of the City Council on the 28th day of July, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:	**ATTESTED:**
______________________________	______________________________
Evan Hutson, Mayor	Karleen Price, City Clerk

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Joei Harrison, Finance Director
Marti Brown, City Manager

Subject: Utility Biller Position – New Job Classification & Salary Schedule

Recommendation:

Adopt the attached job classification and salary schedule for a new part-time Utility Biller Position.

Rationale for Recommendation:

California Water Service (Cal Water) has provided customer billing services for the City's sewer utility for many years. Cal Water wishes to discontinue this service. As a result, the City must assume responsibility for all utility billing functions, including customer account management, billing, collections, payment processing, service requests, and customer service. To effectively perform these new operational responsibilities, the City needs to establish a part-time Utility Biller position and adopt a salary schedule.

Background:

The City has historically contracted with Cal Water to include City sewer charges on customers' monthly water bills. As a result of Cal Water's decision to discontinue providing billing services on the City's behalf, the City is implementing its own utility billing system and will assume responsibility for all aspects of utility billing operations in FY 2026-27.

Bringing utility billing in-house represents a significant operational change that requires dedicated staff to administer the City's utility billing program while maintaining a high level of customer service and ensuring accurate and timely billing.

Discussion & Analysis:

The proposed Utility Biller position will be responsible for the day-to-day administration of the City's utility billing system, including:

- Establishing and maintaining customer utility accounts.
- Preparing and processing monthly utility bills.
- Receiving and processing customer payments.

- Balancing daily cash receipts and deposits.
- Responding to customer inquiries regarding utility accounts and billing.
- Processing service requests, account adjustments, and delinquent account activities.
- Maintaining accurate customer and billing records.
- Assisting with business license administration and providing general clerical support to the Finance Department.

The new classification has been developed specifically to reflect the duties required to administer the City's utility billing operations. The position will provide dedicated support for this critical public service while allowing other Finance Department staff to continue focusing on accounting, budgeting, payroll, and financial reporting responsibilities.

Staff also recommend adopting the accompanying salary schedule for the Utility Biller classification. The recommended salary range was developed through a review of comparable utility billing positions in similar California municipalities and reflects the knowledge, skills, and responsibilities associated with the position.

Establishing this position is an important step in ensuring a smooth transition of utility billing services to the City and maintaining responsive customer service for utility customers.

Consistency with Council Priorities and Goals:

The recommended action is consistent with the Council Priority #1: Financial Stability, Goal 3: Optimize In-House Staffing to Improve Financial Efficiency.

Fiscal Impact:

There is no fiscal impact by adopting the job classification and salary schedule.

Attachments:

- Attachment 1: Utility Biller Job Classification
- Attachment 2: Utility Biller Salary Schedule

CITY OF WILLOWS

UTILITY BILLER

*Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities associated with specified positions. Therefore, specifications **may not include all** duties performed by individuals within a classification. In addition, specifications are intended to outline the **minimum** qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

DEFINITION:

Under the supervision of the Finance Director, the Utility Biller performs technical and clerical accounting duties related to utility billing, customer accounts, customer service, cash receipts, accounts receivable, collections, and general Finance Department support. The position prepares and processes utility bills, maintains customer account records, receives and reconciles payments, assists with account reconciliations and financial reporting, and performs other related duties as assigned.

DISTINGUISHING CHARACTERISTICS:

The job incumbent has responsibility for performing routine to moderately difficult utility billing, cashiering, customer service, and accounts receivable functions for the City. Duties and responsibilities are performed in accordance with law, ordinance, and City policy. This position requires accuracy, confidentiality, excellent customer service, and the ability to maintain financial records and customer account information with minimal supervision within established procedures.

SUPERVISION RECEIVED/EXERCISED:

Receives supervision and direction directly from the Finance Director.

ESSENTIAL FUNCTIONS: (*include but are not limited to the following)*

- Prepare, process, and maintain utility billing records, including new accounts, account changes, service transfers, and account closures.
- Generate and review utility bills, adjustments, late notices, delinquency notices, and related customer correspondence.
- Receive, process, post, and reconcile utility payments and other City receipts, including in-person, mailed, electronic, and other approved forms of payment.
- Provide customer service at the public counter, by telephone, and by email regarding utility accounts, billing questions, payments, service requests, and City procedures.
- Maintain accurate customer account records, billing history, payment records, and related documentation.
- Review customer account history, payment records, and billing information to research and resolve customer inquiries, billing discrepancies, and account concerns.
- Coordinate utility service requests, including service starts, service disconnects, reconnects, work orders, and account updates with Public Works and other City staff as needed.
- Assist with accounts receivable functions, cash balancing, filing, maintenance of organized financial records, and account reconciliations.

- Prepare routine reports, reconciliations, account summaries, and supporting documentation for Finance Department operations.
- Research account discrepancies, billing errors, returned payments, adjustments, credits, refunds, and delinquent accounts; prepare supporting documentation and process approved corrections in accordance with City policy.
- Maintain utility billing and related financial records in accordance with City records retention requirements.
- Maintain confidentiality of customer, financial, and City records and information.
- Occasionally assist with general citizen service functions, including telephone and counter traffic, as needed.
- Operate and maintain the City's utility billing software system, including entering, updating, and verifying customer account information.
- Maintain consistent attendance and punctuality.
- Perform other duties as assigned.

PHYSICAL, MENTAL AND ENVIRONMENTAL WORKING CONDITIONS:

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

Environment: Work is performed primarily in a standard office environment; incumbents may be required to work extended hours including evenings and weekends and may be required to travel outside City boundaries to attend meetings.

Physical: Primary functions require sufficient physical ability and mobility to work in an office setting; to stand or sit for prolonged periods of time; to occasionally stoop, bend, kneel, crouch, reach, and twist; to lift, carry, push, and/or pull light to moderate amounts of weight; to operate office equipment requiring repetitive hand movement and fine coordination including use of a computer keyboard; to travel to other locations using various modes of private and commercial transportation; and to verbally communicate to exchange information.

Vision: See in the normal visual range with or without correction.

Hearing: Hear in the normal audio range with or without correction.

MINIMUM QUALIFICATIONS:

Education and/or Experience:

High school diploma or equivalent and two years of increasingly responsible clerical, accounting, cashiering, customer service, or utility billing experience are required. Coursework or training in accounting, business administration, public administration, or a related field is highly desirable. Public agency or municipal utility billing experience is highly desirable.

License/Certificate:

Possession of, or ability to obtain, a valid California driver’s license.

KNOWLEDGE/ABILITIES/SKILLS:

(The following are a representative sample of the KAS’s necessary to perform essential duties of the

position.)

Knowledge of:

- Methods of organization and maintenance of records and internal controls.
- Microsoft Office applications, including Word and Excel, and municipal financial and utility billing software.
- Basic accounting, cashiering, accounts receivable, and recordkeeping principles.
- City utility billing procedures, customer account maintenance, fees, charges, and payment processing.
- Budgeting procedures and techniques.
- Safe work practices and related regulations.
- Principles of excellent customer service.

Ability to:

Analyze and interpret a variety of information; prioritize and organize multiple assignments to meet deadlines; communicate effectively with co-workers, regulatory agencies, and the public; prepare clear and concise correspondence and reports; perform mathematical calculations accurately; maintain accurate financial records; exercise sound judgment and professionalism when assisting customers; and learn and effectively utilize financial and utility billing software while maintaining accurate manual and electronic records.

Skill to:

- Operate a computer and related office equipment with accuracy.
- Perform a variety of responsible clerical cashiering, and customer service work with minimal supervision.
- Interpret and apply City policies, rules, ordinances, fees, and procedures appropriately.
- Exercise sound judgment and maintain accuracy while handling money and customer account information.
- Research and resolve routine billing and account questions.
- Maintain the confidentiality of privileged, financial, and customer information.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with those contacted during the course of work.

ACKNOWLEDGMENT:

I acknowledge that I have read the job description and requirements for the Utility Biller position and certify that I can perform the essential functions of this position, with or without reasonable accommodation.

______________________________	________________	______________________________
Applicant Signature	Date	Witness

Attachment 2

UTILITY BILLER

ANNUAL SALARY SCHEDULE

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
$46,000	$48,226	$49,431	$50,667	$51,934	$53,232	$54,563	$55,927	$57,325

MONTHLY SALARY SCHEDULE

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
$3833	$4019	$4119	$4222	$4328	$4436	$4547	$4661	$4777

HOURLY SALARY SCHEDULE

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
$22.62	$23.19	$23.77	$24.36	$24.97	$25.59	$26.23	$26.89	$27.56

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager

Subject: Prentice Long, PC: New Contract for the Municipal Code Update Project

Recommendation:

Authorize the City Manager to execute a new contract with Prentice Long, PC through December 31, 2026, to complete the City of Willows Municipal Code Update.

Rationale for Recommendation:

The previous agreement with Prentice Long, PC expired on December 31, 2024 and Municipal Code Update is not yet complete.

Background:

On July 1, 2023, the City entered into a Legal Services Agreement with Prentice Long, PC to provide legal services for a comprehensive update of the City of Willows Municipal Code. The agreement included review, drafting, editing, and updating municipal code provisions to improve organization, consistency, and compliance with current laws and regulations. The agreement was approved for a flat fee of $43,750.

On June 25, 2024, the City and Prentice Long, PC executed a First Amendment extending the agreement term through December 31, 2024.

Although significant progress has been made, portions of the Municipal Code Update remain incomplete. As work progressed, additional review, coordination, and refinement of proposed code amendments were required. Staff recommend authorization to execute a new agreement with Prentice Long, PC through December 31, 2026, to complete the remaining work associated with the Municipal Code Update.

Discussion & Analysis:

The Municipal Code Update is intended to modernize the City's regulations, improve clarity and consistency throughout the code, remove outdated provisions, and ensure compliance with current state and federal law. The project represents a significant effort to improve the City's regulatory framework and support efficient municipal operations.

Project delays resulted from the complexity of the code update process, the need for additional review and refinement of proposed amendments, and coordination with related code update efforts, including the Title 18 (Zoning) update. Additional time is necessary to complete the remaining revisions and finalize adoption of the updated Municipal Code.

Prentice Long, PC has extensive familiarity with the project and has completed the majority of the Municipal Code Update. Continuing with the same consultant will provide continuity, avoid duplication of effort, and facilitate efficient completion of the project.

Consistency with Council Priorities and Goals:

This item is consistent with City Council Priority #2: Economic Development, Goal 3: Complete a code update to promote business opportunities.

Fiscal Impact:

There is no additional fiscal impact associated with the proposed agreement. The agreement is intended solely to provide sufficient time for completion of the remaining Municipal Code Update work and does not increase the previously approved project budget.

Attachments:

- Attachment 1: Prentice Long Contract
- Attachment 2: Prentice Long Contract 2023
- Attachment 3: Prentice Long 1st Amendment 2024

LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF WILLOWS AND PRENTICE LONG, PC FOR LEGAL SERVICES FOR A COMPREHENSIVE UPDATE OF THE CITY OF WILLOWS MUNICIPAL CODE

THIS AGREEMENT for legal services is entered into by and between the City of Willows, a general law city in the State of California ("City"), and Prentice Long, PC ("Law Firm"), as of June 23, 2026 (the "Effective Date").

SECTION 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Law Firm shall provide to City the services described in the Scope of Work attached hereto and incorporated herein as Exhibit "A" at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit "A", the Agreement shall prevail.

SEAN CAMERON ("Attorney") is designated as the primary contact and consultant on the project. The Parties understand and agree that the Firm may, from time to time, use other attorneys within the Firm to assist the Attorney in the performance of this Agreement.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall remain in full force and effect until terminated in accordance with the provisions of this Agreement or December 31, 2026, whichever is earlier. The Law Firm shall complete the work described in Exhibit 'A' during that term, unless the term of the Agreement is otherwise terminated, as provided for in Section 7, or amended by mutual consent of the parties. The time provided to Law Firm to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 7.1.

1.2 Standard of Performance. Law Firm shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Law Firm is engaged. Law Firm shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Law Firm's profession.

1.3 **Assignment of Personnel.** Law Firm shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Law Firm shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 **Time.** Law Firm shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Law Firm's obligations hereunder.

SECTION 2. COMPENSATION. The maximum compensation under this Agreement shall be Forty-Three Thousand Seven Hundred and Fifty Dollars ($43,750), as set forth in Exhibit "B".

The Parties acknowledge that the compensation authorized under this Agreement has previously been paid in full by the City of Willows in connection with the Municipal Code Update project. Accordingly, no additional compensation shall be due or payable under this Agreement unless expressly authorized by a future written amendment approved by the City Council.

2.1 **Invoices.** Law Firm shall submit to the City, within thirty (30) days after the end of each calendar month, an itemized statement of the professional services provided and the time expended on an hourly basis. Time will be charged by the Firm in increments of 1/10 of an hour (i.e., six-minute units). Law Firm shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;

- The beginning and ending dates of the billing period;

- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;

- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense; and

- The total number of hours of work performed under the Agreement by Law Firm.

The City will not be liable for interest or finance charges, until the bill is 60 days past due.

2.2 Total Payment. City shall pay for the services to be rendered by Law Firm pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Law Firm in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Law Firm submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment approved by the City Manager.

2.3 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit "B", and expenses not listed in Exhibit "B" are not chargeable to the City.

2.4 **Payment of Taxes.** Law Firm is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.5 Payment upon Termination. In the event that the City or Law Firm terminates this Agreement pursuant to Section 7 of this Agreement, the City shall compensate the Law Firm for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Law Firm shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.6 Authorization to Perform Services. The Law Firm is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization and direction of the City Council and/or City Manager.

SECTION 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Law Firm shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Law Firm only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

SECTION 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Law Firm, at its own cost and expense, shall procure and maintain professional malpractice insurance in the amount of not less than $2 million per occurrence throughout the term of this Agreement. Law Firm shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City, and that such insurance is in effect prior to commencing work under this Agreement. Law Firm shall maintain the insurance policy required by this section throughout the term of this Agreement. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

4.1 Variation. The City may approve a variation in the insurance requirements, upon a determination that the coverage, scope, limit, and form of such insurance is either not commercially available, or that the City's interests are otherwise fully protected.

4.2 **<u>Notice of Reduction in Coverage.</u>** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Law Firm shall provide written notice to City at Law Firm's earliest possible opportunity and in no case later than five (5) days after Law Firm is notified of the change in coverage.

4.3 **<u>Remedies.</u>** In addition to any other remedies City may have if Law Firm fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Law Firm's breach:

4.3.1. Order Law Firm to stop work under this Agreement or withhold any payment that becomes due to Law Firm hereunder, or both stop work and withhold any payment, until Law Firm demonstrates compliance with the requirements hereof; and/or

4.3.2. Terminate this Agreement.

<u>SECTION 5. STATUS OF LAW FIRM.</u>

5.1 **<u>Independent Contractor.</u>** At all times during the term of this Agreement, Law Firm shall be an independent contractor and shall not be an employee of City. City shall have the right to control Law Firm only insofar as the results of Law Firm's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Law Firm accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary. Law Firm and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

5.2 **Law Firm, Not Agent.** Except as City may specify in writing or as provided by law, Law Firm shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Law Firm shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

5.3 **California Tort Claims Act.** Notwithstanding the foregoing provisions, should Law Firm or any of its attorneys, professionals, or staff be named as parties to any civil action or administrative proceeding brought by any third party, based on advice the Firm or such individuals have given to City or actions they have taken on behalf of the City, the City shall defend and indemnify Law Firm and such individuals in the same manner in which it must defend City employees pursuant to the California Tort Claims Act, California Government Code section 810 *et seq*. However, the City shall have no duty to defend or indemnify Law Firm or any of its attorneys, professionals, or staff if the advice given or actions taken did not occur within the course and scope of their duties under this Agreement.

5.4 **Indemnification.** Notwithstanding the forgoing, Law Firm shall indemnify, hold harmless and defend the City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any intentional, reckless, or negligent acts, errors or omissions of the Firm in the performance of this Agreement.

City shall indemnify, hold harmless, and defend Law Firm, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any intentional, reckless, or negligent acts, errors or omissions of the City in the performance of this Agreement.

5.5 **Federal Provisions.** To the extent FEMA financial assistance will be used to fund all or a portion of this Agreement, the Firm shall comply with all federal requirements including, but not limited to, the following:

A. 2 C.F.R. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which is expressly incorporated herein by reference.

B. Federal Contract Provisions attached hereto as Exhibit "C" and incorporated herein by reference.

Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in the contract, including but not limited to, 2 C.F.R. Part 200 and the Federal Contract Provisions.

With respect to any conflict between such federal requirements and the terms ofthis Agreement and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

SECTION 6. LEGAL REQUIREMENTS.

6.1 Governing Law. The laws of the State of California shall govern this Agreement.

6.2 Compliance with Applicable Laws. Law Firm and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

6.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Law Firm and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

6.4 Licenses and Permits. Law Firm represents and warrants to City that Law Firm and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Law Firm represents and warrants to City that Law Firm and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Law Firm and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.

6.5 Nondiscrimination and Equal Opportunity. Law Firm shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Law Firm under this Agreement Law Firm shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

SECTION 7. TERMINATION AND MODIFICATION.

7.1 Termination. City may cancel this Agreement at any time and without cause upon 90 days' written notification to Law Firm.

Law Firm may cancel this Agreement upon 90 days' written notice to City.

In the event of termination, Law Firm shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Law Firm delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Law Firm or prepared by or for Law Firm or the City in connection with this Agreement.

7.2 Amendments. This Agreement may be amended from time to time by written agreement of the Parties. Unless otherwise provided in this Agreement, modifications relating to the nature, extent or duration of the Law Firm's professional services to be rendered hereunder shall require the prior written approval of the Council. Any such written approval ,shall be deemed to be a supplement to this Agreement and shall specify any changes in the scope of services and the agreed-upon billing rates to be charged by the Law Firm and paid by the City.

7.3 Assignment and Subcontracting. City and Law Firm recognize and agree that this Agreement contemplates personal performance by Law Firm and is based upon a determination of

Law Firm's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Law Firm. Law Firm may not assign this Agreement or any interest therein without the prior written approval of the City Manager. Law Firm shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator. Delegation to such outside attorneys shall be limited to those situations in which the Firm is 4isqualified by virtue of a conflict of interest, or where the Firm does not possess the expertise to competently perform services in a particular practice area. The Firm shall supervise any delegated work, except when precluded from doing so by virtue of a conflict of interest, and where otherwise agreed to by the Parties.

7.4 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Law Firm shall survive the termination of this Agreement.

7.5 **Options Upon Breach by Law Firm.** If Law Firm materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to the following:

7.5.1 Immediately terminate the Agreement;

7.5.2 Retain the plans, specifications, memoranda, correspondence, and any other work product prepared by Law Firm pursuant to this Agreement; or

7.5.3 Retain a different Law Firm to complete the work described in Exhibit "A" not finished by Law Firm.

SECTION 8. KEEPING AND STATUS OF RECORDS.

8.1 **Records Created as Part of Law Firm's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. The Law Firm will control the physical location of such files during the term of this Agreement. The City agrees that Law Firm may, in its discretion, maintain all or part of the City's legal files in electronic format including through use of secure cloud storage services. Law Firm agrees to apply all reasonable methods to maintain the confidentiality of the City's legal files and the data will be password protected and encrypted using currently available technology.

Law Firm hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Law Firm agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

8.2 Law Firm's Books and Records. Law Firm shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Law Firm to this Agreement.

8.3 Inspection and Audit of Records. Any records or documents that Section 8.2 of this Agreement requires Law Firm to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City.

SECTION 9. MISCELLANEOUS PROVISIONS.

9.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

9.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the Superior Court for the County of Glenn.

9.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

9.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

9.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

9.6 **Conflict of Interest.** Law Firm may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Law Firm in a "conflict of interest," as that term is defined in the rules of professional responsibility governing Law Firm's profession, unless such conflict may be waived by City and City chooses to waive such conflict in writing.

Law Firm and Attorney shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).

Law Firm shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Law Firm hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Law Firm was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Law Firm warrants that it did not participate in any manner in the forming of this Agreement. Law Firm understands that, if this Agreement is made in violation of Government Code § 1090 *et seq.,* the entire Agreement is void and Law Firm will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Law Firm will be required to reimburse the City for any sums paid to the Law Firm. Law Firm understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

9.7 **Solicitation.** Law Firm agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

9.8 **Notices.**

Any written notice to Law Firm shall be sent to:

Prentice Long, PC
Attn: Margaret Long
2240 Court Street
Redding, CA 96001

Any written notice to City shall be sent to:

Community Development and Services Department
Attn: Joe Bettencourt, Community Development & Services Director
201 North Lassen Street
Willows, CA 95988

9.9 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

9.10 **<u>Authorized Signature.</u>** Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

The parties have executed this Agreement as of the Effective Date.

CITY:	**LAW FIRM:**
CITY OF WILLOWS, A General Law City	Prentice Long, PC
By:______________________________ Marti Brown, City Manager	By:______________________________ Margaret E. Long, Managing Partner

EXHIBIT "A"

SCOPE OF WORK

The following services shall be provided under this Agreement:

CONSULTING SERVICES FOR COMPREHENSIVE UPDATE OF THE CITY OF WILLOWS MUNICIPAL CODE

Law Firm shall provide review, drafting, editing, and updating of City of Willows Municipal Code which include the following:

- Attend initial meeting with City Council or City Manager to establish guidelines and objectives for Code overhaul;
- Attend further meetings with staff or Council as appropriate or requested for Code review and discussions;
- Regularly communicate - with the City Council, City Manager, City Administrative staff, department heads and designated staff;
- Advise regarding additional code sections recommended;
- Ensure timely compliance on anticipated timeline;
- Draft, edit, and review municipal ordinances;
- Ensure compliance with general plan, zoning, and other land use requirements for both City and private party-initiated actions and applications;
- Advise regarding code enforcement and building code ordinances and processes;
- Monitor and advise regarding the adoption of new federal and state laws and regulations.

~ END OF EXHIBIT "A" ~

EXHIBIT "B"

COMPENSATION

City shall compensate law firm as follows:

Consultant

Maximum Compensation: $43,750

The Parties acknowledge that the compensation authorized under this Agreement has been paid in full. No additional compensation shall be due under this Agreement unless authorized by a future amendment approved by the City Council.

Reimbursable Expenses

Reimbursable expenses shall remain as follows:

In consideration for this agreement, Law Firm shall generally bear its own costs and expenses in providing consulting services. City, however, shall reimburse Law Firm for the following extraordinary expenses advanced on the City's behalf:

Voluminous Duplication or Printing (charged for each page beyond 350 pages in any month)	$0.10/page
Vehicle travel for non-standard trips Exceeding 50 miles from our Redding office.	Applicable IRS rate per mile x number of miles
Extraordinary postage or overnight Delivery costs	Actual Cost

~ END OF EXHIBIT "B" ~

EXHIBIT "C"
FEDERAL CONTRACT PROVISIONS

During the performance of this contract, Law Firm shall comply with all applicable federal laws and regulations including but not limited to the federal contract provisions in this Exhibit. In this Exhibit, the term "Agency" shall mean the local agency entering into this contract with the Law Firm.

1. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS (2 C.F.R. § 200.321)

(A) The Law Firm shall be subject to 2 C.F.R. § 200.321 and will take affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible and will not be discriminated against on the grounds of race, color, religious creed, sex, or national origin in consideration for an award.

(B) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and

(v) Using the services/assistance of the Small Business Administration (SBA), and the Minority Business Development Agency (MBDA) of the Department of Commerce.

The Law Firm shall submit evidence of compliance with the foregoing affirmative steps when requested by the Agency.

Notwithstanding the foregoing, the affirmative steps requirements detailed above do not apply in the case of a noncompetitive procurement made under the emergency exception/exigency exception to competitive procurements.

2. COST PRINCIPLES (2 C.F.R. PART 200, SUBPART E)

(A) If any indirect costs will be charged to the Agency under this contract, such costs must conform to the cost principles set forth under the Uniform Rules at 2 C.F.R. Part 200, subpart E ("Cost Principles"). In general, costs must (i) be necessary and reasonable; (ii) allocable to the grant award; (iii) conform to any limitations or exclusions set forth in the Cost Principles; (iv) be adequately documented; and (v) be determined in accordance with generally accepted accounting principles ("GAAP"), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 C.F.R. Part 200, subpart E. 2 C.F.R. § 200.403. Costs that are determined unallowable pursuant to a federal audit are subject to repayment by the Law Firm.

3. ACCESS TO RECORDS & RECORD RETENTION (2 C.F.R. 200.336)

(A) The Law Firm shall comply with 2 C.F.R. § 200.336 and provide the Federal Agency, Inspectors General, the Comptroller General of the United States, Agency, and the State of California or any of their authorized representatives access, during normal business hours, to documents, papers, books and records which are directly pertinent to this contract for the purposes of making and responding to audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to the Law Firm's personnel for the purpose of interview and discussion related to the books and records.

(B) The Law Firm agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(C) The Law Firm agrees to provide the Federal Agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

4. REQUIRED CONTRACT PROVISIONS IN ACCORDANCE WITH APPENDIX II TO PART 200 - CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.326)

(A) <u>Appendix II to Part 200 (A): Appendix II to Part 200 ffi): Remedies for Breach; Termination for Cause/Convenience</u>. If the contract is in excess of $10,000 and the contract does not include provisions for both termination for cause and termination for convenience by the Agency, including the manner by which it will be effected and the basis for settlement, then the following termination clauses shall apply. If the contract is for more than the simplified acquisition threshold (see2C.F.R. §200.88) at the time the contract is executed and does not provide for administrative, contractual, or legal remedies in instances where the Law Firm violates or breaches the terms of the contract, then the following termination clauses shall apply and have precedence over the contract. Otherwise, the following termination clauses shall not be applicable to the contract.

(i) Termination for Convenience. The Agency may, by written notice to the Law Firm, terminate this contract for convenience, in whole or in part, at any time by giving written notice to the Law Firm of such termination, and specifying the effective date thereof ("Notice of Termination for Convenience"). If the termination is for the convenience of the Agency, the Agency shall compensate the Law Firm for work or materials fully and adequately provided through the effective date of termination. No amount shall be paid for unperformed work or materials not provided, including anticipated profit. The Law Firm shall provide documentation deemed adequate by the Agency to show the work actually completed or materials provided by the Law Firm prior to the effective date of termination. This contract shall terminate on the effective date of the Notice of Termination.

(ii) Termination for Cause. If the Law Firm fails to perform pursuant to the terms of this contract, the Agency shall provide written notice to the Law Firm specifying the default ("Notice of Default"). If the Law Firm does not cure such default within ten (10) calendar days of receipt of Notice of Default, the Agency may terminate this contract for cause. If the Law Firm fails to cure a default as set forth above, the Agency may, by written notice to the Law Firm, terminate this contract for cause, in whole or in part, and specifying the effective date thereof ("Notice of Termination for Cause"). If the termination is for cause, the Law Firm shall be compensated for that portion of the work or materials provided which has been fully and adequately completed and accepted by the Agency as of the date the Agency provides the Notice of Termination. In such case, the Agency shall have the right to take whatever steps it deems necessary to complete the project and correct the Law Firm's deficiencies and charge the cost thereof to the Law Firm, who shall be liable for the full cost of the Agency's corrective action, including reasonable overhead, profit and attorneys' fees.

(iii) Reimbursement: Damages. The Agency shall be entitled to reimbursement for any compensation paid in excess of work rendered or materials provided and shall be entitled to withhold compensation for defective work or other damages caused by the Law Firm's performance of the work

(iv) Additional Termination Provisions. Upon receipt of a Notice of Termination, either for cause or for convenience, the Law Firm shall promptly discontinue the work unless the Notice directs to the contrary. The Law Firm shall deliver to the Agency and transfer title (if necessary) to all provided materials and completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The rights and remedies of the parties provided in this Section are in addition to any other rights and remedies provided by law or under this contract. The Law Firm acknowledges the Agency's right to terminate this contract with or without cause as provided in this Section, and hereby waives any and all claims for damages that might arise from the Agency's termination of this contract. The Agency shall not be liable for any costs other than the charges or portions thereof which are specified herein. The Law Firm shall not be entitled to payment for unperformed work or materials not provided and shall not be entitled to damages or compensation for termination of work or supply of materials. If Agency terminates this contract for cause, and it is later determined that the termination for cause was wrongful, the termination shall automatically be converted to and treated as a termination for convenience. In such event, the Law Firm shall be entitled to receive only the amounts payable under this Section, and the Law Firm specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits. The rights and remedies of the Agency provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this contract including, but not limited to, the right to specific performance.

(B) Appendix II to Part 200 (C) - Equal Employment Opportunity: Except as otherwise provided under 41 C.F.R. Part 60, the Law Firm shall comply with the following equal opportunity clause, in accordance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and implementation regulations at 41 C.F.R. Chapter 60:

(i) The Law Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Law Firm will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Law Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

(ii) The Law Firm will, in all solicitations or advertisements for employees placed by or on behalf of the Law Firm, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, sex, or national origin.

(iii) The Law Firm will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Law Firm's legal duty to furnish information.

(iv) The Law Firm will send to each labor union or representative of workers with which they have a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(v) The Law Firm will comply with all proVIS10ns of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(vi) The Law Firm will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to their books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(vii) In the event of the Law Firm's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or

suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(viii) The Law Firm willincludetheprovisions of paragraphs (i)through (viii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will *be* binding upon each subcontractor or the Law Firm. The Law Firm will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event the Law Firm becomes involved in, or is threatened with, litigation with a subcontractor or the Law Firm as a result of such direction, the Law Firm may request the United States to enter into such litigation to protect the interests of the United States.

(C) <u>Appendix</u> II to Part 200 <u>ID)</u> - <u>Davis-Bacon Act; Copeland Act:</u> Not applicable to this contract.

(D) <u>Appendix II to Part 200 (E) - Contract Work Hours and Safety Standards Act:</u>

(i) If this contract is in excess of $100,000 and involves the employment of mechanics or laborers, the Law Firm shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). Under 40 U.S.C. 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(ii) No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(iii) In the event of any violation of the clause set forth in paragraph (ii) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (ii) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (ii) of this section.

(iv) The Agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Law Firm or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (iii) of this section.

(v) The Law Firm or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (ii) through (v) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (ii) through (v) of this Section.

(E) Appendix II to Part 200 (F) - Rights to Inventions Made Under a Contract or Agreement:

(i) If the Federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research .work under that "funding agreement," the non-Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Law Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by the Agency.

(ii) The regulation at 37 C.F.R. § 401.2(a) currently defines "funding agreement" as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

(iii) This requirement does not apply to the Public Assistance, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to 'Individuals and Households - Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of "funding agreement."

(F) Appendix II to Part 200 (G) - Clean Air Act and Federal Water Pollution Control Act: If this contract is in excess of $150,000, the Law Firm shall comply with all applicable standards, orders, or requirements issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C.1251-1387).

(i) Pursuant to the Clean Air Act, (1) the Law Firm agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) the Law Firm agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) the Law Firm agrees to include these requirements in each subcontract exceeding $150,000.

(ii) Pursuant to the Federal Water Pollution Control Act, (1) the Law Firm agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) the Law Firm agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) the Law Firm agrees to include these requirements in each subcontract exceeding $150,000.

(G) Ap_pendix II to Part 200 *(ID* - Debarment and Suspension: A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the 0MB guidelines at 2 CPR 180 that implement Executive Orders 12549 (3 C.F.R. part 1986 Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(i) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Law Firm is required to verify that none of the Law Firm, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (def'med at 2C.F.R. § 180.940)ordisqualified(def'medat2C.F.R. § 180.935).

(ii) The Law Firm must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(iii) This certification is a material representation of fact relied upon by Agency. If it is later determined that the Law Firm did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(iv) The Law Firm warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. The Law Firm also agrees to verify that all subcontractors performing work under this contract are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. The Law Firm further agrees to notify the Agency in writing immediately if the Law Firm or its subcontractors are not in compliance during the term of this contract.

(H) Appendix II to Part 200 ffi - Byrd Anti-Lobbying Act: If this contract is in excess of $100,000, the Law Firm shall have submitted and filed the required certification pursuant to the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1353). If at any time during the contract term :funding exceeds $100,000.00, the Law Firm shall file with the Agency the Federal Standard Form LLL titled "Disclosure Form to Report Lobbying." Law Firms that apply or bid or an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated :funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress; officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award Such disclosures are forwarded :from tier to tier up to the recipient.

(I) Appendix II to Part 200 *(J)* - Procurement of Recovered Materials:

(i) The Law Firm shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.

(ii) In the performance of this contract, the Law Firm shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired: Competitively within a time:frame providing for compliance with the contract performance schedule; Meeting contract performance requirements; or at a reasonable price.

(iii) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive- procurement-guideline-cpg-program.

5. MISCELLANEOUS PROVISIONS

(A) The Law Firm shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.

(B) This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The Law Firm will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(C) The Law Firm acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Law Firm's actions pertaining to this contract.

(D) The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the Agency, the Law Firm, any subcontractors or any other party pertaining to any matter resulting from the contract.

(E) <u>General and Administrative Expenses And Profit For Time And Materials Contracts/Amendments.</u>

(i) General and administrative expenses shall be negotiated and must conform to the Cost Principles.

(ii) Profit shall be negotiated as a separate element of the cost. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the Law Firm, the Law Firm's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Any agreement, amendment or change order for work performed on a time and materials basis shall include a ceiling price that the Law Firm exceeds at its own risk.

~ END OF EXHIBIT "C" ~

LEGAL SERVICES AGREEMENT BETWEEN
THE CITY OF WILLOWS AND PRENTICE LONG, PC
FOR LEGAL SERVICES FOR A COMPREHENSIVE UPDATE OF THE CITY OF WILLOWS MUNICIPAL CODE

THIS AGREEMENT for legal services is entered into by and between the City of Willows, a general law city in the State of California ("City"), and Prentice Long, PC ("Law Firm"), as of July 1, 2023 (the "Effective Date").

SECTION 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Law Firm shall provide to City the services described in the Scope of Work attached hereto and incorporated herein as Exhibit "A" at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit "A", the Agreement shall prevail.

SEAN CAMERON ("Attorney") is designated as the primary contact and consultant on the project. The Parties understand and agree that the Firm may, from time to time, utilize other attorneys within the Firm to assist Attorney in the performance of this Agreement.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall remain in full force and effect until terminated in accordance with the provisions of this Agreement or within one year, whichever is earlier. Law Firm shall complete the work described in Exhibit "A" during that term, unless the term of the Agreement is otherwise terminated, as provided for in Section 7, or amended by mutual consent of the parties. The time provided to Law Firm to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 7 .1.

1.2 Standard of Performance. Law Firm shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Law Firm is engaged. Law Firm shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Law Firm's profession.

1.3 **Assignment of Personnel.** Law Firm shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Law Firm shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 **Time.** Law Firm shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Law Firm's obligations hereunder.

SECTION 2. COMPENSATION. City hereby agrees to pay Law Firm a sum not to exceed the amounts described in Exhibit "B", notwithstanding any contrary indications that may be contained in Law Firm's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Law Firm's proposal, attached as Exhibit "A", regarding the amount of compensation, the Agreement shall prevail. City shall pay Law Firm for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Law Firm for services rendered pursuant to this Agreement. Law Firm shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Law Firm shall not bill City for duplicate services performed by more than one person.

2.1 **Invoices.** Law Firm shall submit to the City, within thirty (30) days after the end of each calendar month, an itemized statement of the professional services provided and the time expended on an hourly basis. Time will be charged by the Firm in increments of 1/10 of an hour (i.e., six-minute units). Law Firm shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;

- The beginning and ending dates of the billing period;

- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;

- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense; and

- The total number of hours of work performed under the Agreement by Law Firm.

The City will not be liable for interest or finance charges, until the bill is 60 days past due.

2.2 Total Payment. City shall pay for the services to be rendered by Law Firm pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Law Firm in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Law Firm submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment approved by the City Manager.

2.3 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit "B", and expenses not listed in Exhibit "B" are not chargeable to the City.

2.4 Payment of Taxes. Law Firm is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.5 Payment upon Termination. In the event that the City or Law Firm terminates this Agreement pursuant to Section 7 of this Agreement, the City shall compensate the Law Firm for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Law Firm shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.6 Authorization to Perform Services. The Law Firm is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization and direction of the City Council and/or City Manager.

SECTION 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Law Firm shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Law Firm only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

SECTION 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Law Firm, at its own cost and expense, shall procure and maintain professional malpractice insurance in the amount of not less than $2 million per occurrence throughout the term of this Agreement. Law Firm shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City, and that such insurance is in effect prior to commencing work under this Agreement. Law Firm shall maintain the insurance policy required by this section throughout the term of this Agreement. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

4.1 Variation. The City may approve a variation in the insurance requirements, upon a determination that the coverage, scope, limit, and form of such insurance is either not commercially available, or that the City's interests are otherwise fully protected.

4.2 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Law Firm shall provide written notice to City at Law Firm's earliest possible opportunity and in no case later than five (5) days after Law Firm is notified of the change in coverage.

4.3 Remedies. In addition to any other remedies City may have if Law Firm fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Law Firm's breach:

> **4.3.1.** Order Law Firm to stop work under this Agreement or withhold any payment that becomes due to Law Firm hereunder, or both stop work and withhold any payment, until Law Firm demonstrates compliance with the requirements hereof; and/or
>
> **4.3.2.** Terminate this Agreement.

SECTION 5. STATUS OF LAW FIRM.

5.1 Independent Contractor. At all times during the term of this Agreement, Law Firm shall be an independent contractor and shall not be an employee of City. City shall have the right to control Law Firm only insofar as the results of Law Firm's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Law Firm accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary. Law Firm and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

5.2 **Law Firm, Not Agent.** Except as City may specify in writing or as provided by law, Law Firm shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Law Firm shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

5.3 **California Tort Claims Act.** Notwithstanding the foregoing provisions, should Law Firm or any of its attorneys, professionals, or staff be named as parties to any civil action or administrative proceeding brought by any third party, based on advice the Firm or such individuals have given to City or actions they have taken on behalf of the City, the City shall defend and indemnify Law Firm and such individuals in the same manner in which it must defend City employees pursuant to the California Tort Claims Act, California Government Code section 810 *et seq*. However, the City shall have no duty to defend or indemnify Law Firm or any of its attorneys, professionals, or staff if the advice given or actions taken did not occur within the course and scope of their duties under this Agreement.

5.4 **Indemnification.** Notwithstanding the forgoing, Law Firm shall indemnify, hold harmless and defend the City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any intentional, reckless, or negligent acts, errors or omissions of the Firm in the performance of this Agreement.

City shall indemnify, hold harmless, and defend Law Firm, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any intentional, reckless, or negligent acts, errors or omissions of the City in the performance of this Agreement.

5.5 **Federal Provisions.** To the extent FEMA financial assistance will be used to fund all or a portion of this Agreement, the Firm shall comply with all federal requirements including, but not limited to, the following:

A. 2 C.F.R. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which is expressly incorporated herein by reference.

B. Federal Contract Provisions attached hereto as Exhibit "C" and incorporated herein by reference.

Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in the contract, including but not limited to, 2 C.F.R. Part 200 and the Federal Contract Provisions.

With respect to any conflict between such federal requirements and the terms of this Agreement and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

SECTION 6. LEGAL REQUIREMENTS.

6.1 Governing Law. The laws of the State of California shall govern this Agreement.

6.2 Compliance with Applicable Laws. Law Firm and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

6.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Law Firm and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

6.4 Licenses and Permits. Law Firm represents and warrants to City that Law Firm and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Law Firm represents and warrants to City that Law Firm and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Law Firm and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.

6.5 **Nondiscrimination and Equal Opportunity.** Law Firm shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Law Firm under this Agreement Law Firm shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

SECTION 7. TERMINATION AND MODIFICATION.

7.1 **Termination.** City may cancel this Agreement at any time and without cause upon 90 days' written notification to Law Firm.

Law Firm may cancel this Agreement upon 90 days' written notice to City.

In the event of termination, Law Firm shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Law Firm delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Law Firm or prepared by or for Law Firm or the City in connection with this Agreement.

7.2 **Amendments.** This Agreement may be amended from time to time by written agreement of the Parties. Unless otherwise provided in this Agreement, modifications relating to the nature, extent or duration of the Law Firm's professional services to be rendered hereunder shall require the prior written approval of the Council. Any such written approval shall be deemed to be a supplement to this Agreement and shall specify any changes in the scope of services and the agreed-upon billing rates to be charged by the Law Firm and paid by the City.

7.3 **Assignment and Subcontracting.** City and Law Firm recognize and agree that this Agreement contemplates personal performance by Law Firm and is based upon a determination of

Law Firm's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Law Firm. Law Firm may not assign this Agreement or any interest therein without the prior written approval of the City Manager. Law Firm shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator. Delegation to such outside attorneys shall be limited to those situations in which the Firm is disqualified by virtue of a conflict of interest, or where the Firm does not possess the expertise to competently perform services in a particular practice area. The Firm shall supervise any delegated work, except when precluded from doing so by virtue of a conflict of interest, and where otherwise agreed to by the Parties.

7.4 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Law Firm shall survive the termination of this Agreement.

7.5 **Options Upon Breach by Law Firm.** If Law Firm materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to the following:

7.5.1 Immediately terminate the Agreement;

7.5.2 Retain the plans, specifications, memoranda, correspondence, and any other work product prepared by Law Firm pursuant to this Agreement; or

7.5.3 Retain a different Law Firm to complete the work described in Exhibit "A" not finished by Law Firm.

SECTION 8. KEEPING AND STATUS OF RECORDS.

8.1 **Records Created as Part of Law Firm's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. The Law Firm will control the physical location of such files during the term of this Agreement. The City agrees that Law Firm may, in its discretion, maintain all or part of the City's legal files in electronic format including through use of secure cloud storage services. Law Firm agrees to apply all reasonable methods to maintain the confidentiality of the City's legal files and the data will be password protected and encrypted using currently available technology.

Law Firm hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Law Firm agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

8.2 **Law Firm's Books and Records.** Law Firm shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Law Firm to this Agreement.

8.3 **Inspection and Audit of Records.** Any records or documents that Section 8.2 of this Agreement requires Law Firm to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City.

SECTION 9. MISCELLANEOUS PROVISIONS.

9.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

9.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the Superior Court for the County of Glenn.

9.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

9.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

9.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

9.6 **Conflict of Interest.** Law Firm may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Law Firm in a "conflict of interest," as that term is defined in the rules of professional responsibility governing Law Firm's profession, unless such conflict may be waived by City and City chooses to waive such conflict in writing.

Law Firm and Attorney shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).

Law Firm shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Law Firm hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Law Firm was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Law Firm warrants that it did not participate in any manner in the forming of this Agreement. Law Firm understands that, if this Agreement is made in violation of Government Code § 1090 *et seq.*, the entire Agreement is void and Law Firm will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Law Firm will be required to reimburse the City for any sums paid to the Law Firm. Law Firm understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

9.7 Solicitation. Law Firm agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

9.8 Notices.

Any written notice to Law Firm shall be sent to:

Prentice Long, PC
Attn: Margaret Long
2240 Court Street
Redding, CA 96001

Any written notice to City shall be sent to:

Community Development and Services Department
Attn: Community Development & Services Director
201 North Lassen Street
Willows, CA 95988

9.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

9.10 **Authorized Signature.** Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

The parties have executed this Agreement as of the Effective Date.

CITY:	**LAW FIRM:**
CITY OF WILLOWS, A General Law City	PRENTICE LONG, PC
By: ________________ Marti Brown, City Manager	By: ________________ Margaret E. Long, Managing Partner

EXHIBIT "A"

SCOPE OF WORK

The following services shall be provided under this Agreement:

<u>CONSULTING SERVICES FOR COMPREHENSIVE UPDATE OF THE CITY OF WILLOWS MUNICIPAL CODE</u>

Law Firm shall provide review, drafting, editing, and updating of City of Willows Municipal Code which include the following:

- Attend initial meeting with City Council or City Manager to establish guidelines and objectives for Code overhaul;
- Attend further meetings with staff or Council as appropriate or requested for Code review and discussions;
- Regularly communicate - with the City Council, City Manager, City Administrative staff, department heads and designated staff;
- Advise regarding additional code sections recommended;
- Ensure timely compliance on anticipated timeline;
- Draft, edit, and review municipal ordinances;
- Ensure compliance with general plan, zoning, and other land use requirements for both City and private party-initiated actions and applications;
- Advise regarding code enforcement and building code ordinances and processes;
- Monitor and advise regarding the adoption of new federal and state laws and regulations.

~ END OF EXHIBIT "A" ~

EXHIBIT "B"

COMPENSATION

City shall compensate law firm as follows:

Consultant

City shall pay Law Firm a flat retainer of $43,750 for all consulting services for this project, as set forth in Exhibit "A".

In consideration for this agreement, Law Firm shall generally bear its own costs and expenses in providing consulting services. City, however, shall reimburse Law Firm for the following extraordinary expenses advanced on the City's behalf:

Voluminous Duplication or Printing (charged for each page beyond 350 pages in any month)	$0.10/page
Vehicle travel for non-standard trips Exceeding 50 miles from our Redding office.	Applicable IRS rate per mile x number of miles
Extraordinary postage or overnight Delivery costs	Actual Cost

~ END OF EXHIBIT "B" ~

EXHIBIT "C"

FEDERAL CONTRACT PROVISIONS

During the performance of this contract, Law Firm shall comply with all applicable federal laws and regulations including but not limited to the federal contract provisions in this Exhibit. In this Exhibit, the term "Agency" shall mean the local agency entering into this contract with the Law Firm.

1. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS (2 C.F.R. § 200.321)

(A) The Law Firm shall be subject to 2 C.F.R. § 200.321 and will take affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible and will not be discriminated against on the grounds of race, color, religious creed, sex, or national origin in consideration for an award.

(B) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and

(v) Using the services/assistance of the Small Business Administration (SBA), and the Minority Business Development Agency (MBDA) of the Department of Commerce.

The Law Firm shall submit evidence of compliance with the foregoing affirmative steps when requested by the Agency.

Notwithstanding the foregoing, the affirmative steps requirements detailed above do not apply in the case of a noncompetitive procurement made under the emergency exception/exigency exception to competitive procurements.

2. **COST PRINCIPLES (2 C.F.R. PART 200, SUBPART E)**

(A) If any indirect costs will be charged to the Agency under this contract, such costs must conform to the cost principles set forth under the Uniform Rules at 2 C.F.R. Part 200, subpart E ("Cost Principles"). In general, costs must (i) be necessary and reasonable; (ii) allocable to the grant award; (iii) conform to any limitations or exclusions set forth in the Cost Principles; (iv) be adequately documented; and (v) be determined in accordance with generally accepted accounting principles ("GAAP"), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 C.F.R. Part 200, subpart E. 2 C.F.R. § 200.403. Costs that are determined unallowable pursuant to a federal audit are subject to repayment by the Law Firm.

3. **ACCESS TO RECORDS & RECORD RETENTION (2 C.F.R. 200.336)**

(A) The Law Firm shall comply with 2 C.F.R. § 200.336 and provide the Federal Agency, Inspectors General, the Comptroller General of the United States, Agency, and the State of California or any of their authorized representatives access, during normal business hours, to documents, papers, books and records which are directly pertinent to this contract for the purposes of making and responding to audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to the Law Firm's personnel for the purpose of interview and discussion related to the books and records.

(B) The Law Firm agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(C) The Law Firm agrees to provide the Federal Agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

4. **REQUIRED CONTRACT PROVISIONS IN ACCORDANCE WITH APPENDIX II TO PART 200 - CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.326)**

(A) <u>Appendix II to Part 200 (A); Appendix II to Part 200 (B): Remedies for Breach; Termination for Cause/Convenience</u>. If the contract is in excess of $10,000 and the contract does not include provisions for both termination for cause and termination for convenience by the Agency, including the manner by which it will be effected and the basis for settlement, then the following termination clauses shall apply. If the contract is for more than the simplified acquisition threshold (see 2 C.F.R. § 200.88) at the time the contract is executed and does not provide for administrative, contractual, or legal remedies in instances where the Law Firm violates or breaches the terms of the contract, then the following termination clauses shall apply and have precedence over the contract. Otherwise, the following termination clauses shall not be applicable to the contract.

(i) Termination for Convenience. The Agency may, by written notice to the Law Firm, terminate this contract for convenience, in whole or in part, at any time by giving written notice to the Law Firm of such termination, and specifying the effective date thereof ("Notice of Termination for Convenience"). If the termination is for the convenience of the Agency, the Agency shall compensate the Law Firm for work or materials fully and adequately provided through the effective date of termination. No amount shall be paid for unperformed work or materials not provided, including anticipated profit. The Law Firm shall provide documentation deemed adequate by the Agency to show the work actually completed or materials provided by the Law Firm prior to the effective date of termination. This contract shall terminate on the effective date of the Notice of Termination.

(ii) Termination for Cause. If the Law Firm fails to perform pursuant to the terms of this contract, the Agency shall provide written notice to the Law Firm specifying the default ("Notice of Default"). If the Law Firm does not cure such default within ten (10) calendar days of receipt of Notice of Default, the Agency may terminate this contract for cause. If the Law Firm fails to cure a default as set forth above, the Agency may, by written notice to the Law Firm, terminate this contract for cause, in whole or in part, and specifying the effective date thereof ("Notice of Termination for Cause"). If the termination is for cause, the Law Firm shall be compensated for that portion of the work or materials provided which has been fully and adequately completed and accepted by the Agency as of the date the Agency provides the Notice of Termination. In such case, the Agency shall have the right to take whatever steps it deems necessary to complete the project and correct the Law Firm's deficiencies and charge the cost thereof to the Law Firm, who shall be liable for the full cost of the Agency's corrective action, including reasonable overhead, profit and attorneys' fees.

(iii) Reimbursement; Damages. The Agency shall be entitled to reimbursement for any compensation paid in excess of work rendered or materials provided and shall be entitled to withhold compensation for defective work or other damages caused by the Law Firm's performance of the work.

(iv) Additional Termination Provisions. Upon receipt of a Notice of Termination, either for cause or for convenience, the Law Firm shall promptly discontinue the work unless the Notice directs to the contrary. The Law Firm shall deliver to the Agency and transfer title (if necessary) to all provided materials and completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The rights and remedies of the parties provided in this Section are in addition to any other rights and remedies provided by law or under this contract. The Law Firm acknowledges the Agency's right to terminate this contract with or without cause as provided in this Section, and hereby waives any and all claims for damages that might arise from the Agency's termination of this contract. The Agency shall not be liable for any costs other than the charges or portions thereof which are specified herein. The Law Firm shall not be entitled to payment for unperformed work or materials not provided and shall not be entitled to damages or compensation for termination of work or supply of materials. If Agency terminates this contract for cause, and it is later determined that the termination for cause was wrongful, the termination shall automatically be converted to and treated as a termination for convenience. In such event, the Law Firm shall be entitled to receive only the amounts payable under this Section, and the Law Firm specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits. The rights and remedies of the Agency provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this contract including, but not limited to, the right to specific performance.

(B) Appendix II to Part 200 (C) - Equal Employment Opportunity: Except as otherwise provided under 41 C.F.R. Part 60, the Law Firm shall comply with the following equal opportunity clause, in accordance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and implementation regulations at 41 C.F.R. Chapter 60:

(i) The Law Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Law Firm will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Law Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

(ii) The Law Firm will, in all solicitations or advertisements for employees placed by or on behalf of the Law Firm, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, sex, or national origin.

(iii) The Law Firm will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Law Firm's legal duty to furnish information.

(iv) The Law Firm will send to each labor union or representative of workers with which they have a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(v) The Law Firm will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(vi) The Law Firm will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to their books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(vii) In the event of the Law Firm's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(viii) The Law Firm will include the provisions of paragraphs (i) through (viii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will *be* binding upon each subcontractor or the Law Firm. The Law Firm will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event the Law Firm becomes involved in, or is threatened with, litigation with a subcontractor or the Law Firm as a result of such direction, the Law Firm may request the United States to enter into such litigation to protect the interests of the United States.

(C) Appendix II to Part 200 (D) - Davis-Bacon Act; Copeland Act: Not applicable to this contract.

(D) Appendix II to Part 200 (E) - Contract Work Hours and Safety Standards Act:

(i) If this contract is in excess of $100,000 and involves the employment of mechanics or laborers, the Law Firm shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). Under 40 U.S.C. 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(ii) No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(iii) In the event of any violation of the clause set forth in paragraph (ii) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (ii) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (ii) of this section.

(iv) The Agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Law Firm or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (iii) of this section.

(v) The Law Firm or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (ii) through (v) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (ii) through (v) of this Section.

(E) Appendix II to Part 200 (F) - Rights to Inventions Made Under a Contract or Agreement:

(i) If the Federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the non-Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Law Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by the Agency.

(ii) The regulation at 37 C.F.R. § 401.2(a) currently defines "funding agreement" as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

(iii) This requirement does not apply to the Public Assistance, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to 'Individuals and Households - Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of "funding agreement."

(F) Appendix II to Part 200 (G) - Clean Air Act and Federal Water Pollution Control Act: If this contract is in excess of $150,000, the Law Firm shall comply with all applicable standards, orders, or requirements issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C.1251-1387).

(i) Pursuant to the Clean Air Act, (1) the Law Firm agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) the Law Firm agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) the Law Firm agrees to include these requirements in each subcontract exceeding $150,000.

(ii) Pursuant to the Federal Water Pollution Control Act, (1) the Law Firm agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) the Law Firm agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) the Law Firm agrees to include these requirements in each subcontract exceeding $150,000.

(G) Appendix II to Part 200 (H) - Debarment and Suspension: A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the 0MB guidelines at 2 CPR 180 that implement Executive Orders 12549 (3 C.F.R. part 1986 Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(i) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Law Firm is required to verify that none of the Law Firm, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(ii) The Law Firm must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(iii) This certification is a material representation of fact relied upon by Agency. If it is later determined that the Law Firm did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(iv) The Law Firm warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. The Law Firm also agrees to verify that all subcontractors performing work under this contract are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. The Law Firm further agrees to notify the Agency in writing immediately if the Law Firm or its subcontractors are not in compliance during the term of this contract.

(H) Appendix II to Part 200 (I) - Byrd Anti-Lobbying Act: If this contract is in excess of $100,000, the Law Firm shall have submitted and filed the required certification pursuant to the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1353). If at any time during the contract term funding exceeds $100,000.00, the Law Firm shall file with the Agency the Federal Standard Form LLL titled "Disclosure Form to Report Lobbying." Law Firms that apply or bid or an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

(I) Appendix II to Part 200 (J) - Procurement of Recovered Materials:

(i) The Law Firm shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.

(ii) In the performance of this contract, the Law Firm shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired: Competitively within a timeframe providing for compliance with the contract performance schedule; Meeting contract performance requirements; or at a reasonable price.

(iii) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive- procurement-guideline-cpg-program.

5. MISCELLANEOUS PROVISIONS

(A) The Law Firm shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.

(B) This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The Law Firm will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(C) The Law Firm acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Law Firm's actions pertaining to this contract.

(D) The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the Agency, the Law Firm, any subcontractors or any other party pertaining to any matter resulting from the contract.

(E) General and Administrative Expenses And Profit For Time And Materials Contracts/Amendments.

(i) General and administrative expenses shall be negotiated and must conform to the Cost Principles.

(ii) Profit shall be negotiated as a separate element of the cost. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the Law Firm, the Law Firm's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Any agreement, amendment or change order for work performed on a time and materials basis shall include a ceiling price that the Law Firm exceeds at its own risk.

~ END OF EXHIBIT "C" ~

FIRST AMENDMENT TO
LEGAL SERVICES AGREEMENT FOR A COMPREHENSIVE UPDATE OF THE CITY OF WILLOWS MUNICIPAL CODE

THIS FIRST AMENDMENT for legal services is entered into by and between the City of Willows, a general law city in the State of California ("City"), and Prentice Long, PC ("Law Firm"), as of June 25, 2024 (the "Effective Date").

WHEREAS, City and Law Firm have entered into a Legal Services Agreement ("Agreement") dated July 1, 2023, wherein the term of the Agreement is July 1, 2023 through June 30, 2024; and

WHEREAS, City and Law Firm desire to amend said Agreement to extend the term of the Agreement to December 31, 2024.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 1.1, "Term of Services," is hereby amended to the Agreement to read as follows:

   "The term of this Agreement shall begin on the Effective Date and shall remain in full force and effect until terminated in accordance with the provisions of this Agreement or December 31, 2024, whichever is earlier. Law Firm shall complete the work described in Exhibit "A" during that term, unless the term of the Agreement is otherwise terminated, as provided for in Section 7, or amended by mutual consent of the parties. The time provided to Law Firm to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 7.1."

2. Except as herein amended, the Agreement dated July 1, 2023, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to be executed on the date first above written.

CITY:	**LAW FIRM:**
CITY OF WILLOWS, A General Law City	PRENTICE LONG, PC
By: Marti Brown Marti Brown, City Manager	By: ____________ Margaret E. Long, Managing Partner

Exhibits:

Exhibit A: Legal Services Agreement

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development and Services Director
Marti Brown, City Manager

Subject: Civic Center ADA Door Upgrades Project Agreement - Amendment

Recommendation:

Adopt the Civic Center ADA Door Upgrades Resolution (Attachment 1) authorizing the City Manager to execute Amendment 1 (Attachment 2) to the Billson Construction agreement.

Rationale for Recommendation:

The amendment updates the contract amount, incorporates the revised change order, and identifies the funding sources needed to complete the project.

Background:

On January 14, 2025, the City Council authorized the City Manager to negotiate and execute a construction agreement with Billson Construction Company, Inc. for the Civic Center ADA Door Upgrades Project in the amount of $131,813 and approved an overall project budget of $178,944.

The project includes ADA upgrades to the primary public entrances at City Hall and the Library. After the original CDBG-CV funding source was no longer available, the project was suspended while replacement funding was identified. The City has since secured CDBG Program Income funding to resume the project.

Discussion & Analysis:

The revised change order includes costs related to the project delay, extended overhead, inflation, material price increases, administrative costs, and updated bonding. Approval of Amendment No. 1 will increase the construction contract amount from $131,813 to $165,883.71.

The project budget has been divided between the Library portion and the Civic Center portion of the work. The $5,600 in Library Building Forward Grant funds will be applied only to the Library portion. CDBG Program Income will then be used to pay the remaining Library costs and most of the Civic Center costs. Solid Waste funds will only be used for the remaining Civic Center balance and will not be used for any Library-related costs.

The Solid Waste contribution is $22,822.08, which equals approximately 15.26% of the Civic Center portion of the project.

Consistency with Council Priorities and Goals:

This project is consistent with Council Priority #4, Infrastructure Improvements, by improving ADA accessibility and public access at the Civic Center complex, including City Hall and the Library.

Fiscal Impact:

The updated total project budget is $216,422.08, which includes the revised construction contract amount, 10% construction contingency, and construction management and inspection.

Funding is proposed as follows:

- CDBG Program Income: $188,000.00
- Library Building Forward Grant Funds: $5,600.00
- Solid Waste Funds: $22,822.08
- Total Project Budget: $216,422.08

Attachments:

- Attachment 1 - Civic Center ADA Door Upgrades Resolution
- Attachment 2 - Billson Construction Contract Amendment

Attachment 1

City of Willows
Resolution XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING AMENDMENT NO. 1 TO THE CIVIC CENTER ADA DOOR UPGRADES PROJECT AGREEMENT WITH BILLSON CONSTRUCTION COMPANY, INC.

WHEREAS, on January 14, 2025, the City Council authorized the City Manager to negotiate and execute an agreement with Billson Construction Company, Inc. for the Civic Center ADA Door Upgrades Project in the amount of $131,813.00 and approved an overall project budget of $178,944.00; and

WHEREAS, the project includes ADA accessibility improvements to the primary public entrances at City Hall and the Library; and

WHEREAS, the project was suspended on March 31, 2025, and the contractor was directed to cease all work until authorized by the City to resume; and

WHEREAS, the project was delayed after the original funding source was no longer available and replacement funding was identified; and

WHEREAS, the City has secured CDBG Program Income funding to resume and complete the project; and

WHEREAS, Amendment No. 1 will amend Section 5, Contract Price and Payment, of the original agreement to increase the construction contract amount from $131,813.00 to $165,883.71; and

WHEREAS, the updated total project budget is $216,422.08, including the revised construction contract amount, a 10% construction contingency, and construction management/inspection; and

WHEREAS, the City Council desires to approve the amended project budget and identify the funding sources to be used for completion of the project.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLOWS RESOLVES AS FOLLOWS:

SECTION 1. RECITALS.

The above recitals are true and correct and are incorporated herein as findings of the City Council.

SECTION 2. APPROVAL OF AMENDMENT NO. 1.

The City Council hereby approves Amendment No. 1 to the Civic Center ADA Door Upgrades Project Agreement with Billson Construction Company, Inc.

SECTION 3. REVISED CONSTRUCTION CONTRACT AMOUNT.

The City Council hereby approves increasing the construction contract amount from $131,813.00 to $165,883.71.

SECTION 4. FUNDING SOURCES.

The City Council hereby authorizes the following funding sources for the project:

CDBG Program Income: $188,000.00

Library Building Forward Grant Funds: $5,600.00

Solid Waste Funds: $22,822.08

Total Funding: $216,422.08

SECTION 5. FUNDING ALLOCATION.

Library Building Forward Grant funds shall be applied only to the Library portion of the project. CDBG Program Income shall be applied to the remaining Library costs and most of the Civic Center costs. Solid Waste funds shall be applied only to the remaining Civic Center balance and shall not be used for Library-related costs.

SECTION 6. AUTHORIZATION.

The City Council hereby authorizes the City Manager to execute Amendment No. 1 to the Civic Center ADA Door Upgrades Project Agreement with Billson Construction Company, Inc.

SECTION 7. EFFECTIVE DATE.

This Resolution shall become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 14th day of July, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

____

Evan Hutson, Mayor

ATTESTED:

____

Karleen Price, City Clerk

AMENDMENT NO. 1 TO AGREEMENT
CIVIC CENTER ADA DOOR UPGRADES PROJECT

This Amendment No. 1 is entered into by and between the City of Willows, a California municipal corporation, and Billson Construction Company, Inc., for the Civic Center ADA Door Upgrades Project.

Original Agreement

The parties entered into an agreement for the Civic Center ADA Door Upgrades Project following the City's January 14, 2025 award of the project to Billson Construction Company, Inc. The original agreement established a contract price of $131,813.00.

Amendment to Section 5, Contract Price and Payment

Section 5, Contract Price and Payment, is amended to incorporate Revised Change Order No. 1 in the amount of $34,070.71 and increase the total contract price from $131,813.00 to $165,883.71.

Original Contract Price:	$131,813.00
Revised Change Order No. 1:	$34,070.71
Revised Contract Price:	$165,883.71

No Other Changes

Except as expressly modified by this Amendment No. 1, all other terms, conditions, and requirements of the original agreement remain in full force and effect.

CITY OF WILLOWS

By: ______________________________

Name: ____________________________

Title: _____________________________

Date: _____________________________

BILLSON CONSTRUCTION COMPANY, INC.

By: ______________________________

Name: ____________________________

Title: _____________________________

Date: _____________________________

Date:	July 14, 2026
To:	Honorable Mayor and Councilmembers
From:	Nathan Monck, Fire Chief Marti Brown, City Manager
Subject:	Engine 2 Lease Agreement: Community Leasing Partners

Recommendation:

Adopt Resolution XX-2026 authorizing the City Manager, or her designee, to enter into a lease agreement with Community Leasing Partners for the purchase and outfitting of a new Type 1 fire engine for a term of nine (9) years.

Rationale for Recommendation:

The total cost of purchasing and outfitting a new Type 1 fire engine is $1,404,465.37. Anticipated delivery for the apparatus is approximately 36–48 months from the date of purchase. Leasing the apparatus provides predictable annual payments that can be planned for in future fiscal years while minimizing the immediate impact to the General Fund. Additionally, timely approval of the lease agreement will also allow the City to secure current apparatus pricing prior to a prospective manufacturer price increase anticipated in August 2026.

Background:

On June 9 2026, the City Council of the City of Willows unanimously approved the purchase of a new Type 1 Fire Engine, and a 10-year lease. On July 7, 2026, staff was advised by Community Leasing Partners that the lease under writing team was unable to approve the 10 year lease as previously indicated for the city and fire department to primarily due to the uncertainty surrounding the current Law Enforcement contract.

It is critical that the City of Willows replace the current 1992 apparatus that is still in frontline service. The proposed lease agreement would facilitate the purchase and outfitting of a new Type 1 fire engine. Replacement of the aging apparatus has been a long-standing City Council goal in order to improve operational reliability, firefighter safety, and emergency response capability.

Discussion & Analysis:

Golden State Fire Apparatus offers a substantial prepayment discount to agencies that remit full payment within thirty (30) days of apparatus order. By using lease financing through Community

Leasing Partners, the City will be able to take advantage of the available prepayment discount of $180,895.66 from the total apparatus purchase price.

The proposed updated lease includes:

- A two-year deferred payment structure;
- No payments due until FY 2028-29;
- Annual payments of $206,287.38;
- A competitive fixed interest rate of 4.894 %;
- Approximately $47,000 of reduced interest; and
- A nine-year repayment term.

The deferred payment structure provides the City additional time to accumulate reserve funding and secure anticipated grant reimbursements prior to the commencement of lease payments.

Staff recommend the lease financing option as the most fiscally conservative and operationally practical method to acquire this major capital asset while preserving financial flexibility.

Consistency with Council Priorities and Goals:

The proposed lease agreement is consistent with Council Priority #3: Public Safety, Goal 2: Right Size and Enhance the Willows Fire Department by replacing a 1992 apparatus that has exceeded its expected service life.

Fiscal Impact:

This lease agreement represents one component of the overall funding strategy recommended by staff for acquisition of the new Type 1 fire engine.

Total Cost of Engine and Outfitting:
- Total Apparatus and Equipment Cost: $1,404,465.37

Secured Funding Sources:
- Congressman LaMalfa Grant: $660,000
- Apparatus Reserve Account: Approximately $318,000

Total Secured Funding:
- Approximately $978,000

Estimated Net Amount Remaining after Secured Funding:
- $426,465.37

Prospective Funding:
- Senator Schiff Grant: $400,000
  (Funding determination anticipated Late August/Early September 2026)

Remaining Amount to be Financed if Schiff Grant is Awarded:

- Approximately $26,465.37

The City has proactively established and funded a dedicated apparatus replacement reserve account using Office of Emergency Services (OES) deployment revenues beginning in November 2025. Continued contributions to this reserve account are anticipated and will help minimize the long-term impact of lease payments on the General Fund.

Funding from both Congressman LaMalfa and Senator Schiff are reimbursable grants. Grant funds will not be received until the apparatus is delivered, registered with the California Department of Motor Vehicles, and placed into service by the City of Willows.

Upon receipt of the apparatus and reimbursement funding, staff intend to submit all necessary grant documentation and apply received grant proceeds as lump-sum principal payments toward the lease balance.

If Senator Schiff's grant funding is not awarded, the City Council will have the opportunity to evaluate alternative financing strategies, including:

- Refinancing the remaining balance, (e.g., Current refinancing estimates reflect annual payments of approximately $85,000 over seven (7) years based on an estimated remaining principal balance of $500,000.);
- Adjusting annual payment schedules; or
- Using available apparatus reserve funding.

Staff recommend using Apparatus Reserve Funds to make annual lease payments until grant reimbursements are received. Staff are confident that the reserve account will contain sufficient funding to support a minimum of three annual lease payments before depletion.

<u>Attachments:</u>

- Attachment 1: Resolution XX-2026
- Attachment 2: June 9, 2026, Staff report
- Attachment 3: Final Lease Contract

City of Willows
Resolution XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS AUTHORIZING THE CITY MANAGER, OR HER DESIGNEE, TO EXECUTE A LEASE AGREEMENT WITH COMMUNITY LEASING PARTNERS FOR THE PURCHASE AND OUTFITTING OF A NEW TYPE 1 FIRE ENGINE

WHEREAS, replacement of the aging frontline fire apparatus has been a long-standing goal of the City Council to improve firefighter safety, operational reliability, and emergency response effectiveness; and

WHEREAS, the City of Willows Fire Department currently operates a 1992 Type 1 fire engine that has reached the end of its useful service life and requires replacement in order to maintain reliable emergency response capabilities; and

WHEREAS, the City has identified Community Leasing Partners as a financing provider offering competitive municipal lease financing terms including a nine (9) year repayment term, a fixed interest rate of 4.894%, and a two-year deferred payment structure; and

WHEREAS, the proposed lease structure allows the City to secure current apparatus pricing, including a substantial manufacturer prepayment discount, while minimizing immediate impacts to the General Fund; and

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

SECTION 1. The City Council hereby authorizes the City Manager, or her designee, to execute a lease agreement with Community Leasing Partners for the financing of the purchase and outfitting of one (1) new Type 1 fire engine and associated equipment in an amount not to exceed $1,404,465.37.

SECTION 2. The City Manager, or her designee, is further authorized to execute all documents, agreements, certificates, and related instruments necessary to carry out the intent of this Resolution and complete the financing transaction.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 14th day of July, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:	**ATTESTED:**
______________________________	______________________________
Evan Hutson, Mayor	Karleen Price, City Clerk

Date: June 9, 2026

To: Honorable Mayor and Councilmembers

From: Nathan Monck, Fire Chief
Marti Brown, City Manager

Subject: Engine 2 Purchase Contract: Golden State Fire Apparatus

Recommendation:

Adopt Resolution XX-2026, authorizing the City Manager, or her designee, to execute a contract with Golden State Fire Apparatus to purchase a new Pierce Enforcer PUC Type 1 Fire Engine in the amount of $1,328,229.13.

Rationale for Recommendation:

The new Type 1 PUC Fire Engine will replace the existing 1992 Type 1 apparatus known as "Engine 2," which is in poor condition, at the end of its useful life, increasingly unreliable, and no longer adequately meets the operational needs of the City of Willows. Replacement of Engine 2 has been a long-standing City Council objective and will significantly improve operational capacity, firefighter safety, and emergency response capabilities throughout the community.

Background:

In November 2021, staff identified the need to replace Engine 2. Recognizing the fiscal challenges associated with replacing a major capital asset, staff explored potential funding opportunities and pursued multiple grant applications to fund its replacement. Those efforts ultimately resulted in the award of $660,000 in USDA Community Facilities funding through a congressionally directed spending allocation secured by the late Congressman Doug LaMalfa in May 2025.

In June 2025, the Willows Fire Department established an apparatus committee for the purpose of developing specifications and evaluating replacement apparatus options. The committee reviewed multiple designs and proposals from several manufacturers, including HiTech, HME Ahrens-Fox, Rosenbauer, and Pierce Manufacturing. Following extensive evaluation of operational capabilities, safety features, maintenance considerations, and long-term serviceability, the committee selected the Pierce Enforcer 189" Pump Under Cab (PUC) platform.

The proposed apparatus was competitively procured through the Sourcewell Cooperative Purchasing Program, which satisfies public procurement requirements through a nationally solicited and awarded contract process. Using the Sourcewell contract, the City may obtain competitive pricing while reducing administrative costs and procurement timelines associated with a separate formal bid process.

Discussion & Analysis:

When designing the new Type 1 Engine, the apparatus committee evaluated the current and future operational needs of the department, anticipated service demands, staffing levels, emergency response requirements, maintenance considerations, and firefighter safety features. These evaluations ultimately led to the selection of the Pierce PUC design.

Due to its ability to maximize storage capacity while maintaining a compact apparatus footprint, the Pierce PUC is a patented apparatus design that is widely used by departments operating with limited staffing resources. The proposed Pierce Enforcer PUC includes several significant operational and safety enhancements, including:

- 510 HP PACCAR MX Engine,
- Allison 6-Speed Automatic Transmission,
- Oshkosh TAK-4 Independent Front Suspension,
- Air Ride Dump Valves to lower working height during extended operations,
- Cab Air Filtration System designed to reduce firefighter exposure to carcinogens,
- Rear Camera and Passenger-Side Camera Systems,
- Temperature-Controlled EMS Equipment Compartment,
- 2,000 GPM Single-Stage Midship Pump,
- 750-Gallon Water Tank Capacity,
- Pump-and-Roll Capability,
- Remote-Controlled Electric Deck Gun, and
- 25-Gallon Foam Reservoir.

These features represent substantial improvements over the current apparatus. Engine 2 has a significantly smaller pump, lacks pump-and-roll capability, does not have integrated camera systems, does not carry firefighting foam, lacks a deck gun, and provides substantially less storage capacity for emergency equipment.

An additional factor supporting the Pierce PUC selection is the increased equipment storage capacity made possible by the PUC configuration. Because the pump house is located beneath the cab rather than within traditional side compartments, additional cabinet space is available for equipment storage. This is particularly important for the Willows Fire Department due to its staffing model. Unlike larger departments that dispatch multiple specialized apparatus simultaneously, the first-arriving Willows engine must carry the tools necessary to begin mitigation of a wide range of emergency incidents, including structure fires, vehicle extrications, rescue operations, hazardous conditions, and emergency medical services support.

The proposed design package was reviewed by the City Mechanic, who approved the specifications and apparatus configuration. The City Mechanic has completed extensive Pierce maintenance training and is familiar with Pierce apparatus systems, maintenance requirements, and repair procedures.

Pierce Manufacturing also advised staff that a prospective two percent (2%) manufacturer price increase is anticipated in August 2026. Approval of the purchase agreement at this time will allow the City to secure current pricing and avoid additional project costs associated with the anticipated increase.

Replacement of the City's existing 1992 Engine 2 addresses a critical public safety need by improving operational reliability, firefighter safety, emergency response effectiveness, and service delivery to the community. The new apparatus provides expanded capabilities, increased equipment capacity, and modern safety features that better align with the current and future operational needs of the Willows Fire Department.

The acquisition of this apparatus represents a long-term investment in maintaining reliable emergency services and ensuring the City's emergency response resources remain capable of meeting community needs for decades to come.

Consistency with Council Priorities and Goals:

The proposed purchase of a new Type 1 PUC Fire Engine supports the City Council's priorities related to public safety, fiscal responsibility, and long-term capital infrastructure planning.

This purchase also reflects the City's commitment to responsible financial stewardship by leveraging secured grant funding, dedicated apparatus reserve funds, and strategic financing options to minimize impacts on the General Fund while investing in essential public safety infrastructure.

Fiscal Impact:

The total cost to purchase and outfit the apparatus is $1,404,465.37. This amount includes the purchase of the Type 1 Fire Engine from Golden State Fire Apparatus for $1,328,229.13 and $76,236.24 of associated equipment including extrication tools, rescue struts, and a thermal imaging camera.

The apparatus purchase price of $1,328,229.13 reflects the substantial prepayment discount offered by the manufacturer and secured through the City's financing strategy.

The City currently has approximately $978,000 in secured funding available toward this purchase, consisting of:

- USDA Community Facilities Grant (Congressman LaMalfa): $660,000
- Apparatus Reserve Account: ~ $318,000

Staff also applied for an additional $400,000 congressionally directed spending award through Senator Adam Schiff's office and is optimistic a funding determination will be made in late August or early September 2026.

The remaining balance would be financed through a municipal lease agreement. If the prospective Senator Schiff funding is not awarded, staff will return to the City Council for direction and evaluation of alternative financing strategies, including:

- Refinancing the remaining balance:
For example, current refinancing estimates reflect annual payments of approximately $85,000 over seven (7) years based on an estimated remaining principal balance of $500,000;

- Adjusting annual payment schedules; or
- Using available funds from the Apparatus Replacement Fund.

Staff recommend using the Apparatus Replacement Fund to make annual lease payments until grant reimbursements are received. Staff is also confident that the reserve account will provide sufficient funding to support a minimum of three annual lease payments before its depleted.

Attachments:

- Attachment 1: Resolution XX-2026
- Attachment 2: Pierce Purchase Order

COMMUNITY LEASING PARTNERS
Division of Community First National Bank

215 S. Seth Child Road
Manhattan, KS 66502
Phone: 888.777.7850
Fax: 888.777.7875
www.clpusa.net

July 8, 2026

Nathan Monck
City of Willows
201 North Lassen Street
Willows, CA 95988

RE: Financing for One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts

Dear Nathan,

Thank you for the opportunity to work with City of Willows on your financing project!

This package includes the documentation with instructions to complete financing of the equipment.

Community First National Bank is listed as Lessor to this Agreement. Community Leasing Partners is a division of Community First National Bank and is the exclusive marketing, origination and placement agent for the bank.

Please return all documents with original signatures by 7/23/2026 to avoid any potential change in the payments or interest rate.

This Agreement requires three different signers from the City of Willows and an attorney's opinion letter.

Signer 1 - Marti Brown, City Manager
Signer 2 - Nathan Monck, Fire Chief
Signer 3 - Karleen Price, City Clerk

Upon receipt of all listed documents; delivery of the equipment and your approval of the equipment invoice; we will remit payment to the vendor. This transaction is subject to acceptance of the documentation and final review and approval by the Lessor.

If you have any questions regarding the documentation, please feel free to contact me at 888.777.7850.

Respectfully,

Cat

Cat Roberts
Documentation Associate

Documentation Instructions

- ◊ **MASTER EQUIPMENT LEASE PURCHASE AGREEMENT**
  - ☐ Marti Brown - sign where indicated
- ◊ **Exhibit A – SCHEDULE OF EQUIPMENT**
  - ☐ Marti Brown - sign where indicated
- ◊ ***Attachment I* – EQUIPMENT DESCRIPTION**
  - ☐ Provide physical location where the equipment will be kept after delivery/installation
- ◊ ***Attachment 2* –PAYMENT SCHEDULE**
  - ☐ Marti Brown - sign where indicated
- ◊ **Exhibit B – LESSEE RESOLUTION**
  - ☐ Print the date the Resolution is being signed
  - ☐ Print the date of the meeting in which the financing was approved
  - ☐ Marti Brown - sign as “Authorized Signer”
  - ☐ Complete the lessee’s fiscal year start and end <u>months</u>
  - ☐ Nathan Monck - attest the Resolution as “Attested By”
  - ☐ Karleen Price - certify the Resolution as “Certified By”
- ◊ **Exhibit C - OPINION OF COUNSEL**
  - ☐ Request your legal counsel provide an Opinion of Counsel using the example provided; retyped on his/her letterhead with their signature (*If counsel would like changes, he/she must first contact CLP)*
- ◊ **Exhibit D - ACCEPTANCE CERTIFICATE**
  - ☐ Marti Brown - sign and date where indicated
- ◊ **TITLE REGISTRATION & SECURITY INTEREST CERTIFICATION**
  - ☐ Marti Brown - sign where indicated
- ◊ **BANK QUALIFIED CERTIFICATE**
  - ☐ Marti Brown - sign where indicated
- ◊ **INSURANCE COVERAGE REQUIREMENTS**
  - ☐ Provide Agent’s contact information
  - ☐ Marti Brown - sign where indicated
- ◊ **INVOICE INSTRUCTIONS**
  - ☐ Complete contact information for payment billing invoices
- ◊ **NOTICE OF ASSIGNMENT**
  - ☐ Marti Brown - sign where indicated
- ◊ **ESCROW AGREEMENT**
  - ☐ Marti Brown - sign where indicated
- ◊ **Exhibit A- PAYMENT REQUEST FORM/ SIGNATURE CARD**
  - ☐ Marti Brown - sign where indicated
- ◊ **TAX COMPLIANCE WITH NO ARBITRAGE**
  - ☐ Marti Brown - sign and date where indicated
- ◊ **8038 - IRS Form**
  - ☐ Verify employer identification number in Box 2, Complete Boxes 10a & 10b
  - ☐ Marti Brown - sign and date where indicated under “Signature and Consent”
- ◊ **ADDITIONAL DOCUMENTATION NEEDED PRIOR TO VENDOR PAYMENT (at delivery)**:
  - ☐ Certificate of Insurance from your insurance provider
  - ☐ First payment check (if applicable)
  - ☐ Copy signed truck contract

<u>Conditions to Funding</u>

*If, for any reason: (i) the required documentation is not returned by 7/23/2026**,** or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstances which adversely affects the expectations, rights or security of the Lessor or its assignees; then Lessor or its assignees reserves the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety.*

This contract is being issued based upon review of credit and financial materials provided by lessee that resulted in a credit approval decision. CLP is committed to working with the lessee on this transaction throughout the entire process. Failure to complete the lease in its entirety may result in a $500 documentation fee being charged. This fee is for credit analysis, drafting of the contract, overnight services and expenses incurred in processing this agreement.

MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

LESSEE: City of Willows

This Master Equipment Lease Purchase Agreement, including all exhibits and schedules hereto whether currently in existence or hereafter executed (the "Agreement"), dated as of 7/15/2026, and entered into between Community First National Bank 215 S. Seth Child Rd, Manhattan, KS 66502 ("Lessor'), and City of Willows, 201 North Lassen Street, Willows, CA 95988 a body corporate and politic duly organized and existing under the laws of the State of California ("Lessee");

RECITALS

WHEREAS, Lessee desires to lease from Lessor certain equipment described in the schedules to this Agreement, substantially in the form of Exhibit A hereto, that are executed from time to time by the parties hereto (such schedules are hereby incorporated herein and are hereinafter collectively referred to as the "Schedules", and the items of equipment leased to Lessee hereunder, together with all substitutions, proceeds, replacement parts, repairs, additions, attachments, accessories and replacements thereto, thereof or therefore, are hereinafter collectively referred to as the "Equipment") subject to the terms and conditions of and for the purposes set forth in this Agreement.

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment may be added to or deleted from the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein.

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE

Section 1.01. Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

(a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.

(b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and affect its existence as a body corporate and politic. Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Code or a constituted authority authorized to issue obligations on behalf of a state or local governmental unit within the meaning of the regulations promulgated pursuant to said Section of the Code.

(c) Lessee has full power and authority under the Constitution and laws of the State to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(d) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement.

(e) Lessee has complied or will comply with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.

(f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(g) During the Lease Term, Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.

(h) The Equipment will have a useful life in the hands of Lessee that is substantially in excess of the Original Term and all Renewal Terms.

(i) The Equipment is, and during the Lease Term will remain personal property and when subjected to use by the Lessee, will not be or become fixtures.

(j) The Equipment is essential to the function of the Lessee and the services provided to its citizens, and will be used throughout the period that this Agreement is in force for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.

(k) During the term of this Agreement, Lessee will not dispose of or sell any part of the Equipment.

(l) Lessee has not terminated a lease, rental agreement, installment purchase contract, or any other such agreement in the past five (5) years as a result of insufficient funds being appropriated for payments due under such an agreement.

(m) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(n) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(o) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the current fiscal year and to meet its other obligations under this Agreement for the current fiscal year, and such funds have not been expended for other purposes.

(p) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.

(q) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.

(r) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

ARTICLE II. DEFINITIONS

Section 2.01. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Master Equipment Lease Purchase Agreement, including the Schedules and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, whether currently in existence or hereafter executed, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations in effect thereunder.
"Commencement Date" means, with respect to any Schedule, the date when the Lease Term of this Agreement with respect to that Schedule and Lessee's obligation to pay rent under that Schedule commence, which date will be the earlier of (i) the date of the Agreement, or (ii) the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an Escrow Agent.
"Equipment" means the property described in the Schedules and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto. Whenever reference is made in this Agreement to Equipment listed in a Schedule, that reference shall be deemed to include all replacements, repairs, restorations, modifications and improvements of or to that Equipment.
"Event of Default" means, with respect to any Lease, an Event of Default described in Section 10.01.
"Escrow Agreement" means, with respect to a given Schedule, an escrow agreement in form and substance satisfactory to Lessor, between Lessee, Lessor and an escrow agent relating to the acquisition fund created thereunder.
"Lease" means, at any time, (i) if none of Lessor's interest in, to and under any Schedule has been assigned pursuant to Section 9.01, or if all of Lessor's interest in, to and under this Agreement and all Schedules have been assigned to the same assignee without any reassignment, this Agreement, or (ii) if Lessor's interest in, to and under any Schedule or Schedules has been assigned or reassigned pursuant to Section 9.01, all Schedules that have the same Lessor and this Agreement as it relates to those Schedules and the Equipment listed therein, which shall constitute a separate single lease relating to that Equipment.
"Lease Term" means, with respect to any Lease, the Original Term and all Renewal Terms of that Lease.
"Lessee" means the entity which is described in the first paragraph of this Agreement, its successors and assigns.
"Lessor" means, with respect to each Schedule and the Lease of which that Schedule is a part, (i) if Lessor's interest in, to and under that Schedule has not been assigned pursuant to Section 9.01, the entity described as such in the first paragraph of this Agreement or its successor, or (ii) if Lessor's interest in, to and under that Schedule has been assigned pursuant to Section 9.01, the assignee thereof or its successor.
"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.
"Original Term" means, with respect to any Lease, the period from the first Commencement Date for any Schedule under that Lease until the end of the fiscal year of Lessee in effect at that Commencement Date.
"Purchase Option Price" means, with respect to the Equipment listed on any Schedule, the amount set forth in that Schedule as the Purchase Option Price for that Equipment.
"Renewal Terms" means, with respect to any Lease, the automatic renewal terms of that Lease, as provided for in Article III of this Agreement, each having a duration of one year and a term co-extensive with the Lessee's fiscal year except the last of such automatic renewal terms which shall end on the due date of the last Rental Payment set forth in the Schedule.
"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.02.
"State" means the state in which Lessee is located.
"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessee purchased or is purchasing the Equipment.

ARTICLE III. LEASE TERM

Section 3.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment listed in each Schedule in accordance with this Agreement and that Schedule for the Lease Term for the Lease of which that Schedule is a part. The Lease Term for each Lease may be continued at the end of the Original Term or any Renewal Term for an additional Renewal Term; provided, however, that at the end of the Original Term and at the end of each Renewal Term, Lessee shall be deemed to have continued that Lease for the next Renewal Term unless Lessee shall have terminated that Lease pursuant to **Section 4.05** or **Section 5.04**. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Schedules. Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment, and Lessee shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.
Section 3.02. Continuation of Lease Term. Lessee currently intends, subject to **Section 4.05**, to continue the Lease Term for each Lease through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Lease Term for each Lease can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for the Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend a Lease for any Renewal Term is solely within the discretion of the then current governing body of Lessee.
Section 3.03. Return of Equipment on Termination. Upon expiration or earlier termination of any Schedule under any provision of this Agreement at a time when Lessee does not exercise its option to purchase the Equipment described in that Schedule under the provisions of this Agreement, Lessee shall deliver, at Lessee's expense, the Equipment described in that Schedule to Lessor in the same condition as existed at the Commencement Date, ordinary wear and tear expected, packaged or otherwise prepared in a manner suitable by shipment by truck or rail common carrier at a location specified by Lessor.
Section 3.04. Conditions to Lessor's Performance under Schedules. As a prerequisite to the performance by Lessor of any of its obligations pursuant to the execution and delivery of any Schedule, Lessee shall deliver to Lessor the following:

(a) A Lessee Resolution executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit B, completed to the satisfaction of Lessor;
(b) An Opinion of Counsel to Lessee in substantially the form attached hereto as Exhibit C respecting such Schedule and otherwise satisfactory to Lessor;
(c) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time;
(d) Such other items, if any, as are set forth in such Schedule or are reasonably required by Lessor.

This Agreement is not a commitment by Lessor to enter into any Schedule not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Schedule, it being understood that whether Lessor enters into any proposed Schedule shall be a decision solely within Lessor's discretion.
Lessee will cooperate with Lessor in Lessor's review of any proposed Schedule. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Schedule. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

ARTICLE IV. RENTAL PAYMENTS

Section 4.01. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

Section 4.02. Payment of Rental Payments. Lessee shall pay Rental Payments, from any and all legally available funds, in lawful money of the United States of America, exclusively to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and on the dates set forth in each Schedule. Rental Payments shall be in consideration for Lessee's use of the Equipment during the applicable year in which such payments are due. The Rental Payments will be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing). If any Rental Payment or other sum payable under any Schedule is not paid when due, Lessee shall pay to Lessor accrued interest on such delinquent amount from the date due thereof until paid at the lesser of 18% or the maximum rate allowed by law. In the event that it is determined that any of the interest components of Rental Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on the date of each Rental Payment thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.
Section 4.03. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal. Each Schedule will set forth the interest component and the principal component of each Rental Payment during the Lease Term.
Section 4.04. Rental Payments to be Unconditional. The obligations of Lessee to make payment of the Rental Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all payments of Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement. Lessee's obligation to make Rental Payments during the Original Term or the then-current Renewal Term for each Schedule shall not be abated through accident or unforeseen circumstances.
Section 4.05. Non appropriation. Lessee is obligated only to pay such Rental Payments under this Agreement (and any additional amounts due hereunder, if applicable) as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under a Lease following the then current Original Term or Renewal Term, that Lease shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver written notice to Lessor of such termination at least 60 days prior to the end of the then current Original Term or Renewal Term, but failure to give such written notice shall not extend the term beyond such Original Term or Renewal Term.

ARTICLE V. TITLE TO EQUIPMENT; SECURITY INTEREST; OPTION TO PURCHASE

Section 5.01. Title to the Equipment. Upon acceptance of the Equipment by Lessee, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement; provided that title to the Equipment that is subject to any Lease shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of that Equipment to Lessor, upon (a) any termination of that Lease other than termination pursuant to Section 5.04, or (b) the occurrence of an Event of Default with respect to that Lease. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.
Section 5.02. Security Interest. To secure the payment of all Lessee's obligations under this Agreement, Lessee grants to Lessor a security interest constituting a first lien on (i) the Equipment and on all additions, attachments, accessions, that are considered to be an integral part of the equipment, and substitutions thereto, and on any proceeds there from, and (ii) the acquisition fund established under any Escrow Agreement entered into in connection therewith. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. Lessee hereby authorizes the filing of financing statements under the Uniform Commercial Code in connection with the security interest granted hereunder.
Section 5.03. Personal Property. Lessor and Lessee agree that the Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.
Section 5.04. Option to Purchase. Lessee shall have the option to purchase Lessor's interest in all (but not less than all) of the Equipment described in any Schedule, upon giving written notice to Lessor at least 60 (but not more than 180) days before the date of purchase, at the following times and upon the following terms:

(a) On the date of the last Rental Payment set forth in that Schedule (assuming this Agreement is renewed at the end of the Original Term and each Renewal Term), if the Agreement is still in effect on such day, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus One Dollar;

(b) On the last day of the Original Term or any Renewal Term then in effect, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus the then applicable Purchase Option Price set forth in that Schedule; or

(c) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in that Schedule on the day specified in Lessee's written notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule, including, without limitation, interest accrued to the date of payment, plus the then applicable Purchase Option Price set forth in that Schedule.

ARTICLE VI. DELIVERY, MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 6.01. Delivery, Installation and Acceptance of Equipment. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the locations specified in the Schedules and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Schedule has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit D.
Section 6.02. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Schedule on which that item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.
Section 6.03. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment. Lessee shall not make material modifications to the Equipment without the prior consent of Lessor.
Section 6.04. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all liens, charges and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the Lease Term.

Lessee will take no action that will cause the interest portion of any Rental payment to become includable in gross income of the recipient for purposes of federal income taxation under the Code, and Lessee will take, and will cause its officers, employees and agents to take, all affirmative action legally within its power to prevent such interest from being includable in gross income for purposes of federal income taxation under the Code. Lessee acknowledges that Lessor's yield with respect to this Agreement is dependent upon the interest component of each Rental Payment being excluded from Lessor's income pursuant to the Code.

Section 6.05. Provisions Regarding Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the replacement cost of the Equipment, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b); provided further that, if Lessor provides such consent Lessee shall provide to Lessor information with respect to such self-insurance program as Lessor may request from time to time. All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be canceled or modified materially without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear.

Section 6.06. Advances. In the event Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation to) purchase the required insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor shall constitute additional rent for the then-current Original Term or Renewal Term, and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced until paid at the rate of 18% per annum or the maximum interest rate permitted by law, whichever is less.

ARTICLE VII. DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS

Section 7.01. Risk of Loss. Lessee is responsible for the entire risk of loss of or damage or destruction to the Equipment. No such loss, damage or destruction shall relieve Lessee of any obligation under this Agreement or any Lease.

Section 7.02. Damage, Destruction and Condemnation. If (a) the Equipment listed on any Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of that Equipment, unless Lessee shall have exercised its option to purchase that Equipment pursuant to Section 5.04. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

Section 7.03. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to in Section 7.02, Lessee shall either complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, unless Lessee, pursuant to Section 5.04, purchases Lessor's interest in the Equipment destroyed, damaged or taken and any other Equipment listed in the same Schedule. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefore from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE VIII. DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE EQUIPMENT

Section 8.01. Disclaimer of Warranties. LESSEE HAS SELECTED THE EQUIPMENT AND THE VENDORS. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY OR REPRESENTATION WITH RESPECT THERETO. In no event shall Lessor be liable for an incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of any item or products or service provided for in this Agreement.

Section 8.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against Lessor, nor shall such matter have any effect, whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 8.03. Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving any item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the title of Lessor in and to any of the items of the Equipment or its interest or rights under this Agreement.

Section 8.04. Essential Nature of the Equipment. Lessee confirms and affirms that the Equipment is essential to the function of Lessee and the services provided to its citizens, that there is an immediate need for the Equipment which is not temporary or expected to diminish in the foreseeable future, and that Lessee will use substantially all the Equipment for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.

ARTICLE IX. ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING

Section 9.01. Assignment by Lessor. Lessor's interest in, to, and under this Agreement; any Lease and the Equipment may be assigned and reassigned in whole or in part to one or more assignees by Lessor at any time subsequent to its execution. Lessee hereby agrees to maintain a written record of each such assignment in form necessary to comply with Section 149(a) of the Code. No such assignment shall be binding on Lessee until it has received written notice from Lessor of the assignment disclosing the name and address of the assignee. Lessee agrees to execute all documents, including chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may from time to time have against Lessor.

Section 9.02. Assignment and Subleasing by Lessee. None of Lessee's interest in, to and under this Agreement and in the Equipment may be sold, assigned, subleased, pledged or otherwise encumbered by Lessee without the prior written consent of Lessor.

Section 9.03. Release and Indemnification Covenants. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, counsel fees and expenses, penalties connected therewith imposed on interest received) arising out of or as

(a) result of the entering into of this Agreement, (b) the ownership of any item of the Equipment, (c) the manufacture, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE X. EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined. Subject to the provisions of **Section 4.05**, any of the following events shall constitute an "Event of Default" under any Lease:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under that Lease at the time specified in that Lease;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under that Lease, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to that Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of that Lease shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under that Lease.

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 10.02. Remedies on Default. Whenever any Event of Default under any Lease exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, declare all Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating that Lease, Lessor may, upon 5 days written notice to Lessee, enter the premises where any Equipment that is subject to that Lease is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease the Equipment or, for the account of Lessee, sublease the Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee under that Lease plus the then-applicable Purchase Option Price for that Equipment and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (b) shall not exceed the Rental Payments and other amounts otherwise due under that Lease plus the remaining Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term; and

(c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Lease or as the owner of any or all of the Equipment that is subject to that Lease.

In addition, whenever an Event of Default exists with respect to any Rental Payment required by a particular Schedule or with respect to any other payment, covenant, condition, agreement, statement, representation or warranty set forth in that Schedule or applicable to that Schedule or the Equipment listed therein, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(d) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to that Schedule and other amounts payable by Lessee under this Agreement to the end of the then current Original Term or Renewal Term to be due;

(e) With or without terminating that Schedule, Lessor may, upon 5 days written notice to Lessee, enter the premises where the Equipment listed in that Schedule is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of that Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease that Equipment or, for the account of Lessee, sublease that Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to that Schedule and other amounts related to that Schedule or the Equipment listed therein that are payable by Lessee hereunder plus the then applicable Purchase Option Price for that Equipment, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (e) shall not exceed the Rental Payments and other amounts otherwise due under that Schedule plus the remaining Rental Payments and other amounts payable by Lessee under that Schedule to the end of the then current Original Term or Renewal Term; and

(f) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Schedule, this Agreement with respect to that Schedule and the Equipment listed therein.

In addition to the remedies specified above, Lessor may charge interest on all amounts due to it at the rate of 10% per annum or the maximum amount permitted by law, whichever is less. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under any other Schedules, this Agreement related to any other Schedule or the Equipment listed therein.

Section 10.03. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. If Lessee should default under any of the provisions hereof and Lessor should employ attorneys or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of Lessee contained in this Agreement, Lessee agrees, to the extent it is permitted by law to do so, that it will, if assessed by a court of competent jurisdiction, pay to Lessor the reasonable fees of those attorneys and other reasonable expenses so incurred by Lessor.

Section 10.05. Application of Moneys. Any net proceeds from the exercise of any remedy hereunder (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees) shall be applied as follows:

(a) If such remedy is exercised solely with respect to a single Schedule, Equipment listed in that Schedule or rights under the Agreement related to that Schedule, then to amounts due pursuant to that Schedule and other amounts related to that Schedule or that Equipment.

(b) If such remedy is exercised with respect to more than one Schedule, Equipment listed in more than one Schedule or rights under the Agreement related to more than one Schedule, then to amounts due pursuant to those Schedules pro rata.

ARTICLE XI. MISCELLANEOUS

Section 11.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 11.02. Binding Effect; Entire Agreement; Amendments and Modifications. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.03. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Amendments, Changes and Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Lessor and Lessee.

Section 11.06. Execution in Counterparts; Chattel Paper. This Agreement, including in writing each Schedule, may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; except (1) to the extent that various Schedules and this Agreement as it relates thereto constitutes separate Leases as provided in this Agreement and (2) that Lessor's interest in, to and under any Schedule and the Agreement as it relates to that Schedule, and the Equipment listed in that Schedule may be sold or pledged only by delivering possession of the original counterpart of that Schedule marked "Counterpart No. 1," which Counterpart No. 1 shall constitute chattel paper for purposes of the Uniform Commercial Code.

Section 11.07. Usury. The parties hereto agree that the charges in this Agreement and any Lease shall not be a violation of usury or other law. Any such excess charge shall be applied in such order as to conform this Agreement and such Lease to such applicable law.

Section 11.08. Jury Trial Waiver. To the extent permitted by law, lessee agrees to waive its right to a trial by jury.

Section 11.09. Facsimile Documentation. Lessee agrees that a facsimile copy of this Agreement or any Lease with facsimile signatures may be treated as an original and will be admissible as evidence of this Agreement or such Lease.

Section 11.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

Lease No. WILCA2026-07PBE

LESSEE:
City of Willows

Marti Brown, City Manager

LESSOR:
Community First National Bank

Blake Kaus, SVP

EXHIBIT A

SCHEDULE OF EQUIPMENT NO. 01, Dated 7/15/2026

Counterpart No. 1,

LESSOR'S INTEREST IN, TO AND UNDER THIS SCHEDULE AND THE AGREEMENT AS IT RELATES TO THIS SCHEDULE MAY BE SOLD OR PLEDGED ONLY BY DELIVERING POSSESSION OF COUNTERPART NO. 1 OF THIS SCHEDULE, WHICH COUNTERPART NO. 1 SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE.

Re: Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

1. **Defined Terms.** All terms used herein have the meanings ascribed to them in the above referenced Master Equipment Lease Purchase Agreement (the "Master Equipment Lease").
2. **Equipment.** The Equipment included under this Schedule of Equipment is comprised of the items described in the Equipment Description attached hereto as **Attachment 1**, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto.
3. **Payment Schedule.** The Rental Payments and Purchase Option Prices under this Schedule of Equipment are set forth in the Payment Schedule attached as **Attachment 2** hereto.
4. **Representations, Warranties and Covenants.** Lessee hereby represents, warrants, and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule.
5. **The Master Equipment Lease.** This Schedule is hereby made as part of the Master Equipment Lease and Lessor and Lessee hereby ratify and confirm the Master Equipment Lease. The terms and provisions of the Master Equipment Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated by reference and made a part hereof.

Lease Number: WILCA2026-07PBE

LESSEE:
City of Willows

Marti Brown, City Manager

LESSOR:
Community First National Bank

Blake Kaus, SVP

ATTACHMENT 1
EQUIPMENT DESCRIPTION

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

Lease Number: WILCA2026-07PBE

One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts

Serial numbers for equipment provided on Attachment 1.1 upon delivery

With a total acquisition cost of $1,596,332.03; together with all additions, accessions and replacements thereto. Lessee hereby certifies the description of the personal property set forth above constitutes an accurate description of the "Equipment", as defined in the attached Master Equipment Lease Purchase Agreement and the Equipment is located on the premise of the Lessee unless otherwise noted by the Lessee.

Physical location where equipment will be stored after delivery: ____

LESSEE:
City of Willows

____
Marti Brown, City Manager

ATTACHMENT 2
PAYMENT SCHEDULE

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

Lease Number: WILCA2026-07PBE

Amount Financed: $1,404,465.37

AMORTIZATION SCHEDULE

Payment Number	Payment Date	Payment Amount	Interest Portion	Principal Portion	Purchase Option Price
1	7/15/2028	$206,287.38	$140,832.95	$65,454.43	Not Available
2	7/15/2029	$206,287.38	$65,531.20	$140,756.18	Not Available
3	7/15/2030	$206,287.38	$58,642.59	$147,644.79	$1,075,824.61
4	7/15/2031	$206,287.38	$51,416.86	$154,870.52	$917,237.20
5	7/15/2032	$206,287.38	$43,837.49	$162,449.89	$750,888.51
6	7/15/2033	$206,287.38	$35,887.19	$170,400.19	$576,398.71
7	7/15/2034	$206,287.38	$27,547.81	$178,739.57	$393,369.40
8	7/15/2035	$206,287.38	$18,800.29	$187,487.09	$201,382.62
9	7/15/2036	$206,287.38	$9,624.67	$196,662.71	$0.00
Grand Totals		**$1,856,586.42**	**$452,121.05**	**$1,404,465.37**	

LESSEE:
City of Willows

Marti Brown, City Manager

EXHIBIT B

LESSEE RESOLUTION

Re: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

I, the undersigned, the duly appointed, qualified and acting **City Clerk** of the above captioned Lessee do hereby certify this date ________________________, as follows:

(1) Lessee did, at a meeting of the governing body of the Lessee held on _________________, by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above referenced Schedule of Equipment No. 01 (the "Schedule") on its behalf by the following named representative of the Lessee, to witness:

____

Authorized Signer: Marti Brown, City Manager

(2) The above named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

(3) The meeting of the governing body of the Lessee at which the Schedule was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval and that the action approving the Schedule and authorizing the execution thereof has not been altered or rescinded.

(4) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the above referenced Master Equipment Lease Purchase Agreement) exists at the date hereof.

(5) All insurance required in accordance with the above referenced Master Equipment Lease Purchase Agreement is currently maintained by the Lessee.

(6) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term (as such terms are defined in the above referenced Master Equipment Lease Purchase Agreement) and such funds have not been expended for other purposes.

(7) The fiscal year of Lessee is from _______________________ to ______________________.

The signatures below from the designated individuals from the Governing Body of the Lessee evidence the adoption by the Governing Body of this resolution.

City of Willows

Attested By:____

Nathan Monck, Fire Chief

Certified By:____

Karleen Price, City Clerk

EXHIBIT C

OPINION OF LESSEE'S COUNSEL

(Must be re-Printed onto attorney's letterhead)

(Date)

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Re: Lessee: City of Willows

Ladies and Gentlemen:

As legal counsel to City of Willows (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, and Exhibits thereto by and between Community First National Bank (the "Lessor") and Lessee, Schedule of Equipment No. 01, dated 7/15/2026, and a certain Escrow Agreement dated as of 7/15/2026, (collectively, the “Agreement”) by and between Lessor and Lessee, which, among other things, provides for the lease with option to purchase by the Lessee of certain property listed in the Schedule (the "Equipment"); (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorizes Lessee to execute the Agreement and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

(1) Lessee’s true and correct name is City of Willows.
(2) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power;
(3) Lessee has the requisite power and authority to lease the Equipment with an option to purchase and to execute and deliver the Agreement and to perform its obligations under the Agreement;
(4) The Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee and the Agreement and other documents either attached thereto or required therein are the valid and binding obligations of Lessee enforceable in accordance with their terms;
(5) The authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws; and
(6) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the security interest of Lessor or its assigns, as the case may be, in the Equipment.
(7) The signatures of the officers which appear on the Agreement are true and genuine; I know said officers and know them to hold the offices set forth below their names.
(8) No further approval, consent or withholding of objection is required from any federal, state or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.
(9) The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.
(10) The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986 as amended and the related regulations and rulings.
(11) The leasing of the Equipment pursuant to the Agreement is exempt from all sales and use taxes against either the Lessor or the Lessee during the term of the Lease pursuant to the Agreement and the Equipment will be exempt from all state and local personal property or other ad valorem taxes.

All capitalized terms herein shall have the same meanings as in the foregoing Agreement unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments are entitled to rely on this opinion.

Signature of Legal Counsel

EXHIBIT D

ACCEPTANCE CERTIFICATE

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Ladies and Gentlemen,

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

In accordance with the Master Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

(1) All of the Equipment (as such term is defined in the Agreement) listed in the above referenced Schedule of Equipment (the "Schedule") has been delivered, installed and accepted on the date hereof.

(2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

(3) Lessee is currently maintaining the insurance coverage required by **Section 6.05** of the Agreement.

(4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

(5) Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement during the current Budget Year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current Budget Year.

(6) The governing body of Lessee has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Lessee who signed the Agreement.

(7) The Lessee will in a timely fashion submit the appropriate paperwork to the State to have a title to the Equipment issued in their name as owner and Lessor listed as first lienholder. Such verification of perfected ownership and security interest will be provided to Lessor no later than 90 days from delivery of the Equipment.

LESSEE:
City of Willows

____
Marti Brown, City Manager

____
Date

**If delivery is not immediate, keep until final delivery.*

TITLE REGISTRATION & SECURITY INTEREST CERTIFICATION

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

Lease Number: WILCA2026-07PBE

One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts

In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. The Agreement requires the completion of the ownership transfer and perfection of the lienholder process. This process is completed through submission of the documents to the State for a title to be issued in the name of the Lessee.

2. The Lessee will in a timely fashion submit the appropriate paperwork to the State to have a title to the Equipment issued in their name as owner and Lessor listed as first lienholder. Such verification of perfected ownership and security interest will be provided to Lessor no later than 90 days from delivery of the Equipment.

LESSEE:
City of Willows

____
Marti Brown, City Manager

BANK QUALIFIED CERTIFICATE

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

Whereas, Lessee hereby represents it is a “Bank Qualified” Issuer for the calendar year in which the above referenced Schedule is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A “Bank Qualified Issuer” is an issuer that issues less than $10,000,000 dollars of tax-exempt obligations during the calendar year).

Now, therefor, Lessee hereby designates the above referenced Schedule as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the “Code”), the Lessee hereby specifically designates the above referenced Schedule as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Lessee hereby represents that the Lessee will not designate more than $10,000,000 of obligations issued by the Lessee in the calendar year during which the above referenced Schedule is executed and delivered as such “qualified tax-exempt obligations”.

2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Lessee hereby represents that the Lessee (including all subordinate entities of the Lessee within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the above referenced Schedule is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than “private activity bonds” as defined in Section 141 of the Code) in an amount greater than $10,000,000.

LESSEE:
City of Willows

Marti Brown, City Manager

INSURANCE COVERAGE REQUIREMENTS

Lessee: City of Willows

Please mark one of the following:

( ) Pursuant to Section 6.05 of the Agreement, you have agreed to provide us evidence of insurance covering the property in the Agreement. A Certificate of Insurance naming all insured parties and coverage must be provided to us as soon as possible, but no later than the date on which delivery of equipment occurs.

( ) Pursuant to Section 6.05 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form, together with a copy of the statute authorizing this form of insurance. Coverage must be provided to us as soon as possible, but no later than the date on which delivery of equipment occurs.

Equipment to be insured: **One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts**

Policy should be issued and mailed to: Community First National Bank and/or Its Assigns
215 S. Seth Child Road
Manhattan, KS 66502

INSURANCE REQUIREMENTS:

1. LIABILITY

- ✓ *$1,000,000.00 Aggregate Bodily Injury*
- ✓ *$1,000,000.00 Combined Single Limit per Occurrence*
- ✓ *Community First National Bank and/or Its Assigns MUST be listed as **Additional Insured**.*

2. PHYSICAL DAMAGE

- ✓ *All risk coverage to guarantee proceeds sufficient to cover the replacement cost of the equipment.*
- ✓ *Community First National Bank and/or Its Assigns MUST be listed as **Loss Payee**.*

3. ENDORSEMENT

- ✓ *Lessor will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.*

4. VERBIAGE TO INCLUDE IN DESCRIPTION

- ✓ *One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts as outlined on Lease# WILCA2026-07PBE*
- ✓ *Replacement Value (GRC, ACV, etc.)*
- ✓ *Comprehensive and Collision Deductibles*

THE CERTIFICATE SHOULD BE
EMAILED TO catroberts@clpusa.net OR FAXED TO: 888.777.7875

Insurance Company Name:		
Agents Name:		
Address:		
City:	State:	Zip:
Phone:	Email:	

LESSEE:
City of Willows

____
Marti Brown, City Manager

INVOICE INSTRUCTIONS

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee.

Lease Number: WILCA2026-07PBE

Equipment Description: One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts

Please provide contact information for billing and invoicing purposes.

Person/Department: ______________________________

P.O. Box/Street: ______________________________

City, State, Zip: ______________________________

Telephone Number: ______________________________

Email Address: ______________________________

NOTICE OF ASSIGNMENT

July 8, 2026

City of Willows
201 North Lassen Street
Willows, CA 95988

RE: Schedule of Equipment No. 01, dated 7/15/2026, to Master Equipment Lease Purchase Agreement, dated as of 7/15/2026, between Community First National Bank, as Lessor, and City of Willows, as Lessee. Along with the Escrow Agreement entered into as of 7/15/2026.

Please be advised that Community First National Bank has assigned all its right, title and interest in, to and under the above referenced Master Equipment Lease Purchase Agreement (the "Agreement"), the Equipment leased thereunder and the right to receive Rental Payments thereunder to the following assignee:

____
____
____

Community First National Bank will be the servicing this lease and all Rental Payments and payment of the Purchase Option Price due under the Agreement will be made to:

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Community First National Bank

____
Blake Kaus, SVP

ACKNOWLEDGED AND ACCEPTED:

City of Willows

____
Marti Brown, City Manager

*Lessor may at a future date desire to assign this lease agreement. At this time, a specific Assignee is undetermined. At such time Lessor determines a need to assign this lease; Lessee will be provided with a completed copy of this page for their records and be made aware of any changes in where to send the rental payments going forward. This assignment option is outlined in Article IX of the Master Equipment Lease Purchase Agreement.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, made and entered into as of 7/15/2026 by and among Community First National Bank, a national banking association ("Escrow Agent"), Community First National Bank, a corporation duly organized and existing under the Laws of the State of Kansas ("Lessor"), and City of Willows ("Lessee") a political subdivision under the laws of the State of California ("State"), duly organized and existing under the Constitution and laws of the State.

WITNESSETH

WHEREAS, Lessee and Lessor have entered into a Schedule of Equipment No. 01, dated 7/15/2026 to Master Equipment Lease Purchase Agreement dated as of 7/15/2026 (“Agreement”), a duplicate original of which has been furnished to each of the parties, whereby Lessor has agreed to acquire certain equipment described therein ("Equipment"), and to sell the Equipment to the Lessee, and Lessee has agreed to purchase the Equipment from Lessor, in the manner and on the terms set forth in the Agreement; and

WHEREAS, the Equipment has or will be ordered from the Vendor, and there is expected to be a delay in delivery of the Equipment to Lessee; and

WHEREAS, in order to secure the obligations of Lessor under the Agreement, Lessee has requested Lessor to set aside in escrow with the Escrow Agent, pursuant to the terms hereof, the anticipated purchase price of the Equipment; and

WHEREAS, Lessee, as agent for Lessor, will cause the Equipment to be acquired from Vendor in accordance with the purchase orders or contracts therefore, and neither Lessor nor the Escrow Agent shall be obligated to assume or perform any obligation of the Lessee or Vendor with respect thereto or under the Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I. APPOINTMENT OF ESCROW AGENT: DEFINITIONS

Section 1.01. Appointment of Escrow Agent. Lessor and Lessee hereby appoint and employ Escrow Agent, to receive, hold, invest and disburse the moneys to be paid to it pursuant to this Escrow Agreement and the Agreement, and to perform certain other functions, all as hereinafter provided. By executing and delivering this Escrow Agreement, Escrow Agent accepts the duties and obligations of Escrow Agent provided herein, but only upon the terms and conditions set forth.

Section 1.02. Definitions. The terms defined in this Section shall, for all purposes of this Escrow Agreement have the meanings specified below. Any capitalized term not defined below shall have the meaning ascribed in the Agreement.

"Agreement" means the Schedule of Equipment No. 01, dated 7/15/2026 to Master Equipment Lease Purchase Agreement dated 7/15/2026, by and between Lessee and Lessor and any duly authorized and executed amendment thereto, the terms of which are incorporated herein by reference.

"Acquisition Costs" means, with respect to the Equipment, the contract price paid or to be paid to Vendor therefore upon acquisition or delivery of any portion of the Equipment in accordance with the purchase order or contract therefore. Acquisition Costs include the administrative, engineering, legal, financial and other costs incurred by the Lessee in connection with the acquisition, delivery and financing by Lessor of the Equipment.

"Acceptance Certificate" means an acceptance certificate in the form attached to the Agreement.

"Acquisition Fund" means the fund by that name established and held by the Escrow Agent pursuant to Article II of this Escrow Agreement.

"Closing Date" means the day when Lessor deposits with the Escrow Agent the moneys required to be deposited pursuant to Article II.

"Equipment" means the personal property described in the Agreement, together with any and all modifications, additions and alterations thereto, to be acquired from the moneys held in the Acquisition Fund.

"Escrow Agent" means Community First National Bank or any successor thereto acting as Escrow Agent pursuant to this Escrow Agreement.

"Escrow Agreement" means this Escrow Agreement and any duly authorized and executed amendment thereto.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the State in which he maintains an office and who is not an employee of Lessor, the Escrow Agent or the Lessee.

"Lessee Representative" means the representative of Lessee or a person authorized by the Lessee to act on its behalf under or with respect to this Agreement.

"Lessor Representative" means the President, any Vice President or Assistant Vice President of Lessor, or any person authorized to act on behalf of Lessor under or with respect to this Agreement, as evidenced by a certificate conferring such authorization executed by the President, any Vice President or Assistant Vice President of Lessor, given to the Lessee or the Lessee Representative.

"Payment Date" means the date upon which any Rental Payment under the Agreement is due and payable, as set forth in the Payment Schedule.

“Payment Request Form" means the document substantially in the form attached hereto as Exhibit A to be executed by Lessee and Lessor and submitted to Escrow Agent to authorize payment of Acquisition Costs.

"Qualified Investments" means (i) direct general obligations of the United States of America; (ii) obligations guaranteed by the United States; (iii) general obligations of the agencies and instrumentalities of the United States; (iv) certificates of deposit, time deposits or demand deposits with a bank or savings institution qualified as a depository of public funds in the State of Kansas, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in Clauses (i), (ii) or (iii); (v) money market funds, the assets of which are obligations of or guaranteed by the United States of America and which funds are rated "Aaa" by Moody's Investors Service or "Am" or "Am-G" by Standard & Poor's Corporation.

"Rental Payments" means the basic payments payable by Lessee to Lessor pursuant to the provisions of the Agreement during the term thereof which are payable in conjunction of the right of Lessee to use the Equipment during the then current portion of the term of the Agreement.

"Term of the Agreement" means the time during which the Agreement is in effect, as provided in Article III of the Agreement.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased will purchase or has ordered the Equipment or with whom Lessor has contracted for the acquisition of the Equipment.

Section 1.03. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers and person signing it.

ARTICLE II. ACQUISITION FUND

Section 2.01. Acquisition Fund. Escrow Agent shall establish a special fund designated as the "Acquisition Fund"; shall keep such Acquisition Fund separate and apart from all other funds and moneys held by it; and shall administer such funds as expressly provided hereunder.

Section 2.02. Deposit of Moneys by Lessor. At the Closing Date, Lessor shall deposit with the Escrow Agent the amount of $1,404,465.37. Escrow Agent shall credit said amount to the Acquisition Fund established and to be held, applied and disbursed as herein provided.

Section 2.03. Purpose; Payment of Acquisition Costs. The Acquisition Fund shall be expended for the Acquisition Costs of the Equipment. Escrow Agent shall pay from the Acquisition Fund the Acquisition Costs of the Equipment, upon receipt from Lessee and Lessor the following items:

(a) in the case of payment of any Acquisition Costs to Vendor pursuant to a contract or purchase order, (1) a duly executed Payment Request Form, with a true copy of the Vendor's statement attached, (2) where applicable, a duplicate original of any change order approved by Lessee and Lessor increasing Acquisition Costs in an amount in excess of the original purchase order or contract price, (3) receipts from the Vendor showing proper application of prior requisitions, (4) bills of sale for any component of the Equipment for which a bill of sale may be delivered, and (5) an Acceptance Certificate with respect to the Equipment for which disbursement is requested;

(b) in the case of any Acquisition Costs previously paid by Lessee for which it is seeking reimbursement, (1) a duly executed Payment Request Form, (2) a true copy of Vendor's statement for such Acquisition Costs, (3) evidence of payment, and (4) evidence of Lessee's declaration of official intent for reimbursement, which declaration shall have been made no later than 60 days after the Lessee paid the Acquisition Costs; or

(c) in the case of payment of any other Acquisition Costs, a duly executed Payment Request Form.

Section 2.04. Escrow Agent's Compensation. As compensation for the services to be rendered hereunder, Lessee agrees to pay the Escrow Agent $200.00 ("Escrow Agent's Compensation"). The Escrow Agent's Compensation shall be payable from interest earnings on the escrow account and will be paid upon disbursement of proceeds to the vendor and closing of the escrow account. If the interest earnings on the escrow account are not sufficient to pay the Escrow Agent's Compensation, Escrow Agent shall provide Lessee with an invoice for the shortfall and Lessee shall pay such amount to Escrow Agent upon demand. If funds remain in the Acquisition Fund, excluding Acquisition Costs and Escrow Agent's Compensation, after the full delivery and acceptance of the Equipment, then Lessee and Lessor agree such excess funds shall be retained by Escrow Agent as partial compensation for the performance of its obligations hereunder.

Section 2.05. Transfers Upon Completion. Upon the first to occur of (a) payment of all Acquisition Costs with respect to the Equipment; or (b) the one year anniversary of the Closing Date, Escrow Agent shall apply all remaining moneys in the Acquisition Fund to the next Rental Payment(s) due under the Agreement by paying such moneys directly to the Lessor or its assignees.

Section 2.06. Termination. If this Escrow Agreement is terminated by Lessor as authorized under Article VII and the Agreement, all moneys in the Acquisition Fund shall be paid to Lessor or assignees for application against moneys due to Lessor under the Agreement. In the event that Lessor provides to the Escrow Agent written notice of the occurrence of an Event of Default under the Agreement or the termination of the Agreement for any reason other than Lessee's payment of the applicable Purchase Option Price, Escrow Agent shall immediately remit any and all funds in the Acquisition Fund to Lessor.

ARTICLE III. MONEYS IN FUNDS: INVESTMENTS; TERMINATION

Section 3.01. Held in Trust. The moneys and investments held by the Escrow Agent under this Escrow Agreement are irrevocably held in trust for the benefit of the Lessee and for the purposes herein specified. Such moneys, and any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not, to the extent permitted by applicable law, as otherwise expressly provided herein, be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessor or Lessee.

Section 3.02. Investments Authorized. Moneys held by the Escrow Agent hereunder may be invested, and upon written order of the Lessee Representative shall, be invested by the Escrow Agent in Qualified Investments. Such investments shall be registered in the name of the Escrow Agent and held by Escrow Agent which may act as a purchaser or agent in making or disposing thereof. Such investments and reinvestments shall be made giving full consideration for the time when funds will be required to be available for acquisition.

Section 3.03. Accounting. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Escrow Agreement.

Section 3.04. Valuation and Disposition of Investments. For the purpose of determining the amount in the Acquisition Fund, all Qualified Investments credited to such fund shall be valued at cost (exclusive of accrued interest after the first interest payments following purchase). Escrow Agent may sell at the best price obtainable, or present for redemption, any Qualified Investment so purchased by Escrow Agent, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Acquisition Fund to which such Qualified Investment is credited and Escrow Agent shall not be liable or responsible for any loss resulting from such investment.

Section 3.05. Deposit of Moneys in Acquisition Fund. All moneys held by the Escrow Agent in the Acquisition Fund established pursuant to this Agreement, except such moneys which are at the time invested as herein provided, shall be deposited in demand or time deposits (which may be represented by time certificates of deposit) in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Escrow Agent), and, as and to the extent required by law, shall be secured at all times by obligations which are eligible by law to secure deposits of public moneys. Such obligations shall be deposited with such bank or banks as may be selected by Escrow Agent, and held by or for the account of the Escrow Agent as security for such deposits.

Section 3.06. Termination. Unless earlier terminated pursuant to Article VII, this Escrow Agreement shall terminate upon the final distribution of all moneys in the Acquisition Fund.

ARTICLE IV. THE ESCROW AGENT

Section 4.01. Removal of Escrow Agent. The Lessee and Lessor, by written agreement between themselves, may by written request, at any time and for any reason, remove the Escrow Agent and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall have capital (exclusive of borrowed capital) and surplus of at least Ten Million Dollars ($10,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to statute or to the requirements of any federal or state supervising or examining authority, to, then for the purposes of this Section the combined capital and surplus of such bank or trust company may be conclusively established for the purposes hereby in its most recent report of condition so published.

Section 4.02. Resignation of Escrow Agent. The Escrow Agent or any successor may at any time resign by giving written notice to the Lessee and Lessor of its intention to resign and of the proposed date of resignation, which shall be a date not less than 60 days after such notice, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by Lessee and Lessor. Upon receiving such notice of resignation, the Lessee and Lessor shall promptly appoint a successor Escrow Agent by an instrument in writing; provided however, that in the event the Lessee and Lessor fail to appoint a successor Escrow Agent within 30 days following receipt of such written notice of resignation, Lessor may appoint a successor Escrow Agent, and in the event that Lessor fail to appoint a successor Escrow Agent within 30 days following the expiration of such initial 30-day period, the resigning Escrow Agent may petition the appropriate court having jurisdiction to appoint a successor Escrow Agent. Any resignation or removal of the Escrow Agent shall become effective only upon acceptance of appointment by the successor Escrow Agent.

Section 4.03. Appointment of Agent. The Escrow Agent may appoint an agent acceptable to the Lessee and Lessor to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Escrow Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

Section 4.04. Merger or Consolidation. Any company into which the Escrow Agent may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 4.02) shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 4.05. Protection and Rights of the Escrow Agent. The Escrow Agent shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Agreement, and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Escrow Agent may consult with Independent Counsel who may be counsel to Lessor or Lessee, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), shall be deemed to be conclusively proved and established by the certificate of the Lessee Representative or the Lessor Representative and such certificate shall be full warranty to the Escrow Agent for any action taken or suffered under the provisions of this Escrow Agreement upon the faith thereof, but in its discretion the Escrow Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The recitals, statements and representations by Lessee and Lessor contained in this Agreement shall be taken and construed as made by and on the part of the Lessee and Lessor, as the case may be, and not by the Escrow Agent, and the Escrow Agent does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

The Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Escrow Agent shall not be answerable for the exercise of any discretion or power under this Escrow Agreement or for anything whatsoever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or gross negligence.

ARTICLE V. ASSIGNMENTS; AMENDMENTS

Section 5.01. Assignment. Except as expressly herein provided to the contrary; the rights and duties of each of the parties under this Escrow Agreement shall not be assignable to any person or entity without the written consent of all of the other parties. Notwithstanding the above, Lessor may freely assign all or any part of its interest in this Agreement and the Acquisition Fund established hereunder in connection with an assignment by Lessor of the Agreement, subject to the provisions contained therein.

Section 5.02. Amendments. This Escrow Agreement may be amended in writing by agreement among all of the parties.

ARTICLE VI. FURTHER ASSURANCES

Section 6.01. Further Assurances. Lessor and Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Escrow Agreement, and for better assuring and confirming the rights and benefits provided herein.

ARTICLE VII. DEFAULT OR NON-APPROPRIATION

Section 7.01. Default.

(a) Lessor shall have the right to terminate this Escrow Agreement upon an Event of Default under the Agreement, or termination of the Agreement pursuant to Section 4.05 thereof, which right shall not be exercised less than 15 days after Lessor shall have given Lessee written notice of such default or termination for non-appropriation. Upon receipt of notice of termination from Lessor, Escrow Agent shall pay to Lessor, or its assignee, all moneys in the Acquisition Fund in accordance with Section 2.06.

(b) In the event of the failure by any party hereto to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Escrow Agreement, any non-defaulting party hereto shall have all of the rights and remedies now or hereafter existing at law or in equity against the defaulting party.

(c) No delay or omission to exercise any such right or power accruing upon any default shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII. LIMITATION OF LIABILITY

Section 8.01. Limited Liability of Escrow Agent. Escrow Agent shall have no obligation or liability to any of the other parties under this Escrow Agreement for the failure or refusal of any other party to perform any covenant or agreement made by any of it hereunder or under the Agreement, but shall be responsible solely for the business-like performance of the duties expressly imposed upon Escrow Agent hereunder. The recitals of facts, covenants and agreements herein contained pertaining to Lessee and Lessor shall be taken as statement, covenants and agreements of the Lessee or Lessor (as the case may be), and Escrow Agent assumes no responsibility for the correctness of the same, or makes any representation as to the validity or sufficiency of this Escrow Agreement, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein imposed upon it. Escrow Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

Section 8.02. Indemnification. To the extent permitted by applicable law, Lessee agrees to indemnify and save Escrow Agent harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all losses and damages, including without limitation reasonable, attorney fees and court costs suffered by it as a result thereof, where such claim, suit or action arises in connection with this Escrow Agreement, the transactions described herein and in the Agreement or the Escrow Agent's employment as an Escrow Agent by Lessee and Lessor. Notwithstanding the foregoing, such indemnification shall not extend to claims, suits and actions brought against the Escrow Agent for failure to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this Escrow Agreement and claims, suits or actions arising from events solely and directly attributable to acts of Lessor. In the event the Lessee is required to indemnify Escrow Agent as herein provided, Lessee shall be subrogated to the rights of the Escrow Agent to recover such losses or damages from any other person or entity.

Section 8.03. Discretion of Escrow Agent to File Civil Action in the Event of Dispute. If Lessor or Lessee are in disagreement about the interpretation of this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Escrow Agent shall be indemnified by Lessee in accordance with Section 8.02 for all costs in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

Section 8.04. Opinion of Counsel. Before being required to take any action, the Escrow Agent may require (i) an opinion of Independent Counsel acceptable to the Escrow Agent, which counsel may be counsel to any of the parties hereto, and which opinion shall be made available to the other parties hereto, or (ii) a verified certificate of any party hereto, or (iii) both (i) and (ii), concerning the proposed action. Escrow Agent shall be absolutely protected in relying thereon if it does so in good faith.

Section 8.05. Limitation of Rights to Parties. Nothing in this Escrow Agreement, expressed or implied, is intended or shall be construed to give any person other than the Lessee, Lessor or the Escrow Agent any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, Lessor and Escrow Agent.

ARTICLE IX. MISCELLANEOUS

Section 9.01. Records. The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement, which shall be available for inspection by the Lessee, Lessor, or the agent of either of them, at any time during regular business hours.

Section 9.02. Notices. All written notice to be given under this Escrow Agreement shall be given by mail to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid.

Section 9.03. Governing Laws. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of Kansas.

Section 9.04. Partial Invalidity. Any provision of this Escrow Agreement found to be prohibited by laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Escrow Agreement.

Section 9.05. Binding Effect; Successors. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Escrow Agreement any party hereto is named or referred to, such references shall be deemed to include permitted successors or assigns thereof, and all covenants and agreements contained in this Escrow Agreement by or on behalf of any party hereto shall bind and inure to the benefit of permitted successors and assigns thereof whether or not so expressed.

Section 9.06. Execution in Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 9.07. Headings. The headings or titles of the several Articles and Sections hereof, and any tables of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Escrow Agreement. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Escrow Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date and year first above written.

ESCROW AGENT:
Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

____

Blake Kaus, SVP

LESSOR:
Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

____

Blake Kaus, SVP

LESSEE:
City of Willows
201 North Lassen Street
Willows, CA95988

____

Marti Brown, City Manager

EXHIBIT A
PAYMENT REQUEST FORM

Community First National Bank, Escrow Agent under an Escrow Agreement dated as of 7/15/2026, by and among the said Escrow Agent, Community First National Bank (Lessor), and the City of Willows, (Lessee) is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporation designated below as payee, the amount set forth opposite each such person's firm's or corporation's name, in payment of the Acquisition Costs (as defined in said Escrow Agreement) of the Equipment described on the attached page(s) designated opposite such Payee's name and account.

Payee	Equipment	Amount

VOID

TO BE UTILIZED AS A SIGNATURE CARD ONLY

By executing this Payment Request Form the Lessee hereby represents that the Payee or Payees listed above who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Lessee and that the amounts requested above by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees.

Partial Disbursement. The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Escrow Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the agreement between Lessee and Vendor (if requested by the Lessor or Escrow Agent), (3) front and back copy of the original MSO/Title (if payment from Escrow Account is for a chassis) listing Community First National Bank and/or its assigns as the first lien holder. By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted this portion of the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto in a proportionate amount of the total Rental Payment. By executing this Payment Request Form Lessee agrees that Lessee is the title owner to this portion of the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to this portion of the Equipment and keep the Lease in full force and effect.

Final Disbursement. The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Escrow Account: (1) Final Vendor Invoice, (2) Signed Acceptance Certificate, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Community First National Bank and/or its assigns as first lien holder (if not already received). By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto. By executing this Payment Request Form Lessee certifies that Lessee is the title owner to the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment and keep the Lease in full force and effect.

LESSEE:
City of Willows

____
Marti Brown, City Manager

____
Signature

Signature of additional authorized individual (optional)

____
Name and Title

TAX COMPLIANCE AGREEMENT AND NO ARBITRAGE CERTIFICATE

This Tax Compliance Agreement and No Arbitrage Certificate is issued in connection with that certain Schedule of Equipment No. 01, dated 7/15/2026 to Master Equipment Lease Purchase Agreement dated as 7/15/2026 by and between Community First National Bank, ("Lessor") and City of Willows ("Lessee").

1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment by Lessee as described in the Schedule of Equipment No. 01, dated 7/15/2026 to Master Equipment Lease Purchase Agreement dated as of 7/15/2026 (the "Lease") between Lessor and Lessee and all related documents executed pursuant thereto and contemporaneously herewith with respect to the financing of the acquisition of One (1) New Pierce Type 1 Fire Engine, Extrication Tools, One (1) Thermal Imaging Camera, and Rescue Struts of equipment (the "Equipment") by Lessor for Lessee (the Lease and such other documents are hereinafter collectively referred to as the "Financing Documents").

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents.

1.3. To the best of the undersigned's knowledge, information and belief, the expectations contained in this Certificate are reasonable.

1.4. Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose certifications as to arbitrage may not be relied upon.

1.5. The rental payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or sub account therein). No sinking, debt service, reserve or similar fund or account will be maintained for the payment of the rental payments due under the Financing Documents or pledged as security therefor.

1.6. If any other governmental obligations were or are being issued by or on behalf of Lessee within fifteen (15) days of the date of issuance of the Financing Documents, such obligations either (i) were not or are not being issued or sold pursuant to a common plan of financing with, or (ii) will not be paid out of substantially the same source of funds as, the financing pursuant to the Financing Documents.

2. Purpose of the Financing Documents.

2.1. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Description executed and delivered by Lessee pursuant to the Financing Documents. The principal amount represented by the Financing Documents, or $1,404,465.37 will be deposited in escrow by Lessor at closing and held by Community First National Bank, as Escrow Agent (the "Escrow Agent") pending acquisition of the Equipment under the terms of that certain Escrow Agreement dated as of 7/15/2026 (the "Escrow Agreement"), by and among Lessor, Lessee and Escrow Agent.

2.2. No portion of the principal amount represented by the Financing Documents will be used as a substitute for other funds which were otherwise to be used as a source of financing for the Equipment, or will be used, directly or indirectly, to replace funds used by Lessee to acquire investments which produce a yield materially higher than the yield to Lessor under the Financing Documents.

2.3. Lessee does not expect to sell or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final rental payment due under the Financing Documents.

3. Source and Disbursement of Funds.

3.1. The principal amount represented by the Financing Documents does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the items of Equipment.

3.2. It is contemplated that the entire amount deposited in escrow will be used to pay the acquisition cost of Equipment to the vendors or manufacturers thereof, provided that a portion of the principal amount may be paid to Lessee within such period as reimbursement for Acquisition Costs already made by it so long as the conditions set forth in Section 3.3 below are satisfied.

3.3. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless the following conditions have been satisfied:

(a) Lessee made a declaration of its reasonable intention to reimburse the acquisition cost payment sought to be reimbursed with the proceeds of a borrowing not later than sixty (60) days after the date on which it made the payment, which declaration satisfies the "Official Intent Requirement" set forth in Treas. Reg. Sec.1.150-2;

(b) The reimbursement being requested will be made by written allocation before the later of eighteen (18) months after the acquisition cost payment was made or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treas. Reg. Sec. 1. 148-10 by, virtue of, among other things, use to refund, or to create or increase a sinking, reserve or replacement fund with respect to, any other obligations issued by it.

4. Temporary Period.

4.1 The items of Equipment being acquired by Lessee will be delivered at various times.

4.2 Pursuant to the terms of Treasury Regulation l.148(2)(e)(2), the net sale proceeds and investment proceeds of an issue reasonably expected to be allocated to expenditures for capital projects qualify for a temporary period of 3 years beginning on the date of issuance of the Finance Documents (the 3-year temporary period). The 3-year temporary period applies only if the Lessee reasonably expects that at least 85 percent of the amount in escrow is allocated to expenditures on the Equipment by the end of the 3-year temporary period, the Lessee incurs within 6 months of the date of issuance of the Finance Documents a substantial binding obligation to a third party to expend at least 5 percent of the amount deposited in escrow on the Equipment, and completion of the Equipment and the allocation of the amount deposited in escrow to expenditures proceeds with due diligence. Lessee represents and covenants that it will comply with the arbitrage restrictions of the Code and Regulations and with the terms and conditions set forth in the Escrow Agreement.

4.3 The total acquisition cost of the Equipment is not required to be paid to the vendors or manufacturers thereof until the Equipment has been accepted by Lessee.

5. Escrow Account.

5.1. The Financing Documents provide that the monies deposited in escrow shall be invested until payments to the vendor(s) or manufacturer(s) of the Equipment are due. Lessee will ensure that such investment will not result in Lessee's obligations under the Financing Documents being treated as an "arbitrage bond" or a "federally guaranteed bond" within the meaning of Section 148(a) or Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively. Any monies which are earned from the investment of these funds shall be labeled as interest earned. All such monies will be disbursed on or promptly after the date that Lessee accepts the equipment.

6. Exempt Use.
6.1. No part of the proceeds of the Financing Documents or the Equipment will be used in any "private business use" within the meaning of Section 141(b)(6) of the Internal Revenue Code of 1986, as amended.
6.2. No part of the proceeds of the Financing Documents will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

7. No Federal Guarantee.
7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.
7.2. No portion of the proceeds under the Financing Documents shall be (i) used in making loans, the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be federally guaranteed within the meaning of Section 149(b) of the Code.

8. Miscellaneous.
8.1. Lessee agrees to comply with the rebate requirement set forth in Section 148(f) of the Code in the event that for any reason it is applicable to the financing pursuant to Financing Documents.
8.2. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.
8.3. Lessee shall maintain complete and accurate records establishing the expenditure of the proceeds of the Financing Documents and interest earnings thereon for a period of five years after payment in full under the Financing Documents.

IN WITNESS WHEREOF, this Tax Compliance Agreement and No Arbitrage Certificate has been executed on behalf of Lessee as of the date set forth below.

LESSEE:
City of Willows

____
Marti Brown, City Manager

____
Date

EXHIBIT A
PAYMENT REQUEST FORM

Community First National Bank, Escrow Agent under an Escrow Agreement dated as of 7/15/2026, by and among the said Escrow Agent, Community First National Bank (Lessor), and the City of Willows, (Lessee) is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporation designated below as payee, the amount set forth opposite each such person's firm's or corporation's name, in payment of the Acquisition Costs (as defined in said Escrow Agreement) of the Equipment described on the attached page(s) designated opposite such Payee's name and account.

Payee	Amount	Equipment
Golden State		100% Prepay for new Engine

By executing this Payment Request Form the Lessee hereby represents that the Payee or Payees listed above who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Lessee and that the amounts requested above by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees.

Partial Disbursement. The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Escrow Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the agreement between Lessee and Vendor (if requested by the Lessor or Escrow Agent), (3) front and back copy of the original MSO/Title (if payment from Escrow Account is for a chassis) listing Community First National Bank and/or its assigns as the first lien holder. By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted this portion of the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto in a proportionate amount of the total Rental Payment. By executing this Payment Request Form Lessee agrees that Lessee is the title owner to this portion of the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to this portion of the Equipment and keep the Lease in full force and effect.

Final Disbursement. The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Escrow Account: (1) Final Vendor Invoice, (2) Signed Acceptance Certificate, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Community First National Bank and/or its assigns as first lien holder (if not already received). By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto. By executing this Payment Request Form Lessee certifies that Lessee is the title owner to the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment and keep the Lease in full force and effect.

LESSEE:
City of Willows

____
Marti Brown, City Manager

____
Date

Form **8038-G** (Rev. October 2021) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*
▶ Go to *www.irs.gov/F8038G* for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting Authority

Check box if **Amended Return** ▶ ☐

1 Issuer's name: City of Willows	2 Issuer's employer identification number (EIN): 94-6000456
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address): 201 North Lassen Street — Room/suite	5 Report number (*For IRS Use Only*): 3
6 City, town, or post office, state, and ZIP code: Willows, CA 95988	7 Date of issue: 07/15/2026
8 Name of issue: Master Equipment Lease Purchase Agreement	9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information	10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	$ 1,404,465.37
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶	18	
19a	If bonds are TANs or RANs, check only box 19a ▶ ☐		
b	If bonds are BANs, check only box 19b ▶ ☐		
20	If bonds are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/15/2036	$ $ 1,404,465.37	$ N/A	10 years	4.894 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24			
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27			
28	Proceeds used to refund prior taxable bonds. Complete Part V	28			
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63773S Form **8038-G** (Rev. 10-2021)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY)		
c	Enter the name of the GIC provider ▶		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool bond ▶ (MM/DD/YYYY)

c Enter the EIN of the issuer of the master pool bond ▶

d Enter the name of the issuer of the master pool bond ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☒

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶ (MM/DD/YYYY)

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative	Date	Marti Brown, City Manager Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

PUBLIC HEARING

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development and Services Director
Marti Brown, City Manager

Subject: Public Hearing: Proposition 218 Sewer Rate Increase

Recommendation:

Conduct a public hearing, receive public comments and written protests regarding the proposed sewer rate adjustments, and upon conclusion of the public hearing, consider adoption of the Resolution approving sewer rates for the five-year period beginning August 1, 2026.

Rationale for Recommendation:

To complete the Proposition 218 public hearing process and allow the City Council to consider adopting the proposed sewer rate adjustments for the five-year period from August 1, 2026, to July 31, 2031.

Background:

At the April 28, 2026, City Council meeting, LT Municipal Consultants provided an initial presentation regarding the draft sewer rate study. The purpose of that meeting was to present the preliminary findings, review the financial condition of the Sewer Enterprise Fund, and allow the City Council to provide initial comments and direction prior to finalizing the study.

At the May 12, 2026, City Council meeting, LT Municipal Consultants presented the final sewer rate study. The final presentation incorporated Council feedback from the April 28 meeting and provided additional information regarding projected revenues, operating expenses, debt service, capital improvement needs, reserve levels, and the proposed rate structure for residential, multi-family, and non-residential customers. At the conclusion of the presentation, the City Council directed staff to initiate the Proposition 218 public hearing process.

Following that direction, the City prepared and mailed the required Proposition 218 notices to affected property owners and customers of record. The notice identified the proposed sewer rate adjustments, the reasons for the rate increases, the proposed implementation schedule, and the process for submitting written protests. The public hearing was scheduled for July 14, 2026, at 6:00 p.m. at Willows City Hall.

Discussion & Analysis:

The City's sewer system is critical public infrastructure that protects public health, supports existing development, and allows the City to continue providing safe and reliable wastewater service to residents and businesses. The system includes sewer collection mains, lift stations, service connections, equipment, and wastewater treatment plant facilities. Much of this infrastructure is aging, and the vast majority of the City's main sewer system is approximately 100 years old.

As with any utility system, the longer major infrastructure repairs and replacements are deferred, the greater the risk of emergency failures, service interruptions, environmental impacts, and higher long-term costs. Sewer main failures, treatment plant failures, or major equipment failures can result in significant emergency repair costs, regulatory violations, fines, penalties, and potential impacts to public health and the environment.

The proposed rate adjustments are intended to allow the City to continue taking a proactive approach to sewer system maintenance and capital improvements rather than waiting for failures to occur. Planned improvements include sewer pipeline replacements, rehabilitation of wastewater treatment plant components, continued system maintenance, and replacement of critical equipment, including the need for a new Vactor-vacuum truck. A Vactor truck is essential to maintaining the sewer collection system because it allows the City to clean sewer mains, remove debris, respond to blockages, and reduce the likelihood of sanitary sewer overflows.

If the City chooses not to increase rates at this time, it will not eliminate the need for sewer system improvements. Instead, it will likely defer those costs into future years, which could result in significantly larger rate increases later. Delaying necessary improvements also increases the risk of a catastrophic infrastructure failure, which could require immediate emergency expenditures and expose the City to substantial costs, fines, and penalties.

Staff do not anticipate the need for large rate increases in future cycles if the City continues to make regular, planned investments in the sewer system. Based on the current financial planning, staff have concluded that the City may continue to accomplish major sewer infrastructure projects while maintaining future capital improvement cycles at approximately $7 million over the five-year rate period.

Consistency with Council Priorities and Goals:

The proposed action is consistent with City Council Priority #4: Infrastructure Improvements, including Goal #2 to implement Capital Improvement Projects and Goal #4 to implement the Sewage Repair Plan.

Fiscal Impact:

The proposed sewer rate adjustments would provide the revenue necessary to support the Sewer Enterprise Fund over the next five-year rate period. The proposed rates are intended to fund operating costs, maintenance, debt service, capital improvements, equipment replacement, reserve requirements, and regulatory compliance obligations.

Attachments:

- Attachment 1: Prop 218 Sewer Rate Resolution
- Attachment 2: Sewer Rate Study

Attachment 1

City of Willows
Resolution XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS ADOPTING ADJUSTMENTS TO SEWER SERVICE RATES FOR THE FIVE-YEAR PERIOD BEGINNING AUGUST 1, 2026

WHEREAS, the City of Willows owns and operates a municipal sewer system that provides wastewater collection, treatment, and disposal services to properties within the City's sewer service area; and

WHEREAS, the City's sewer system is operated through the Sewer Enterprise Fund, which is intended to be self-supporting through sewer service charges and other sewer-related revenues; and

WHEREAS, the Sewer Enterprise Fund is responsible for funding the costs of operating, maintaining, repairing, replacing, and improving the City's sewer collection system, lift stations, equipment, and wastewater treatment plant facilities; and

WHEREAS, the City's existing sewer rates were established through a 2021 sewer rate study and provided rate adjustments through Fiscal Year 2025-26; and

WHEREAS, the City determined that an updated sewer rate study was necessary to evaluate the current and projected financial needs of the Sewer Enterprise Fund and to develop updated rates for future years; and

WHEREAS, LT Municipal Consultants prepared a sewer rate study evaluating the cost of providing sewer service, including operations and maintenance, debt service, capital improvements, equipment replacement, reserve requirements, and regulatory compliance obligations; and

WHEREAS, the rate study identified the need to fund sewer infrastructure improvements over the next five-year period, including sewer pipeline replacements, rehabilitation of wastewater treatment plant components, and the acquisition of a vactor/vacuum truck necessary for sewer system maintenance; and

WHEREAS, the City Council received the final sewer rate study presentation on May 12, 2026, which incorporated Council feedback and provided additional information regarding projected revenues, operating expenses, debt service, capital improvement needs, reserve levels, and the proposed rate structure; and

WHEREAS, at the May 12, 2026 meeting, the City Council directed staff to initiate the Proposition 218 public hearing process; and

WHEREAS, the City caused written notice of the proposed sewer rate adjustments and the public hearing to be mailed to affected property owners and customers of record in accordance with Proposition 218 and applicable law; and

WHEREAS, the City Council held a duly noticed public hearing on July 14, 2026, at 6:00 p.m. at Willows City Hall, 201 North Lassen Street, Willows, California, to receive public testimony and written protests regarding the proposed sewer rate adjustments; and

WHEREAS, all written protests received prior to the close of the public hearing were tabulated; and

WHEREAS, the City Council has determined that valid written protests were not submitted by a majority of the affected parcels, and therefore a majority protest does not exist under Proposition 218; and

WHEREAS, the City Council finds that the proposed sewer rates do not exceed the funds required to provide sewer service, do not exceed the proportional cost of service attributable to each parcel, and will be used only for the purposes for which the sewer service charges are imposed.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLOWS RESOLVES AS FOLLOWS:

SECTION 1. RECITALS.

The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. PUBLIC HEARING AND MAJORITY PROTEST.

The City Council finds that the City conducted the required public hearing on July 14, 2026, in accordance with Article XIII D, Section 6 of the California Constitution and applicable law. The City Council further finds that, following the tabulation of all valid written protests received prior to the close of the public hearing, a majority protest does not exist.

SECTION 3. ADOPTION OF SEWER RATE ADJUSTMENTS.

The City Council hereby adopts the sewer service rate adjustments set forth in Exhibit A, attached hereto and incorporated herein by this reference.

SECTION 4. EFFECTIVE DATES.

The sewer service rate adjustments adopted by this Resolution shall become effective as follows:

1. August 1, 2026;
2. July 1, 2027;
3. July 1, 2028;
4. July 1, 2029; and
5. July 1, 2030.

SECTION 5. USE OF SEWER RATE REVENUES.

Revenues collected from the sewer service rates adopted by this Resolution shall be used only for sewer system purposes, including operations, maintenance, debt service, capital improvements, equipment replacement, reserve requirements, regulatory compliance, and other lawful costs associated with providing sewer service.

SECTION 6. IMPLEMENTATION AND ADMINISTRATION.

The City Manager or designee is authorized and directed to take all actions necessary to implement and administer the sewer rates adopted by this Resolution.

SECTION 7. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or portion of this Resolution is held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase, or portion thereof regardless of the fact that any one or more portions may be declared invalid or unconstitutional.

SECTION 8. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 14th day of July, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:	ATTESTED:
______________________________	______________________________
Evan Hutson, Mayor	Karleen Price, City Clerk

EXHIBIT A

City of Willows Sewer Service Rates

Table 1: Current and Proposed Monthly Sewer Rates

<table>
<tr><th colspan="2">Current</th><th colspan="6">Proposed</th></tr>
<tr><th>Customer Class</th><th>*July 1, 2025*</th><th>Customer Class</th><th>*August 1, 2026*</th><th>*July 1, 2027*</th><th>*July 1, 2028*</th><th>*July 1, 2029*</th><th>*July 1, 2030*</th></tr>
<tr><td colspan="2">**Residential Fixed Charge**</td><td colspan="6">**Residential Fixed Charge per dwelling unit**</td></tr>
<tr><td>Single Family</td><td>$74.24</td><td>Single Family</td><td>$75.13</td><td>$82.64</td><td>$90.90</td><td>$95.45</td><td>$100.22</td></tr>
<tr><td>Multi-Family [1]</td><td>$42.93</td><td>Multi-Family</td><td>$66.27</td><td>$72.90</td><td>$80.19</td><td>$84.20</td><td>$88.41</td></tr>
<tr><td colspan="2">**Commercial Fixed Charge**</td><td colspan="6">**Non-Residential Base Fee (includes up to 8 hcf of sewer flow)**</td></tr>
<tr><td rowspan="3">Commercial</td><td rowspan="3">$87.62</td><td>Low Strength</td><td>$70.81</td><td>$77.89</td><td>$85.68</td><td>$89.96</td><td>$94.46</td></tr>
<tr><td>Medium Strength</td><td>$75.13</td><td>$82.64</td><td>$90.90</td><td>$95.45</td><td>$100.22</td></tr>
<tr><td>High Strength</td><td>$93.13</td><td>$102.44</td><td>$112.68</td><td>$118.31</td><td>$124.23</td></tr>
<tr><td colspan="2">**Commercial Volumetric Charge**</td><td colspan="6">**Volumetric Charge for Non-residential Flow Over Base ($/hcf above 8 hcf) [2]**</td></tr>
<tr><td>Car Wash</td><td>$3.65</td><td rowspan="2">Low Strength</td><td rowspan="2">$3.89</td><td rowspan="2">$4.28</td><td rowspan="2">$4.71</td><td rowspan="2">$4.95</td><td rowspan="2">$5.20</td></tr>
<tr><td>Laundry</td><td>$4.07</td></tr>
<tr><td>Hospital & Rest Home</td><td>$4.37</td><td rowspan="4">Medium Strength</td><td rowspan="4">$4.43</td><td rowspan="4">$4.87</td><td rowspan="4">$5.36</td><td rowspan="4">$5.63</td><td rowspan="4">$5.91</td></tr>
<tr><td>Motel & Hotel</td><td>$4.73</td></tr>
<tr><td>Jail</td><td>$5.50</td></tr>
<tr><td>Other Commercial</td><td>$5.50</td></tr>
<tr><td>Market & Morgue</td><td>$8.89</td><td rowspan="2">High Strength</td><td rowspan="2">$6.68</td><td rowspan="2">$7.35</td><td rowspan="2">$8.09</td><td rowspan="2">$8.49</td><td rowspan="2">$8.91</td></tr>
<tr><td>Restaurant & Bakery</td><td>$9.53</td></tr>
</table>

1 - Accessory dwelling units, apartments, condominiums, mobile homes, and RVs.
2 - Per hundred cubic feet (hcf). 1 hcf = 748 gallons. Applied to average monthly winter water use measured from December through February each year.

The categories above represent general land use designations. By its determination, the City may establish specialized rates for customers that are not categorized into the designations listed above or for customers that fall into multiple categories. Any specialized rates will be proportional to the cost of wastewater flow and pollutant disposal included in the sewer rates above such that the single family residential rate is based on the cost of service for 8 hcf of monthly domestic strength flow. If you are a commercial customer and would like additional information about your customer classification, please contact the City at (530) 934-7041.

Attachment 2

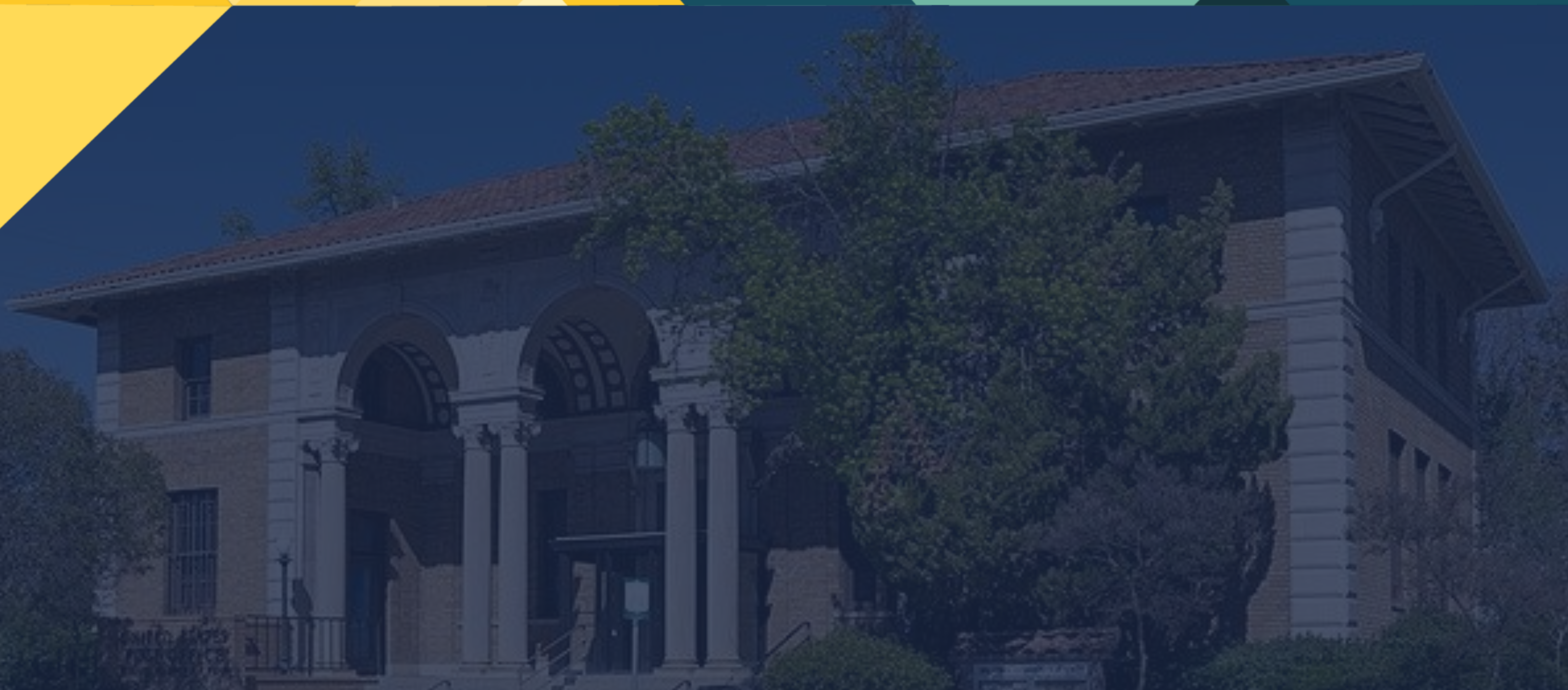
LT MUNICIPAL CONSULTANTS

Sewer Rate Study

City of Willows

Draft Report

May 5, 2026



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SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The City of Willows (City) is located in and serves as the county seat of Glenn County, California, in the northern portion of the Central Valley about 85 miles north of Sacramento. There are about 6,000 residents in the City. The City owns a municipal wastewater (sewer) system that serves the City as well as the Northeast Willows Community Services District (CSD) in unincorporated Glenn County. The City provides routine maintenance and emergency response services for the City's sewer infrastructure to help ensure safe collection and conveyance of wastewater to the treatment plant. The City's treatment plant is managed by Inframark, an independent operator under contract with the City. The treatment plant processes wastewater collected through the sanitary sewer system and ensures sewer flow is properly treated before discharge.

The City last conducted a rate study pursuant to Proposition 218 requirements in 2021 which set rates for the five-year period ending July 1, 2025. The goal of this rate study is to determine a rate plan that covers the City's cost of service for the next five years, spanning fiscal year (FY) 2026/27 through FY2030/31. Rate increases are needed to keep up with inflation, pay down debt, maintain adequate reserves, and fund capital improvements. In particular, the City's capital improvement plan identifies about $7.8 million in sewer infrastructure improvements that must be financed through rates over the next five years to ensure the City can continue to provide safe and reliable sewer service. By proactively maintaining and improving the sewer system, the City hopes to avoid sewer leaks and costly emergency repairs.

A second goal of this rate study is to adjust the sewer rate structure to better align with industry standard practices and to recover costs in a manner that is more proportional to how customers use the system. The proposed rates are based on an updated analysis of the estimated wastewater flows (i.e., volume) and the concentration of wastewater pollutants (i.e., fats, oils, grease, etc.) discharged by each customer class to determine the relative cost to serve that class and ensure that the proposed rates do not exceed the proportional cost of service for each customer. It is also proposed that the non-residential sewer rate structure be simplified such that the only customer classes are low pollutant strength, medium strength, and high strength.

1.2 Requirements of Proposition 218

The implementation of public agency utility rates in California is governed by the substantive and procedural requirements of Proposition 218 the "Right to Vote on Taxes Act" which is codified as Articles XIIIC and XIIID of the California Constitution. The City must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The City must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fees, the basis upon which they were calculated, the reason for the fees, and the date/time/location of a

public rate hearing at which the proposed rates will be considered/adopted.

2. **Public Hearing** – The City must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.

3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to sewer rates and charges, including:

1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the "cost of service".

2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.

3. **Proportional Cost Recovery** – The amount of the fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of service attributable to that parcel.

4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.

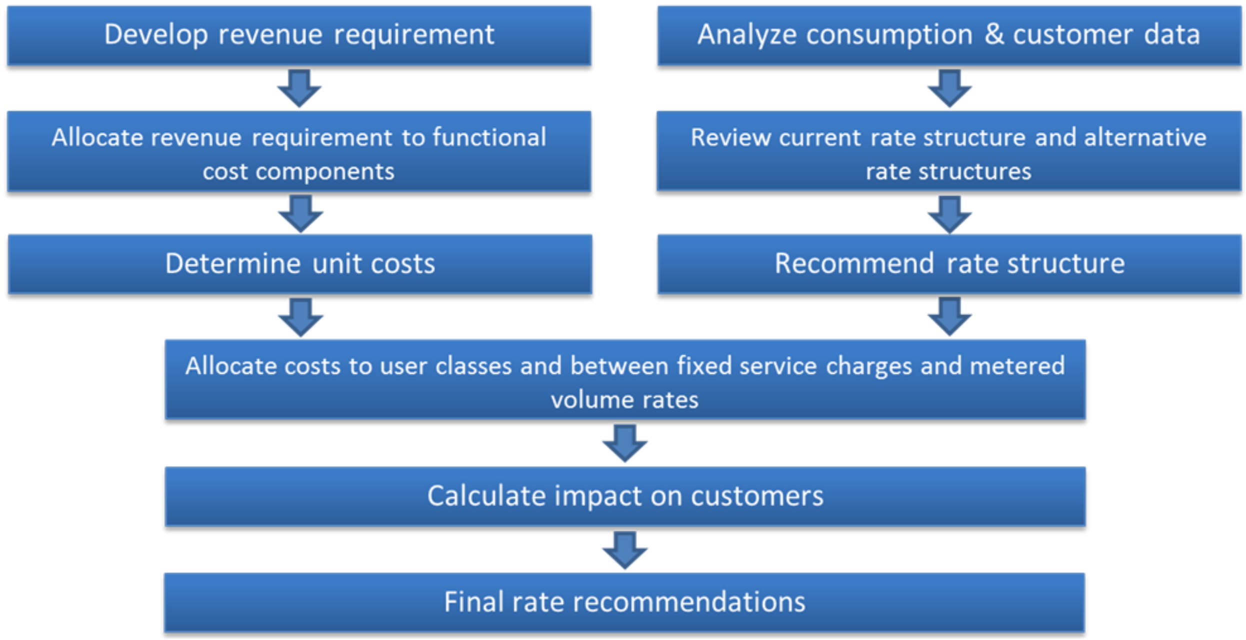
5. **General Government Services** – No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for sewer service are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

1.3 Rate Study Process

A summary of the rate study process is provided in Figure 1 on the following page.

Figure 1: Rate Study Process



The following is a brief description of the rate study process:

- **Revenue Requirement** – Revenue requirements are analyzed via cash flow projections based on the best information currently available such as historical operating results, budgets, audits, and input from City staff. The cash flows serve as a roadmap for funding future operating costs and capital expenditures while maintaining long-term fiscal stability, all of which is calculated in this study to produce rates that will be necessary to recover only the actual cost of the sewer service per parcel under these proposed rates.

- **Cost of Service Allocation** - The cost of service process builds on the revenue requirement analysis. Sewer costs are allocated based on sewage flow and pollutant strength.

- **Rate Design** - Rate design involves developing a rate structure that fairly recovers costs from customers but does not exceed the proportional cost of the service attributable to each parcel. Final rate recommendations are designed to fund the City's short- and long-term costs of providing service and fairly allocate costs to all customers.

The rates developed in this report are based on the best available information gathered from City budgets, audits, and input from staff. The cost allocations proposed herein are based on industry standard practice. The proposed rates are based on the reasonable cost of providing service and do not exceed the proportional cost of the service attributable to each parcel.

1.4 Proposed Rates

Current and proposed sewer rates are provided in Table 1. It is proposed that all residential customers continue to pay a fixed charge that reflects the cost to serve the average flow of a typical customer. The average single family residential customer is estimated to discharge 8 hundred cubic feet (hcf) of wastewater flow per month, while the average multi-family residential customer discharges an estimated 6 hcf per month. Based on this flow analysis, the multi-family residential rate is proposed to increase by a greater degree than other customer classes.

Currently, all non-residential or commercial customers pay fixed base charges in addition to volumetric charges based on average monthly metered water consumption as measured from December through February each year. The volumetric charge is billed per one hundred cubic feet (hcf) of average winter water usage and is different for each of the City's eight customer classes. One hundred cubic feet is equivalent to 748 gallons.

It is proposed that the non-residential categories be reduced from eight to three, consisting of low pollutant strength, medium strength, and high strength. It is proposed that the volumetric charges continue to be billed based on average winter water use. However, it is also proposed that the fixed charge for each of the three proposed customer classes include the first 8 hcf of monthly sewer flows. 8 hcf was determined to be an appropriate threshold for the fixed charge as that is the typical single family flow and represents a minimum amount of capacity that the City maintains in the sewer system for each customer. Non-residential flow over the first 8 hcf is proposed to be billed the volumetric rates shown in Table 1.

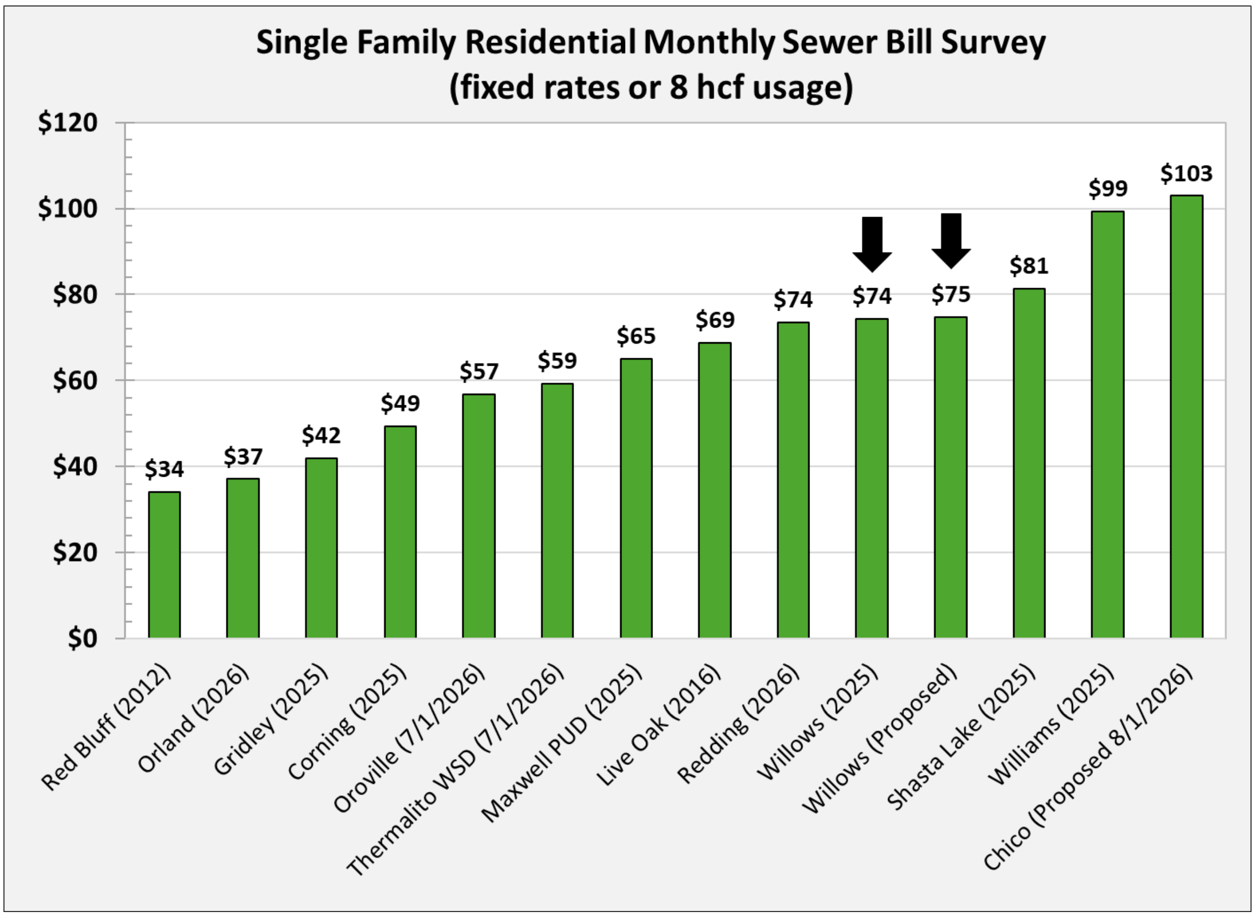
Table 1: Current and Proposed Monthly Sewer Rates

Current		Proposed					
Customer Class	*July 1, 2025*	**Customer Class**	*August 1, 2026*	*July 1, 2027*	*July 1, 2028*	*July 1, 2029*	*July 1, 2030*
Residential Fixed Charge		**Residential Fixed Charge per dwelling unit**					
Single Family	$74.24	Single Family	$75.13	$82.64	$90.90	$95.45	$100.22
Multi-Family (per unit)	$42.93	Multi-Family	$66.27	$72.90	$80.19	$84.20	$88.41
Commercial Fixed Charge		**Non-Residential Base Fee (includes up to 8 hcf of sewer flow)**					
Commercial	$87.62	Low Strength	$70.81	$77.89	$85.68	$89.96	$94.46
		Medium Strength	$75.13	$82.64	$90.90	$95.45	$100.22
		High Strength	$93.13	$102.44	$112.68	$118.31	$124.23
Commercial Volumetric Charge		**Volumetric Charge for Non-residential Flow Over Base ($/hcf above 8 hcf) [1]**					
Car Wash	$3.65	Low Strength	$3.89	$4.28	$4.71	$4.95	$5.20
Laundry	$4.07						
Hospital & Rest Home	$4.37	Medium Strength	$4.43	$4.87	$5.36	$5.63	$5.91
Motel & Hotel	$4.73						
Jail	$5.50						
Other Commercial	$5.50						
Market & Morgue	$8.89	High Strength	$6.68	$7.35	$8.09	$8.49	$8.91
Restaurant & Bakery	$9.53						

1 - Per hundred cubic feet (hcf). 1 hcf = 748 gallons. Applied to average monthly winter water use measured from December through February each year.

Figure 2 provides a survey comparing the City's current and proposed single family residential sewer bill with other local agencies. It should be noted that the agencies listed vary in size, complexity, and treatment standards. It is also likely that many of these agencies will implement rate increases over the next five years. The rates shown in the chart represent the most current available information at the time of writing this report, and the most recent adopted or proposed increase is denoted in parentheses for each agency included on the chart. The City's current monthly sewer bill is $74.24 and the proposed August 1, 2026 bill is $75.13, an increase of $0.89.

Figure 2: Monthly Sewer Bill Survey



PUD – Public Utility District; WSD – Water and Sewer District

SECTION 2: CUSTOMER BASE AND CURRENT RATE REVENUES

The City of Willows provides sewer service to a population of about 6,000 via approximately 2,600 active accounts representing about 3,300 dwelling units. About 3,000 of these units are within City limits, and the remaining 300 units are outside City limits in the Northeast Willows CSD unincorporated area. This section provides an overview of the City's current sewer rates, customer base, and current rate revenues.

2.1 Current Sewer Rates

Table 2 presents the City's current and past monthly sewer rates which were last adjusted July 1, 2025. Single family residential and multi-family residential customers are billed a fixed monthly service charge per dwelling unit. Commercial customers are billed a fixed monthly service charge per unit and a volumetric charge per hcf based on average winter water usage measured from December through February of each year. Most customers are billed annually on the Glenn County property tax roll, with the exception of commercial customers who are billed monthly.

Table 2: Current and Past Sewer Rates

Sewer Rate Schedule	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Fixed Monthly Service Charge						
Single Family Residential	$40.19	$47.19	$52.85	$59.19	$66.29	$74.24
Multi-Family Residential (per unit)	$40.19	$27.28	$30.55	$34.22	$38.33	$42.93
Commercial	$40.19	$55.69	$62.37	$69.85	$78.23	$87.62
Volumetric Charge ($/hcf)						
Commercial *(Applied to Average Winter Water Use)*						
Car Wash	$3.05	$2.32	$2.60	$2.91	$3.26	$3.65
Hospital & Rest Home	$3.17	$2.78	$3.11	$3.48	$3.90	$4.37
Jail	$3.54	$3.49	$3.91	$4.38	$4.91	$5.50
Laundry	$3.42	$2.58	$2.89	$3.24	$3.63	$4.07
Market & Morgue	$3.94	$5.65	$6.33	$7.09	$7.94	$8.89
Motel & Hotel	$3.22	$3.01	$3.37	$3.77	$4.22	$4.73
Restaurant & Bakery	$4.18	$6.06	$6.79	$7.60	$8.51	$9.53
Other Commercial	$3.01	$3.49	$3.91	$4.38	$4.91	$5.50

Note: The City's most recent rate study was completed in 2021 and proposed the rates for FY2021/22 through FY2025/26.

2.2 Current Sewer Rate Revenues

The City's estimated FY2024/25 revenues from sewer service charges are calculated in Table 3 based on the City's billing data and winter water usage data for the most recent year available. It is estimated that the City collected a total of $2.7 million in sewer service charge revenues. The majority of the City's revenue, about 88.9%, comes from fixed charges, while the remaining 11.1% comes from volumetric charges. The City serves about 3,000 customers within the City limits and about 300 customers in the Northeast Willows CSD unincorporated area.

Table 3: Estimated Sewer Rate Revenues, FY2024/25

FIXED SERVICE CHARGES				
Customer Class	**Number of Units**	**Monthly Rate**	**Total Revenues**	**% of Total**
City of Willows				
Single Family Residential	2,029	$66.29	$1,614,029	
Multi-Family Residential	740	$38.33	$340,370	
Commercial	245	$78.23	$229,996	
Subtotal City of Willows	3,014		$2,184,396	
Northeast Willows				
Single Family Residential	259	$66.29	$206,029	
Multi-Family Residential	35	$38.33	$16,099	
Commercial	4	$78.23	$3,755	
Subtotal Northeast Willows	298		$225,883	
Total Fixed Service Charges	**3,312**		**$2,410,278**	

VOLUMETRIC CHARGES (COMMERCIAL CUSTOMERS ONLY)				
Customer Class	**Avg Monthly Winter Water Use (hcf)**	**Rate per hcf**	**Total Revenues**	**% of Total**
City of Willows				
Car Wash	105	$3.26	$4,112	
Hospital & Rest Home	639	$3.90	$29,916	
Jail	0	$4.91	$0	
Laundry	75	$3.63	$3,250	
Market & Morgue	682	$7.94	$64,956	
Motel & Hotel	760	$4.22	$38,483	
Restaurant & Bakery	639	$8.51	$65,207	
Other Commercial	1,629	$4.91	$95,976	
Total Volumetric Charges	**4,528**		**$301,900**	

TOTAL SEWER SERVICE CHARGE REVENUES		
	Total Revenues	**% of Total**
Fixed Charges	$2,410,278	88.9%
Volumetric Charges	$301,900	11.1%
Total Sewer Service Charge Revenues (LTMC Calculation)	**$2,712,179**	100.0%
Estimated Actual Sewer Service Charge Revenues (From City Budget, p. 50)	**$2,524,293**	
$ Difference	-$187,886	
% Difference	-7.4%	

SECTION 3: COST OF SERVICE

Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. This section provides an analysis of sewer system revenues and expenses to determine the total cost of service to be recovered via rates. The cost of service is expressed in a cash flow table that illustrates revenue increases needed to keep up with expenses and maintain financial health. Over the five-year rate study period, rate increases are proposed so that the City can pay for operating costs, capital improvements, debt service costs, and maintain reasonable reserves, all of which are calculated in this study to produce rates that will be necessary to recover only the actual cost of the sewer service per parcel under the proposed rates. The cost of service was developed based on the FY2025/26 budget, the City's capital improvement plan, and input from staff.

3.1 Sewer System Overview

The sewer utility's purpose is to collect, treat, and dispose of residential and commercial wastewater in an environmentally safe manner. This process is closely monitored by several State of California regulatory agencies to guarantee compliance with Federal and State mandates. The City's wastewater treatment plant (WWTP) provides tertiary treatment of all wastewater flows and is operated on a day-to-day basis under contract by the independent operator Inframark. The City's Public Works Department supervises the operation and maintenance of the system and the construction of capital projects. The WWTP average dry weather flow capacity permitted by the Central Valley Regional Water Quality Control Board is 1.2 million gallons per day (MGD).

3.2 Revenues

The City's revenues consist of sewer service charges and interest income. In FY2026/27 it is projected that sewer service charges of $3.09 million will make up almost 97% of total revenues. It is projected that interest income will make up the remaining 3% of revenues in FY2026/27 and remain at $100,000 annually for the duration of the rate study period. August 1, 2026, a rate revenue increase of 10% is proposed to go into effect. Further increases of 10% are proposed to take effect July 1, 2027 and 2028, and 5% increases are proposed to take effect July 1, 2029 and 2030 to fund the costs described below.

3.3 Expenses

3.3.1 Past Operating Expenses and Capital Costs

Table 4 details operating and capital expenses based on past actuals from FY2022/23 through FY2024/25 and the FY2025/26 budget. In FY2025/26 the City expects to incur $4.9 million in expenses to operate and maintain the sewer system. This represents an increase compared to the previous year's operating and maintenance expenses of $2.2 million. The reason for this large increase is due to a larger number of capital improvement projects expected to be completed this fiscal year (FY2025/26). Prior to FY2025/26, the City spent only about $230,000 over the previous three years on capital projects.

Table 4: Past Operating and Capital Expenses

Salaries & Benefits	ACTUAL FY 2022-23	ACTUAL FY 2023-24	ESTIMATED ACTUAL FY 2024-25	PROPOSED BUDGET FY 2025-26
40000 - Salaries	6,365	-	-	-
40002 - Overtime	405	-	-	-
40010 - Salaries - PT	0	-	-	-
40004 - CalPERS	2,445	-	-	-
40006 - Health Insurance	1,728	-	-	-
40007 - FICA/ Medicare	507	-	-	-
40020 - Life Insurance	62	-	-	-
40900 - Overhead - General Fund	78,173	261,622	255,357	261,175
Total Personnel Services:	89,685	261,622	255,357	261,175
Operations & Maintenance				
40500 - Dues & Memberships	0	2,000	0	0
40602 - Insurance	310	25,000	72,182	75,000
40999 - Special Department	26,191	212,000	150,000	0
41000 - Office Expense	29	100	0	0
41100 - Clothing	2,529	1,000	7,124	7,500
41200 - Fuel	5,700	5,000	11,000	12,000
41300 - Professional Services	26,554	35,000	20,000	70,000
41340 - Discharge Permit	13,676	14,500	18,277	19,000
41500 - Small Tools	0	500	0	0
43000 - Vehicle Maintenance	2,064	1,500	200	2,000
43100 - Equipment Maintenance	1,116	6,000	334	30,000
45100 - PG&E	293,978	10,000	320,000	300,000
45101 - Water & Sewer	3,184	3,000	4,000	4,000
Total Operations & Maintenance:	465,254	315,600	603,117	519,500
Contract Operations - Plant Facility				
44000 - Contractual Services	720,787	737,000	650,000	700,000
Total Contract Operations:	720,787	737,000	650,000	700,000
Debt Service				
48000/48001 - Principal / Interest on Debt	394,448	534,564	501,519	536,019
Total Debt Service:	394,448	534,564	501,519	536,019
Capital Projects				
61130 - Sycamore Street Lift Station	-	-	-	189,750
61130 - Pacific Avenue Lift Station	-	-	-	178,250
61130 - Lassen St Sewer Rehab	-	-	-	201,250
61130 - Road 57 Sewer Lift Station	-	-	-	103,500
61130 - Cherry Street Lift Station	-	-	-	139,165
61130 - Update Municipal Code	-	15,000	-	-
61130 - WWTP Safety Impvmts	-	-	-	30,000
61130 - Annual Sewer Replct Project	-	-	95,038	2,057,250
61130 - WWTP Upgrades	-	-	119,048	-
61130 - HVAC Air Ducts Cleaning	-	1,500	-	-
66021 - Tyler Utility Billing	-	-	-	17,500
Total Capital Projects:	-	16,500	214,086	2,916,665
Total Sewer Enterprise:	**1,670,174**	**1,865,286**	**2,224,078**	**4,933,359**

3.3.2 Operating Costs

Operating costs include salaries & benefits, insurance, clothing allowance, fuel, professional services, discharge permits, supplies, and materials, vehicle maintenance, equipment maintenance, electricity, and contract operations. The largest operating expense is contractual services which represents the cost of the outside operator of the City's WWTP. In FY2025/26, the City expects to incur about $1.5 million in expenses to operate and maintain the sewer system.

Operating costs for the next five years are estimated in Table 5 based on projected cost escalation of 3.0% per year. In addition to inflationary adjustments, the City expects to hire a new staff member in FY2026/27 for a cost of $80,000 per year. Insurance costs are expected to increase by $10,000 in FY2026/27 and then increase by 3% each year thereafter. Professional services are expected to decrease by $40,000 in FY2026/27 and then increase 3% each year thereafter due to inflation. Supplies & materials is a new expense category being introduced in FY2026/27, with expected costs being $10,000 in FY2026/27. Additionally, the City expects to complete construction of a solar plant during the rate study period which will offset electricity costs paid to PG&E. Construction is expected to be completed in FY2027/28 and the completed plant is expected to decrease costs by $109,000 initially.

Table 5: Sewer Operating Expense Projection

	Budget	Escalation	Projected				
	FY2025/26	Factor	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
Salaries & Benefits							
Overhead - General Fund	$261,175	3.0%	$269,000	$277,100	$285,400	$294,000	$302,800
New Staff Member [1]		3.0%	$80,000	$82,400	$84,900	$87,400	$90,000
Subtotal Salaries & Benefits	$261,175		$349,000	$359,500	$370,300	$381,400	$392,800
Operations & Maintenance							
Dues & Memberships	$0	3.0%	$0	$0	$0	$0	$0
Insurance [2]	$75,000	3.0%	$85,000	$87,600	$90,200	$92,900	$95,700
Special Department	$0	3.0%	$0	$0	$0	$0	$0
Office Expense	$0	3.0%	$0	$0	$0	$0	$0
Clothing	$7,500	3.0%	$7,700	$7,900	$8,100	$8,300	$8,500
Fuel	$12,000	3.0%	$12,400	$12,800	$13,200	$13,600	$14,000
Professional Services [3]	$70,000	3.0%	$30,000	$30,900	$31,800	$32,800	$33,800
Discharge Permit	$19,000	3.0%	$19,600	$20,200	$20,800	$21,400	$22,000
Small Tools	$0	3.0%	$0	$0	$0	$0	$0
Supplies & Materials [4]		3.0%	$10,000	$10,300	$10,600	$10,900	$11,200
Vehicle Maintenance	$2,000	3.0%	$2,100	$2,200	$2,300	$2,400	$2,500
Equipment Maintenance	$30,000	3.0%	$30,900	$31,800	$32,800	$33,800	$34,800
PG&E [5]	$300,000	3.0%	$309,000	$200,000	$206,000	$212,200	$218,600
Water & Sewer	$4,000	3.0%	$4,100	$4,200	$4,300	$4,400	$4,500
Subtotal O & M	$519,500		$510,800	$407,900	$420,100	$432,700	$445,600
Contract Operations - Plant Facility	$700,000	3.0%	$721,000	$742,600	$764,900	$787,800	$811,400
Total Operating Expenses	**$1,480,675**		**$1,580,800**	**$1,510,000**	**$1,555,300**	**$1,601,900**	**$1,649,800**

1 - It is expected that the City will hire a new staff member for the Sewer Fund in FY2026/27. The fully burdened cost of this employee is expected to begin at $80,000 per year per City staff.
2 - Insurance is anticipated to increase to $85,000 in FY2026/27 and is then escalated by 3.0% annually thereafter.
3 - Professional Services are expected to decrease to $30,000 in FY2026/27 and are then escalated by 3.0% annually thereafter.
4 - Supplies & Materials is a new category that will be budgeted beginning in FY2026/27, per direction from City staff.
5 - FY2027/28, the City is expected to complete construction of a solar plant that will offset electricity costs of PG&E. City staff calculated that estimated electricity costs once the plant is completed will decrease to $200,000 per year.

3.3.3 Sewer Capital Improvement Plan

The City adopted a five year capital improvement plan which was developed by the City Engineer and spans FY2024/25 to FY2028/29. Based on estimates provided by the City Engineer and other City staff, the recommended projects from that plan which are yet to be completed were spread over the rate study period as detailed in Table 6. Project costs total about $7.8 million over the five-year period. Of this total, the largest share will go towards the annual sewer replacement project. The annual sewer replacement project was adopted to replace aging and failing sewer collection system infrastructure. This is meant to reduce maintenance as well as inflow and infiltration into the sewer collection system.

Table 6: Five-Year Capital Improvement Program

Project Number	Project Name	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total
SS-002-232	Annual Sewer Replacement Project	412,500	-	-	-	-	412,500
SS-002-233	Annual Sewer Replacement Project	-	-	191,700	2,204,200	-	2,395,900
SS-003	Annual Sewer Replacement Project	-	-	-	50,000	1,150,000	1,200,000
SS-023	WWTP - Clarifier Improvements	-	10,000	95,000	200,000	-	305,000
SS-024	Chlorine Contact Chamber Improvements	120,000	-	60,000	-	-	180,000
SS-025	Chemical Storage and Pipelines	-	140,000	60,000	-	-	200,000
SS-026	Sodium Bisulfite injection System Housing Structure	-	85,000	-	-	-	85,000
SS-027	Wastewater Treatment Plan Safety Improvements	30,000	-	-	-	-	30,000
SS-029	WWTP Upgrades	125,000	122,000	117,000	-	-	364,000
SS-030	Blower Building Improvements	40,000	-	-	-	-	40,000
SS-031	Clarifier Improvements	-	200,000	-	-	-	200,000
SS-032	Tertiary Filtration Structure Repairs	50,000	-	-	-	-	50,000
SS-033	WWTP Pond Liners	-	850,000	600,000	-	-	1,450,000
SS-034	WWTP SCADA and Admin Bldg Upgrade	45,000	-	-	-	-	45,000
	Annual Vehicle Replacement	165,000	165,000	165,000	165,000	165,000	825,000
	Total Sewer Projects	**987,500**	**1,572,000**	**1,288,700**	**2,619,200**	**1,315,000**	**7,782,400**

Source: City of Willows Five Year Capital Improvement Program Fiscal Years 2025-2029

3.3.4 Debt Service

In addition to operating and capital costs, the Sewer Fund is responsible for existing annual debt service costs. The City's one existing debt obligation totals about $540,000 per year. The City's existing debt was obtained in 2021 through certificates of participation for the 2021 Sewer System Financing Project. The final payment is expected in 2046. The 2021 certificates of participation provided funds to refinance improvements at the WWTP and, in particular, to provide for the refunding of certificates of participation that the City obtained in 2007 to upgrade the WWTP's treatment process from secondary to tertiary.

A chief covenant for the City to secure debt financing is to maintain a specific debt service coverage ratio. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. For the Sewer Fund, the debt service coverage ratio means that annual sewer net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all parity obligations. Failure to meet the debt service coverage ratio on an annual basis is considered to be technical default, thereby making the debt callable or payable upon demand. Thus, rates and fees must be set to meet this legal requirement. It is projected that the Sewer Fund will have sufficient debt coverage over each of the next five years.

3.4 Sewer Reserves

The current Sewer Fund cash reserve balance is estimated at about $1.6 million by City staff. It is recommended that the Sewer Fund maintain a balance equal to 50% of operating costs plus annual debt service costs plus $300,000 for an emergency capital reserve. Based on these calculations, the target reserve balance for FY2026/27 is $1.63 million. The projected ending fund balance for FY2026/27 is $1.59 million, which falls just under the target. It is projected that the City will spend down reserves in FY2027/28 and FY2029/30 as these are years with higher projected capital improvement costs identified in Table 6. By the end of FY2030/31, it is projected that the Sewer Fund will have a reserve balance of about $2.1 million, exceeding the target of about $1.7 million.

3.5 Sewer Cash Flow Projection

Table 7 provides the five-year cash flow spanning from FY2026/27 to FY2030/31. Over the five-year rate study period, a series of annual rate revenue increases are proposed to fund operating costs, capital costs, debt service costs, and maintain adequate reserves. The first three years of the rate plan, 10% annual increase are proposed. 5% annual increases are proposed in the last two years of the rate study period. The first rate increase is proposed to take effect August 1, 2026 with subsequent increases each July 1 from 2027 to 2030. The revenue increases shown in the cash flow projection reflect the percentage at which total annual revenues will increase.

Table 7: Cash Flow Projection

	Projected: Proposition 218 Period				
	FY2026/27	**FY2027/28**	**FY2028/29**	**FY2029/30**	**FY2030/31**
Rate Increase %	**10.0%**	**10.0%**	**10.0%**	**5.0%**	**5.0%**
Rate Increase Effective Date	Aug 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
Rate Revenues over 12 months	3,109,900	3,420,900	3,763,000	3,951,200	4,148,800
BEGINNING FUND BALANCE [1]	**$1,616,300**	**$1,694,000**	**$1,589,400**	**$2,067,300**	**$1,354,100**
REVENUES					
Sewer Service Fees [2]	3,086,300	3,420,900	3,763,000	3,951,200	4,148,800
Interest Income	100,000	100,000	100,000	100,000	100,000
Subtotal Revenues	3,186,300	3,520,900	3,863,000	4,051,200	4,248,800
					-
EXPENSES					
Operating Expenses					
Salaries & Benefits	349,000	359,500	370,300	381,400	392,800
Operations & Maintenance	510,800	407,900	420,100	432,700	445,600
Contract Operations	721,000	742,600	764,900	787,800	811,400
Subtotal Operating	1,580,800	1,510,000	1,555,300	1,601,900	1,649,800
Net Operating Revenues	1,605,500	2,010,900	2,307,700	2,449,300	2,599,000
Non-Operating Expenses					
CIP Projects	987,500	1,572,000	1,288,700	2,619,200	1,315,000
Existing Debt Service	540,300	543,500	541,100	543,300	539,900
Subtotal Non-Operating	1,527,800	2,115,500	1,829,800	3,162,500	1,854,900
Total Expenses	3,108,600	3,625,500	3,385,100	4,764,400	3,504,700
Total Net Revenues	77,700	(104,600)	477,900	(713,200)	744,100
ENDING FUND BALANCE	**$1,694,000**	**$1,589,400**	**$2,067,300**	**$1,354,100**	**$2,098,200**
Target Reserve Balance [3]	1,630,700	1,598,500	1,618,800	1,644,300	1,664,800
Target Met?	*yes*	*no*	*yes*	*no*	*yes*
Debt Service Coverage [4]	*2.97*	*3.70*	*4.26*	*4.51*	*4.81*

1 - Beginning Fund Balance provided by City Staff reflects estimated cash reserves in Sewer Enterprise Fund accounts.
2 - Projected sewer service fee earnings for FY2026/27 are prorated based on the August 1 implementation date. It is expected that the City will collect one month of revenues at the existing FY2025/26 rates, and 11 months of revenues at the proposed FY2026/27 rates.
3 - Annual target is 50% of operating expenses + total annual debt service + $300,000 for emergency capital reserve
4 - Net operating revenues divided by total debt service. Annual target is > 1.25

SECTION 4: SEWER COST ALLOCATION

The prior section determined the total cost of providing sewer service to customers. In this section, the cost of service is allocated to rates to fairly recover costs based on how customers use the system, and in any event not to exceed the proportional cost of the sewer service attributable to each parcel. The revenue requirements are collected from each class based on their estimated impact on the sewer system.

4.1 Methodology

The revenue requirements of the Sewer Fund and the determination of the sewer flows and loadings of the wastewater utility provide the basis for performing the cost of service analysis. The concept of proportionate allocation to each customer class indicates that allocations should take into consideration the quantity of effluent a customer contributes in addition to the strength of that sewer effluent.

The key factors used to assign sewer utility costs are estimated effluent (flow) going to the wastewater treatment plant and effluent strengths, measured in biochemical oxygen demand (BOD) and total suspended solids (TSS). Higher levels of BOD or TSS equate to increased treatment costs. The total revenue requirement shown in the sewer cash flow projection (Table 7) is the net cost of providing service and is allocated to the following categories: (1) customer service, (2) flow, (3) BOD and (4) TSS. These allocations are then used as the basis to develop unit rates for each of the four parameters and to assign costs to each customer class in proportion to the sewer services rendered.

4.2 Proposed Sewer Cost Allocation

Table 8 provides the results of the cost allocation analysis. Projected sewer operating expenses are allocated to the customer service, flow, BOD, and TSS parameters based on how the City incurs each cost with FY2026/27 serving as the test year. The customer service category is intended to recover costs associated with general utility management and administration that do not vary significantly with the amount of wastewater discharged into the sewer system. As a result, expenses such as staffing and insurance are allocated 100% to the customer service category. It is proposed that about $1.6 million of total costs be recovered through the customer service charge. Of the remaining costs, 68.42% of costs are allocated to flow, 15.79% to BOD, and 15.79% to TSS based on industry-typical methodology.

Table 8: Cost Allocation

	Projected FY2026/27	Customer Service	Flow	BOD	TSS
Operating Expenses					
Salaries & Benefits					
Overhead - General Fund	$269,000	100.0%	0.0%	0.0%	0.0%
New Staff Member	$80,000	100.0%	0.0%	0.0%	0.0%
Subtotal Salaries & Benefits	$349,000	$349,000	$0	$0	$0
Allocation %		*100.0%*	*0.0%*	*0.0%*	*0.0%*
Operations & Maintenance					
Insurance	$85,000	100.0%	0.0%	0.0%	0.0%
Clothing	$7,700	0.0%	60.0%	20.0%	20.0%
Fuel	$12,400	0.0%	60.0%	20.0%	20.0%
Professional Services	$30,000	40.0%	40.0%	10.0%	10.0%
Discharge Permit	$19,600	0.0%	60.0%	20.0%	20.0%
Supplies & Materials	$10,000	40.0%	40.0%	10.0%	10.0%
Vehicle Maintenance	$2,100	0.0%	60.0%	20.0%	20.0%
Equipment Maintenance	$30,900	0.0%	60.0%	20.0%	20.0%
PG&E	$309,000	0.0%	80.0%	10.0%	10.0%
Water & Sewer	$4,100	0.0%	80.0%	10.0%	10.0%
Subtotal O & M	$510,800	$101,000	$310,100	$49,900	$49,900
Allocation %		*19.8%*	*60.7%*	*9.8%*	*9.8%*
Contract Operations					
Plant Facility	$721,000	40.0%	40.0%	10.0%	10.0%
Subtotal Contract	$721,000	$288,400	$288,400	$72,100	$72,100
Allocation %		*40.0%*	*40.0%*	*10.0%*	*10.0%*
Non-Operating Expenses [1]					
Capital Projects	$1,556,500	40.0%	40.0%	10.0%	10.0%
Existing Debt Service	$541,600	40.0%	40.0%	10.0%	10.0%
Subtotal Non-Operating	$2,098,100	$839,200	$839,200	$209,800	$209,800
Allocation %		*40.0%*	*40.0%*	*10.0%*	*10.0%*
TOTAL EXPENSES	**$3,678,900**	**$1,577,600**	**$1,437,700**	**$331,800**	**$331,800**
Proposed Allocation %			**68.42%**	**15.79%**	**15.79%**

1 - Average 5-year costs

SECTION 5: SEWER RATE DESIGN

The cost of service allocation calculated the revenue requirements for the cost parameters of customer service, flow, BOD, and TSS. The next step is rate design which determines how those revenue requirements are collected from each class based on their estimated impact on the sewer system.

5.1 Sewer Rate Design

As part of the rate study process, the City reviewed its current rate structure. Sewer rates in California are typically charged as either a fixed rate per equivalent dwelling unit (EDU), a volume rate charged per unit of wastewater flow, or as a combination of both fixed and volume rates. The City's current rate structure includes fixed charges per dwelling unit for single family and multi-family residential customers. All non-residential customers are billed a uniform fixed charge per account. In addition, non-residential customers are billed a volumetric charge based on customer class as determined by land use. The volumetric charge is applied to average monthly winter water use measured from December through February of each year.

It is proposed that residential customers continue to be billed fixed monthly charges. However, it is proposed that estimated sewer flows be updated based on more recent data. As a result, multi-family fixed charges are proposed to increase to a greater degree compared to other customer classes. It is proposed that the non-residential categories be reduced from eight to three, consisting of low pollutant strength, medium strength, and high strength. Proposed non-residential customer classifications are detailed in Table 9.

Table 9: Proposed Non-Residential Sewer Categories

Proposed Category	Current Customer Class
Low	Car washes, Laundries
Medium	Hospitals, Rest Homes, Jails, Motels & Hotels, & Other Commercial customers
High	Markets, Morgues, Restaurants & Bakeries

It is proposed that the non-residential volumetric charges continue to be billed based on average winter water use. However, it is also proposed that the fixed charge for each of the three proposed customer classes include the first 8 hcf of monthly sewer flows. 8 hcf was determined to be an appropriate threshold for the fixed charge as that is the typical single family flow and represents a minimum amount of capacity that the City maintains in the sewer system for each customer. Non-residential flow over the first 8 hcf is proposed to be billed the volumetric rates.

For residential customers, fixed sewer charges provide revenue stability, are easy for customers to understand, and are straightforward to bill. Moreover, residential customers are a relatively homogeneous group with no significant variations in sewage strength between different types of homes, and peak water usage by residential customers tends not to affect sewer discharge because it occurs in summer months for irrigation needs. By contrast, non-residential sewer flow varies widely based on the type and size of business and strength characteristics vary significantly between different types of businesses (i.e., an office versus a restaurant). Thus, including a variable component per unit of water used is an appropriate rate structure for non-residential customers.

5.1.1 Number of Billing Units

The number of billing units for rate design purposes is estimated in Table 10 on the following page based on the City's most recent billing data available for each customer class. The City provides service to about 2,600 accounts or about 3,300 units. The number of units is larger than the number of accounts because the multi-family residential customer class is billed per dwelling unit rather than per account. For example, one duplex would be counted as one account but two units for the purposes of billing and rate design. To be conservative, it is estimated that no new customers will connect to the system over the next five years.

Table 10: Number of Accounts and Dwelling Units

Customer Class	No. of Accounts [1]	% of Total	No. of Units [1]	% of Total
Residential Customers				
Single Family Residential	2,029	77.1%	2,029	61.3%
Multi-Family Residential	78	3.0%	740	22.3%
Subtotal Residential	2,107	80.1%	2,769	83.6%
Non-residential Customers				
Car Wash	2	0.1%	2	0.1%
Hospital & Rest Home	7	0.3%	7	0.2%
Jail	0	0.0%	0	0.0%
Laundry	1	0.0%	1	0.0%
Market & Morgue	16	0.6%	16	0.5%
Motel & Hotel	8	0.3%	8	0.2%
Restaurant & Bakery	20	0.8%	20	0.6%
Other Commercial	191	7.3%	191	5.8%
Subtotal Commercial	245	9.3%	245	7.4%
Northeast Willows				
Single Family Residential	259	9.8%	259	7.8%
Multi-Family Residential	16	0.6%	35	1.1%
Commercial	4	0.2%	4	0.1%
Subtotal Northeast Willows	279	10.6%	298	9.0%
Total	**2,631**	**100.0%**	**3,312**	**100.0%**

1 - The number of accounts and units is taken from the City's residential tax roll data from FY2024/25, commercial billing data from FY2025/26, and Northeast Willows tax roll data from FY2025/26.

5.1.2 Sewer Flow & Loading Estimates

The sewer flows and strength and loading characteristics for each type of customer are estimated in Table 11. Annual wastewater flow is expressed in hundred cubic feet (hcf) and gallons per year and pollutant strength is expressed in terms of milligrams per liter (mg/L) of biochemical oxygen demand (BOD) and total suspended solids (TSS). The City does not directly meter the sewer flow of individual utility accounts. However, winter water use can be used as a proxy for sewer flow. Total estimated flow is based on estimated flows of 8 hcf for single family residential customers and 6 hcf for multi-family residential customers based on water usage patterns in the region. Non-residential flows are based on average winter water use from December to February as measured in the City's recent billing records. The concentrations of BOD and TSS for each customer class are based on industry standard estimates.

Table 11: Sewer Flows & Loading Characteristics

Customer Class	Annual Flow (hcf) [1]	Wastewater Strength		Wastewater Loadings		
		BOD (mg/L)	TSS (mg/L)	Flow (gal/yr)	BOD (lbs/yr)	TSS (lbs/yr)
Residential Customers						
Single Family Residential	194,784	250	250	145,698,432	303,781	303,781
Multi-Family Residential	53,280	250	250	39,853,440	83,094	83,094
Non-residential Customers (with 8 hcf minimum) [2]						
Low Strength	2,049	150	150	1,532,652	1,917	1,917
Medium Strength	44,583	250	250	33,348,084	69,531	69,531
High Strength	16,009	800	550	11,974,732	79,895	54,928
Northeast Willows						
Single Family Residential	24,864	250	250	18,598,272	38,777	38,777
Multi-Family Residential	2,520	250	250	1,884,960	3,930	3,930
Other Commercial	480	250	250	359,040	749	749
Total	**338,569**			**253,249,612**	**581,675**	**556,708**

1 - Total estimated flow is based on estimated flows of 8 hcf per month for single family residential, 6 hcf per month for multi-family residential. Non-residential flows are based on billed flows from FY2025/26, adjusted to account for proposed 8 hcf minimum charge. Reflects estimated conservation + some delinquency.

2 - Non-residential customers are classified as follows:

Low Strength = existing Car Wash and Laundry customers

Medium Strength = existing Hospital & Rest Home, Jail, Motel & Hotel, & Other Commercial customers

High Strength = existing Market & Morgue, Restaurant & Bakery customers

5.2 Sewer Rate Derivation

As noted in the cost allocation, sewer rates are determined based on customer service costs as well as the amount of wastewater flow and pollutants discharged into the sewer system. Table 12 calculates the total FY2026/27 revenue requirement for each cost category based on the allocations developed in Table 8. The total amount of proposed rate revenue for one full year under the proposed rates (taken from Table 7) is divided between the categories based on the total customer service revenue requirement and the remaining percentages required for the flow, BOD, and TSS categories (all taken from Table 8).

Table 12: FY2026/27 Sewer Rate Revenue Requirement Allocation

	Cost Allocation %	FY2026/27 Revenue Requirement
Total Revenue Requirement [1]		$3,109,900
Customer Service		$1,577,600
Flow and Strength [2]		$1,532,300
Flow and Strength Allocation		
Flow	68.42%	$1,048,393
BOD	15.79%	$241,954
TSS	15.79%	$241,954
Total Flow and Strength		$1,532,301

1 - From Cash Flow; Revenues over 12 months

2 - Calculated as the Total Revenue Requirement less the Customer Service Requirement (from Table 8)

The revenue requirements from Table 12 are used in Table 13 to calculate the unit cost for the customer service, flow, BOD, and TSS cost categories. The revenue requirement for each category is then divided by the appropriate billing units to calculate a unit charge. The number of billing units for flow, BOD, and TSS is taken from Table 11. The number of billing units for the customer service category is taken from Table 10.

Table 13: FY2026/27 Unit Cost Calculation

Cost Allocation	Cust. Serv.	Flow	BOD	TSS
FY2026/27 Revenue Requirement	$1,577,600	$1,048,393	$241,954	$241,954
Billing Units	3,312 # of units	338,569 hcf/year	581,675 lbs/year	556,708 lbs/year
Rate	$39.69 $/unit	$3.10 $/hcf	$0.42 $/lb	$0.43 $/lb

The sewer flow charges for each class are derived in Table 14 based on the flow, BOD, and TSS unit costs shown in Table 13. The cost per hcf for flow is the same for all customer classes regardless of sewage strength, but the costs per hcf for BOD and TSS increase as sewage strength increases. The strength characteristics shown in Table 11 for each customer class are applied to the BOD and TSS unit costs from Table 13 to calculate a strength charge per hcf. The total proposed flow charge is the sum of the flow, BOD, and TSS rate for each strength category.

Table 14: FY2026/27 Flow Charge Derivation

	Flow (hcf)	BOD (lbs)	TSS (lbs)	Total Flow Charge ($/hcf)
Unit Cost	$3.10	$0.42	$0.43	
Low Strength	$3.10	$0.39	$0.40	$3.89
Medium Strength	$3.10	$0.66	$0.67	$4.43
High Strength	$3.10	$2.10	$1.48	$6.68

Commercial customers are classified as follows:

- Low Strength = existing Car Wash and Laundry customers
- Medium Strength = existing Hospital & Rest Home, Jail, Motel & Hotel, & Other Commercial customers
- High Strength = existing Market & Morgue, Restaurant & Bakery customers

The fixed fee or base fee is derived by multiplying the flow rates shown in Table 14 by the amount of flow included in the fixed or base fee for each customer type. The customer service charge per month is then added to derive the total monthly rate or base fee. Single family residential customers are estimated to have 8 hcf of monthly sewer flow while multifamily customers are estimated to have 6 hcf of monthly sewer flow. All residential customers are proposed to be billed fixed fees only. The base fees for all non-residential customer classes are proposed to include the first 8 hcf.

Table 15: FY2026/27 Fixed Sewer Fee Derivation

Customer Class	Customer Service Charge ($/mo)		Flow (hcf)		Flow Charge ($/hcf)		Total Monthly Rate or Base Fee
Single Family Residential	$39.69	+	8	x	$4.43	=	$75.13
Multi-Family Residential	$39.69	+	6	x	$4.43	=	$66.27
Low Strength Non-Residential	$39.69	+	8	x	$3.89	=	$70.81
Medium Strength Non-Residential	$39.69	+	8	x	$4.43	=	$75.13
High Strength Non-Residential	$39.69	+	8	x	$6.68	=	$93.13

5.3 Proposed 5-Year Schedule of Sewer Rates

The proposed five-year rate plan is summarized in Table 16. All customers are proposed to be charged according to the proposed rate schedule shown. As described in the previous sections of this report, the rates have been calculated in this study to produce rates that will be necessary to recover only the actual cost of the sewer service per parcel under the proposed sewer rates. The first rate change is proposed to take effect on August 1, 2026, with subsequent increases each July 1 from 2027 through 2030. For any additional connections built out in the City, the sewer service fees in Table 16 will also apply to them.

August 1, 2026, although the proposed revenue increase is 10%, the rate impacts to each customer will not exactly equal 10% due to the revised flow estimates and proposed rate design changes including the consolidation of the non-residential customer categories and the proposed minimum flow included in the non-residential base fee. Sewer bill impacts are described in more detail in the following section.

Table 16: Proposed 5-Year Schedule of Monthly Sewer Rates

Current		Proposed					
Customer Class	*July 1, 2025*	**Customer Class**	*August 1, 2026*	*July 1, 2027*	*July 1, 2028*	*July 1, 2029*	*July 1, 2030*
Residential Fixed Charge		**Residential Fixed Charge per dwelling unit**					
Single Family	$74.24	Single Family	$75.13	$82.64	$90.90	$95.45	$100.22
Multi-Family (per unit)	$42.93	Multi-Family	$66.27	$72.90	$80.19	$84.20	$88.41
Commercial Fixed Charge		**Non-Residential Base Fee (includes up to 8 hcf of sewer flow)**					
Commercial	$87.62	Low Strength	$70.81	$77.89	$85.68	$89.96	$94.46
		Medium Strength	$75.13	$82.64	$90.90	$95.45	$100.22
		High Strength	$93.13	$102.44	$112.68	$118.31	$124.23
Commercial Volumetric Charge		**Volumetric Charge for Non-residential Flow Over Base ($/hcf above 8 hcf) [1]**					
Car Wash	$3.65	Low Strength	$3.89	$4.28	$4.71	$4.95	$5.20
Laundry	$4.07						
Hospital & Rest Home	$4.37	Medium Strength	$4.43	$4.87	$5.36	$5.63	$5.91
Motel & Hotel	$4.73						
Jail	$5.50						
Other Commercial	$5.50						
Market & Morgue	$8.89	High Strength	$6.68	$7.35	$8.09	$8.49	$8.91
Restaurant & Bakery	$9.53						

1 - Per hundred cubic feet (hcf). 1 hcf = 748 gallons. Applied to average monthly winter water use measured from December through February each year.

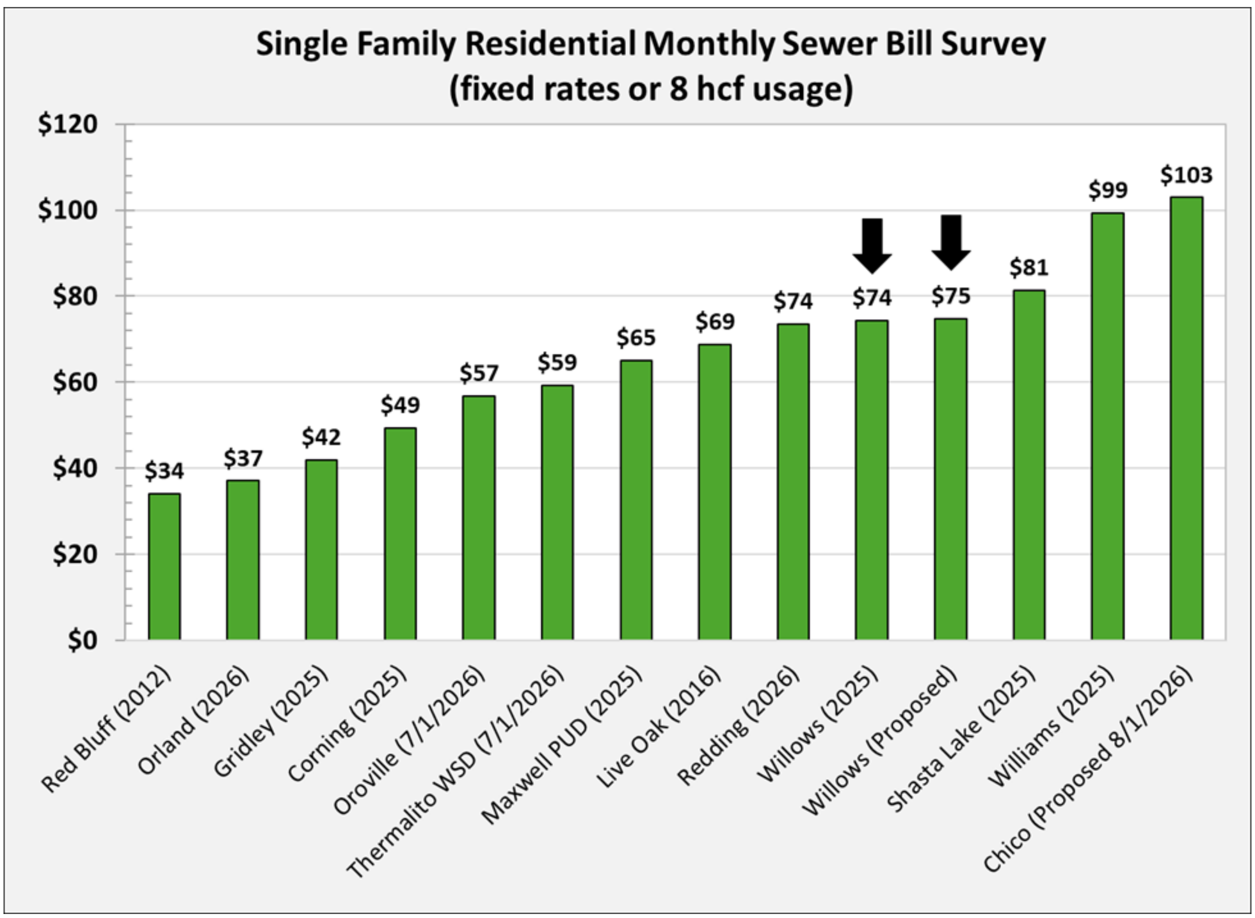
5.4 Sewer Bill Impacts

For FY2026/27, the proposed 10% revenue adjustment in the cash flow will not directly correlate with a 10% increase in the monthly bill for each customer due to revised flow estimates and the proposed rate structure changes. The City's total annual revenue collected from rates is proposed to increase by 10%, but the bill impact to each customer will vary based on customer class.

5.4.1 Residential Bill Impacts

Under the proposed August 1, 2026 rates, the monthly sewer bill for each single family residential customer will increase from $74.24 to $75.13, an increase of $0.89. Figure 3 provides a rate survey illustrating how the current and proposed monthly bills compare to the corresponding bills for other local agencies. After the proposed bill increase, the City's monthly bill would remain on the high end of the surveyed agencies. The rates shown for other local agencies are based on the most current publicly available information at the time of writing this report. The date of the most recently adopted or proposed rate increase is denoted in parentheses for each agency. It is likely that many of these agencies will implement rate increases over the next five years.

Figure 3: Monthly Sewer Bill Survey



PUD – Public Utility District; WSD – Water and Sewer District

5.4.2 Non-Residential Bill Impacts

The tables on the following pages provide sample bill impacts for non-residential customers. Table 17 provides sample bill impacts for low strength customers, Table 18 provides sample bill impacts for medium strength customers, and Table 19 provides sample bill impacts for high strength customer categories. It should be noted that sample bills are based on estimated flows or average usage, and actual customer bills will vary based on actual flows.

The City's most common non-residential customer is currently served by the Other Commercial category and discharges 15 hcf of sewer flow. Under current rates, the monthly bill for this customer is $170.12. After the proposed August 1, 2026 rate changes, this customer will be served by the Medium Strength Non-Residential category and will be billed $106.14 per month, a reduction of $63.98 per month from current rates, see Table 18.

Table 17: Sample Low Strength Non-Residential Bill Impacts

Current Bill	Rate		Count	Total Monthly Bill	Proposed Bill	Rate		Count	Total Monthly Bill
Car Wash (8 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$3.89	x	8	$31.12
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$70.81
Volumetric Charge	$3.65	x	8	$29.20	Flow Above Minimum	$3.89	x	0	$0.00
Total Monthly Bill				**$116.82**	**Total Monthly Bill**				**$70.81**
					$ Change				*-$46.01*
					% Change				*-39.4%*
Laundry (8 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$3.89	x	8	$31.12
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$70.81
Volumetric Charge	$4.07	x	8	$32.56	Flow Above Minimum	$3.89	x	0	$0.00
Total Monthly Bill				**$120.18**	**Total Monthly Bill**				**$70.81**
					$ Change				*-$49.37*
					% Change				*-41.1%*
Car Wash (52 hcf - average use)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$3.89	x	8	$31.12
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$70.81
Volumetric Charge	$3.65	x	52	$189.80	Flow Above Minimum	$3.89	x	44	$171.16
Total Monthly Bill				**$277.42**	**Total Monthly Bill**				**$241.97**
					$ Change				*-$35.45*
					% Change				*-12.8%*
Laundry (75 hcf - average use)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$3.89	x	8	$31.12
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$70.81
Volumetric Charge	$4.07	x	75	$305.25	Flow Above Minimum	$3.89	x	67	$260.63
Total Monthly Bill				**$392.87**	**Total Monthly Bill**				**$331.44**
					$ Change				*-$61.43*
					% Change				*-15.6%*

Table 18: Sample Medium Strength Non-Residential Bill Impacts

Current Bill	Rate		Count	Total Monthly Bill	Proposed Bill	Rate		Count	Total Monthly Bill
Rest Home (8 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$4.43	x	8	$35.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$75.13
Volumetric Charge	$4.37	x	8	$34.96	Flow Above Minimum	$4.43	x	0	$0.00
Total Monthly Bill				**$122.58**	**Total Monthly Bill**				**$75.13**
					$ Change				*-$47.45*
					% Change				*-38.7%*
Other Commercial (8 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$4.43	x	8	$35.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$75.13
Volumetric Charge	$5.50	x	8	$44.00	Flow Above Minimum	$4.43	x	0	$0.00
Total Monthly Bill				**$131.62**	**Total Monthly Bill**				**$75.13**
					$ Change				*-$56.49*
					% Change				*-42.9%*
Other Commercial (15 hcf - average use)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$4.43	x	8	$35.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$75.13
Volumetric Charge	$5.50	x	15	$82.50	Flow Above Minimum	$4.43	x	7	$31.01
Total Monthly Bill				**$170.12**	**Total Monthly Bill**				**$106.14**
					$ Change				*-$63.98*
					% Change				*-37.6%*
Other Commercial (38 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$4.43	x	8	$35.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$75.13
Volumetric Charge	$5.50	x	38	$209.00	Flow Above Minimum	$4.43	x	30	$132.90
Total Monthly Bill				**$296.62**	**Total Monthly Bill**				**$208.03**
					$ Change				*-$88.59*
					% Change				*-29.9%*

Table 19: Sample High Strength Non-Residential Bill Impacts

Current Bill	Rate		Count	Total Monthly Bill	Proposed Bill	Rate		Count	Total Monthly Bill
Restaurant (8 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$6.68	x	8	$53.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$93.13
Volumetric Charge	$9.53	x	8	$76.24	Flow Above Minimum	$6.68	x	0	$0.00
Total Monthly Bill				**$163.86**	**Total Monthly Bill**				**$93.13**
					$ Change				*-$70.73*
					% Change				*-43.2%*
Market (8 hcf)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$6.68	x	8	$53.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$93.13
Volumetric Charge	$8.89	x	8	$71.12	Flow Above Minimum	$6.68	x	0	$0.00
Total Monthly Bill				**$158.74**	**Total Monthly Bill**				**$93.13**
					$ Change				*-$65.61*
					% Change				*-41.3%*
Restaurant (32 hcf - average use)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$6.68	x	8	$53.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$93.13
Volumetric Charge	$9.53	x	32	$304.96	Flow Above Minimum	$6.68	x	24	$160.32
Total Monthly Bill				**$392.58**	**Total Monthly Bill**				**$253.45**
					$ Change				*-$139.13*
					% Change				*-35.4%*
Market (42 hcf - average use)									
					Customer Service Charge	$39.69	x	1	$39.69
					Flow and Strength Minimum	$6.68	x	8	$53.44
Fixed Charge	$87.62	x	1	$87.62	Subtotal Base Fee				$93.13
Volumetric Charge	$8.89	x	42	$373.38	Flow Above Minimum	$6.68	x	34	$227.12
Total Monthly Bill				**$461.00**	**Total Monthly Bill**				**$320.25**
					$ Change				*-$140.75*
					% Change				*-30.5%*

Date:	July 14, 2026
To:	Honorable Mayor and Councilmembers
From:	Joe Bettencourt, Community Development and Services Director Marti Brown, City Manager
Subject:	Mobile Food Truck Moratorium – Interim Urgency Ordinance

Recommendation:

Hold a public hearing and adopt an interim urgency ordinance extending Ordinance No. 765-2025, which established a temporary moratorium on new mobile food truck applications in all zoning districts within the City of Willows.

Rationale for Recommendation:

To maintain the status quo while the City continues reviewing and updating Chapter 18 of the Willows Municipal Code to clarify definitions, zoning requirements, operating standards, and appropriate locations for mobile food truck operations.

Background:

On May 6, 2025, the Planning Commission held a public hearing and adopted a resolution recommending that the City Council modify and approve the proposed moratorium ordinance. The Planning Commission recommended adding language providing that the moratorium would remain in effect for 12 months or until adoption of the revised Chapter 18 of the Willows Municipal Code, whichever occurs first.

On May 27, 2025, the City Council conducted the first reading of the ordinance by title only and directed staff to return with the ordinance for second reading and adoption. On June 17, 2025, the City Council adopted Ordinance No. 765-2025 establishing a temporary moratorium on new mobile food truck applications in all zoning districts within the City.

Discussion & Analysis:

The City continues to work on clarifying how mobile food truck operations are defined, reviewed, and regulated. The Willows Municipal Code currently includes language related to outside sales and transient or mobile business operations, but the existing provisions do not clearly address the range of modern mobile food truck operations, including mobile food facilities, single operating site mobile food facilities, and compact mobile food operations. This has created uncertainty regarding where these uses should be allowed, what entitlement process should apply, and what operational standards should be required.

Additional mobile food truck approvals before completion of the code update could result in inconsistent land use decisions and may create or worsen concerns related to public health, safety, traffic circulation, pedestrian access, parking, sanitation, aesthetics, and compatibility with surrounding uses. The interim urgency ordinance is intended to prevent new entitlements from being accepted, processed, approved, or issued while the City completes its review and prepares appropriate zoning regulations.

The proposed urgency ordinance does not prohibit existing mobile food trucks from continuing operations under valid City permits or entitlements, provided they remain in compliance with all applicable requirements. The ordinance is limited to new applications, permits, licenses, use permits, or other entitlements for mobile food truck operations during the 45-day period.

Consistency with Council Priorities and Goals:

This action aligns with City Council Priority #2: Economic Development, Goal #3: Complete a code update to promote business opportunities.

Fiscal Impact:

There is no direct fiscal impact associated with adoption of the interim urgency ordinance.

Attachment:

- Attachment 1: Mobile Food Truck Moratorium - Interim Urgency Ordinance

City of Willows
Ordinance XX-2026

AN URGENCY INTERIM ORDINANCE OF THE WILLOWS CITY COUNCIL IMPOSING A 45-DAY TEMPORARY MORATORIUM ON NEW MOBILE FOOD TRUCK APPLICATIONS IN THE CITY OF WILLOWS

WHEREAS, the City Council previously adopted Ordinance No. 765-2025 establishing a temporary moratorium on new mobile food truck applications while the City studied appropriate zoning requirements; and

WHEREAS, the City continues to study and prepare amendments to Chapter 18 of the Willows Municipal Code to clarify the definition, permitted locations, entitlement process, and operating standards for mobile food truck operations; and

WHEREAS, the City Council finds that the approval of additional permits, licenses, use permits, building permits, business licenses, or other entitlements for new mobile food truck operations before completion of the City's study and zoning update may conflict with the contemplated zoning proposal and may result in inconsistent land use decisions; and

WHEREAS, the City Council further finds that additional approvals during the study period would create a current and immediate threat to the public health, safety, and welfare by potentially increasing unresolved impacts related to traffic circulation, parking, pedestrian access, sanitation, aesthetics, and compatibility with surrounding uses; and

WHEREAS, Government Code Section 65858 authorizes the City Council, by a four-fifths vote and without following the procedures otherwise required before adoption of a zoning ordinance, to adopt an urgency interim ordinance prohibiting uses that may be in conflict with a contemplated zoning proposal that the City is considering or studying or intends to study within a reasonable time; and

WHEREAS, the City Council held a duly noticed public hearing on July 14, 2026, to consider this urgency interim ordinance; and

WHEREAS, the City Council finds that this urgency interim ordinance is necessary to protect the public health, safety, and welfare while the City continues to evaluate and prepare appropriate zoning regulations for mobile food truck operations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLOWS DOES ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS.
The City Council finds and determines that the foregoing recitals are true and correct and are incorporated herein by this reference.

The City Council further finds that there is a current and immediate threat to the public health, safety, and welfare, and that the acceptance, processing, approval, or issuance of additional permits, licenses, use permits, building permits, business licenses, or other entitlements for new mobile food truck operations before completion of the City's study and zoning update would result in that threat to public health, safety, and welfare.

SECTION 2. TEMPORARY MORATORIUM.
A temporary moratorium is hereby imposed on the acceptance, processing, approval, or issuance of new applications, permits, licenses, use permits, building permits, business licenses, or other entitlements for new mobile food truck operations in all zoning districts within the City of Willows.

During the effective period of this ordinance, no City officer, employee, department, commission, or body shall accept, process, approve, or issue any new application, permit, license, use permit, building permit, business license, or other entitlement for a new mobile food truck operation within the City of Willows.

SECTION 3. EXISTING MOBILE FOOD TRUCKS.
This ordinance shall not prohibit existing mobile food trucks operating under valid City permits, licenses, or entitlements from continuing to operate, provided such operations remain in compliance with all applicable federal, state, county, and City requirements and all conditions of approval or permit requirements applicable to the operation.

Nothing in this ordinance shall be construed to legalize any existing operation that is operating without required permits, licenses, approvals, or entitlements.

SECTION 4. STUDY AND ZONING UPDATE.
During the effective period of this ordinance, the City shall continue to study and prepare appropriate amendments to Chapter 18 of the Willows Municipal Code, including but not limited to definitions, zoning districts, entitlement requirements, development standards, operating standards, and other regulations applicable to mobile food truck operations.

SECTION 5. DURATION.
This urgency interim ordinance shall take effect immediately upon adoption by a four-fifths vote of the City Council and shall remain in effect for 45 days from the date of adoption, through August 27, 2026, unless extended in accordance with Government Code Section 65858. This ordinance shall be of no further force or effect after that date unless lawfully extended.

SECTION 6. WRITTEN REPORT.
If staff determines that an extension of this urgency interim ordinance is necessary, the City Council shall issue, at least 10 days prior to the expiration of this ordinance, a written report describing the

measures taken to alleviate the condition that led to the adoption of this ordinance, as required by Government Code Section 65858.

SECTION 7. CEQA.
The City Council finds that this urgency interim ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3), the common sense exemption, because it can be determined with certainty that the temporary moratorium will not have a significant effect on the environment.

SECTION 8. REPEAL. For the duration of this Ordinance, all ordinances, resolutions, policies, regulations, or portions thereof that conflict with this Ordinance are hereby suspended or superseded to the extent of such conflict. Except as expressly provided herein, all other provisions of the Willows Municipal Code shall remain in full force and effect.

SECTION 9. SEVERABILITY.
If any section, subsection, sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof regardless of whether any one or more portions may be declared invalid or unconstitutional.

SECTION 10. EFFECTIVE DATE
This urgency interim ordinance is adopted pursuant to Government Code Section 65858 and shall take effect immediately upon adoption by at least a four-fifths vote of the City Council.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Willows this 14 day of July 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

____
Evan Hutson, Mayor

ATTESTED:

____
Karleen Price, City Clerk

DISCUSSION & ACTION CALENDAR

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Nathan Monck, Fire Chief
Marti Brown, City Manager

Subject: Surplus Police Equipment Purchase

Recommendation:

Authorize the City Manager, or her designee, to purchase and accept transfer of three surplus police vehicles and other assorted police equipment from the City of Orland for a cost not to exceed $5,003.

Rationale for Recommendation:

Since the City plans to re-establish its municipal police department, the City will need to procure essential law enforcement equipment. Purchasing functional surplus equipment at a substantially reduced cost provides an opportunity to reduce startup expenses, avoid lengthy procurement timelines, and ensure critical equipment is available for immediate deployment.

Background:

Many of the items required for a police department to function have both a significant cost to procure and lengthy timelines for delivery. The City of Orland has offered to transfer three surplus Crown Victoria patrol vehicles to the City of Willows for nominal consideration of $1.00 per vehicle and has also offered to sell its surplus inventory of TASER X26P conducted energy weapons and related equipment at a substantially discounted price. This unique opportunity to acquire operational equipment at a fraction of its replacement cost while preserving flexibility will expedite the City's ability to re-establish its municipal police department.

Discussion & Analysis:

The three surplus patrol vehicles allow the city to bypass costly procurement and delivery timelines for patrol vehicles in the interim and provide the City with an economical foundation for establishing an initial patrol fleet. These vehicles would also serve as reserve patrol vehicles as the City begins to expand its patrol fleet. The City of Orland has also offered to include surplus equipment designed for vehicles such as spare light bars, emergency systems and parts. The patrol vehicles will require agency graphics (e.g., paint, vinyl wrap), installation of prisoner transport partitions (e.g., cages), patrol rifle locking systems, and other agency-specific equipment. These vehicles have functioning light bars, sirens and radio equipment. The City of Willows' mechanic has inspected the vehicles and states that they are of sufficient mechanical soundness to be incorporated back into a police patrol capacity. The replacement cost of these vehicles and equipment with comparable new or currently marketed equipment would exceed $70,000, representing significant cost savings to the City.

The tasers being offered are a model which is still supported and sold by the manufacturer. Items included are: 12-X26P Tasers (Attachment 1), holsters, training cartridges, live cartridges, programing cable and needed software. This equipment is conservatively valued at $25,000 - $30,000.

Procurement of these items will help streamline the work that needs to be done by the City of Willows in order to start the police department. Both proposed procurements represent significant cost savings to the City of Willows. These items are not intended to be the only equipment that the police department will need; however, they will fill part of the immediate need when a Police Chief is hired.

Consistency with Council Priorities and Goals:

The proposed purchase of the surplus police department equipment is consistent with the Councils stated goal of fiscal stability and public safety.

Fiscal Impact:

The total purchase price for the three surplus patrol vehicles is $3.00 (e.g., $1.00 per vehicle). The purchase price for the TASER X26P equipment package is $5,000 for a total of $5,003.

Staff estimates approximately $25,000 will be required to prepare the vehicles for patrol service, including installation of agency graphics, prisoner transport partitions (e.g., cages), patrol rifle locking systems, and other agency-specific equipment.

Attachments:

- Attachment 1: Taser Product Information

Attachment 1

THE X26P: SMART IMPROVEMENTS FOR A SMART CHOICE

X26P

Enhanced features in a compact size

THE ORIGINAL X26E MADE BETTER

All-Digital Platform | Lightweight and Easy to Carry

Produced with superior quality and reliability in mind, the TASER X26P is a dependable piece of law enforcement equipment that's been improved inside and out. Our Smart Weapon platform enables advanced capabilities like charge metering and self-diagnostics, making our devices safer and more effective than ever.

casales@axon.com ca.axon.com/X26P

X26P FEATURES AND BENEFITS

COMPACT SIZE: Comparable in size and weight to the original X26E device.

CROSS-FUNCTIONAL PERFORMANCE: Compatible with the TASER X2's firmware, batteries, TASER CAM HD & Data Download.

CHARGE METERING: Designed to optimize the amount of current delivered.

PERFORMANCE POWER MAGAZINE: Offers 350 more firings than the original X26E DPM.

APPM*: Provides an audible alert and shuts off the discharge cycle automatically after 5 seconds.

WEATHER RESISTANCE: Holds up better to rain, humidity and other elements.

SELF-DIAGNOSTICS: Complex analysis of the weapon's internal systems.

INTERNET UPDATES: Firmware updates over the internet (no need to take units off the streets).

EVIDENCE.COM INTEGRATION: Manage weapon data for free with Evidence Lite.

X26P SPECIFICATIONS

WEATHER RESISTANCE IPX2-MIL-STD 810F method 506.4 procedure 1 (rain & blowing)

HOUSING High-impact polymer

POWER ACTIVATION Ambidextrous safety switch

OPERATING TEMPERATURE - 4° F to 122° F [-20° C to 50° C]

STORAGE TEMPERATURE - 4° F to 122° F [-20° C to 50° C]

DROP TEST 6 feet

HUMIDITY 80% non-condensing

WARRANTY 1 year from date of receipt

ESTIMATED USEFUL LIFE Approximately 5 years

*APPM - Automatic shut-down Performance Power Magazine

Date: July 14, 2026

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager
Karleen Price, City Clerk/Assistant to the City Manager

Subject: City Council Vacancy and Appointment Process

Recommendation:

Receive the staff report, consider the available options for filling the City Council vacancy, and direct staff to proceed with the appointment process.

Rationale for Recommendation:

On Wednesday, July 1, 2026, former Councilmember Matt Busby resigned from Willows City Council leaving a vacancy on the Council.

Background:

On July 1, 2026, former Councilmember Matt Busby notified the City Council and staff that he was resigning from the City Council effective immediately.

According to Government Code section 36512(b), if a vacancy occurs in an elective office, the City Council must, within 60 days of the commencement of the vacancy, either fill the vacancy by appointment or call a special election. Because the statutory deadline to call the November 3, 2026, election has already passed, the next available regularly established election date for a special election is March 2, 2027.

Because the vacancy occurred during the second half of the current term of office, if appointed, an appointee would serve the remainder of the unexpired term pursuant to Government Code section 36512(b)(2)(B).

Staff recommend filling the vacancy by appointment to restore the City Council to its full five-member Council as soon as practicable. Filling the vacancy by appointment will ensure the Council has full representation to conduct City business during the remainder of the term. In contrast, calling a special election would leave the Council with a vacant seat for several months and require the City to conduct a standalone special election at an additional cost of approximately $10,000 to $20,000. The exact cost of a special election cannot be determined in advance of the election.

Discussion & Analysis:

Consistent with Government Code Section 36512(b), the City Council has 60 days from the commencement of the vacancy on July 1, 2026, to complete one of the following courses of action:

1. Appoint someone to fill the vacancy; or
2. Call a special election to fill the vacancy on the next available regularly established election date of March 2, 2027 and leave the position vacant for the next eight months.

Council Appointment Process:

Should the Council wish to appoint someone to the City Council, there is broad discretion to determine the process for making an appointment, provided it is completed within the statutory 60-day period. Options available to the City Council include, but are not limited to, the following:

- Accept nominations and appoint a nominee.
- Consider appointing the highest non-elected vote-getter from the November 2024 General Municipal Election.
- Invite applications from individuals who participated in the November 2024 General Municipal Election or the City's most recent appointment process.
- Initiate an open call for applications to all eligible and interested parties and appoint an applicant.

In the event of a call for applications and to adhere to the timeline established in Government Code Section 36512(b) for filling council vacancies, the proposed timeline for the appointment process is as follows:

1. **July 15 – August 7, 2026:** Accept applications.
2. **August 18, 2026 (Special Meeting):** Conduct interviews, deliberate, and appoint the successful applicant.
3. **August 25, 2026 (Regular Meeting)** – Administer the oath of office and seat the newly appointed Councilmember.

Fiscal Impact:

There is no significant fiscal impact associated with conducting an appointment process. Should the City Council call a special election, the City would incur election costs. The Glenn County Elections Office does not provide advanced cost estimates for special elections. The actual cost will depend on the timing of the election and the final allocation of election expenses by the Glenn County Elections Office.

Attachment:

- Attachment 1: Proposed Draft City Council Application

Willows City Council
Application For Appointment to the Unexpired Term ending November 2028

Application Requirements:

Applicants must submit:
- Completed Application
- Current Resume
- Two documents establishing residency within the City of Willows (examples include a California driver's license or identification card, utility bill, cable or internet bill, lease agreement, voter registration confirmation or other official documentation).

Applicants must be registered voters of the City of Willows and otherwise qualified to hold elective office pursuant to Government Code section 36502 and Elections Code section 201.

Name: ____

Full Address: ____

E-mail Address: ____

Primary Phone Number: ____

Secondary Phone Number: ____

Are you currently a registered voter of the City of Willows? ☐ Yes ☐ No

Have you previously attended or watched a City Council meeting? ☐ Yes ☐ No

Are you able to attend regular City Council meetings, special meetings, and any related committee meetings as required? ☐ Yes ☐ No

Present Employer: ____

Job Title: ____

Brief Description of Current Occupation or Professional Experience:

____

____

Previous Governmental Bodies, Boards, Commissions, Committees, Task Forces, or Elective Offices Served:

Position(s)/ Office Held:	Dates:

College, Professional, Vocational Schools attended:

School	Field of Study	Degree/Certificate	Date

Civic or Charitable Organizations to which Applicant has belonged:

Position(s)/ Office Held:	Dates:

Special Interests, Hobbies or Talents:

Please explain why you wish to serve on the Willows City Council and describe the goals, priorities, or perspectives you would bring if appointed.
(Add additional, numbered pages as needed.)

____

____

____

Please state any other information which you feel would be useful to the City Council in reviewing your application:

____

____

____

Do you have any employment, business interests, financial interests, or organizational affiliations that could create an actual or potential conflict of interest if appointed to the City Council?
☐ Yes ☐ No ☐ Unsure If yes or unsure, please explain: ____________________________

____

____

City policy and state law direct all Council members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises?
☐ Yes ☐ No

I certify under penalty of perjury that the information contained in this application and all attachments is true and correct to the best of my knowledge.

Signature: ____ **Date:** _________________

Completed application packets must be received by the City Clerk's Office no later than 5:00 p.m. on Friday, August 7, 2026.

Applications and supporting materials submitted to the City are public records and may be subject to disclosure under the California Public Records Act.

COMMENTS AND REPORTS

CLOSED SESSION