

ADOPTED



(Hotels.com, L.P., 2018)

CITY OF WILLITS

Municipal Service Review and Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

<http://www.mendolafco.org/>

Workshop: December 3, 2018

Public Hearing: May 6, 2019

Adopted: May 6, 2019

LAFCo Resolution No: 2018-19-10

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**Resolution No. 2018-19-10
of the Mendocino Local Agency Formation Commission**

**Approving Adoption of the
City of Willits
Municipal Service Review and Sphere of Influence (SOI) Update**

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Mendocino County; and

WHEREAS, the Commission conducted a municipal service review to evaluate the City of Willits, hereinafter referred to as the “City”, pursuant to California Government Code Section 56430; and

WHEREAS, the Commission conducted a sphere of influence update for the City pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer’s report and recommendations on the municipal service review and sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the municipal service review and sphere of influence update on May 6, 2019; and

WHEREAS, the Commission considered all the factors required under California Government Code Sections 56430 and 56425.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. The Commission, as Lead Agency, finds the municipal service review is exempt from further review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations §15306. This finding is based on the use of the municipal service review as a data collection and service evaluation study. The information contained within the municipal service review may be used to consider future actions that will be subject to additional environmental review.
2. The Commission, as Lead Agency, finds the sphere of influence update is exempt from further review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations §15319(a). This finding is based on the Sphere of Influence Update adds an existing residential neighborhood developed to the density allowed under the current zoning and no extension of utility services is needed since the City already provides water and wastewater service to the area.

3. This municipal service review and sphere of influence update is assigned the following distinctive short-term designation: "City of Willits MSR/SOI Update 2019".
4. Pursuant to Government Code Section 56430(a), the Commission makes the written statement of determinations included in the municipal service review, hereby incorporated by reference.
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the sphere of influence update, hereby incorporated by reference.
6. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence for the City.

BE IT FURTHER RESOLVED that the City of Willits MSR/SOI Update 2019 is hereby approved and incorporated herein by reference and the existing coterminous sphere of influence for the City is amended to add Area A, containing 61 parcels and adjacent roadways for a total of 12 acres, as depicted in Exhibit "A", attached hereto.

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 6th day of May 2019, by the following vote:

AYES: Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, Ward

NOES: None

ABSTAIN: None

ABSENT: None

ATTEST:

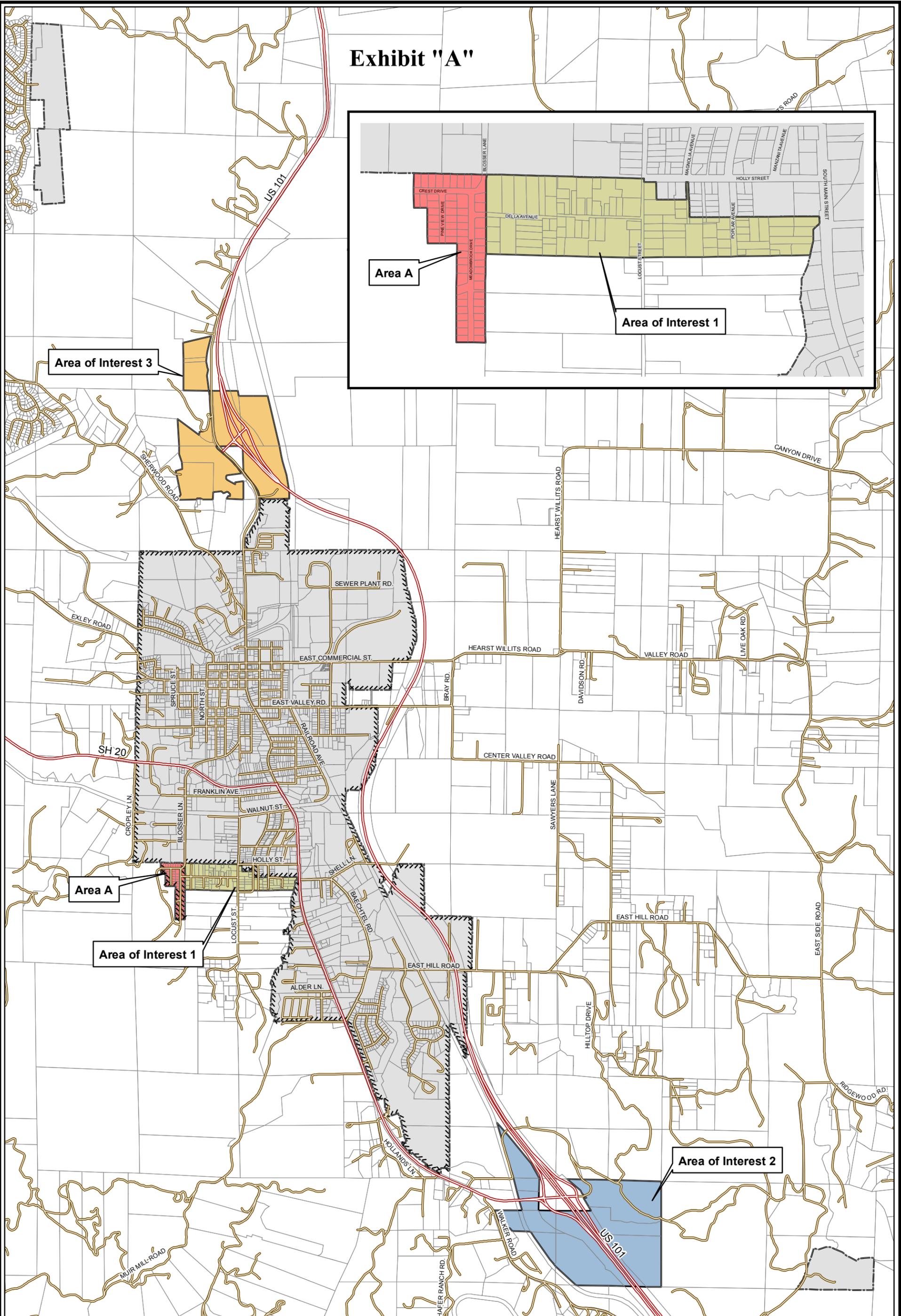


UMA HINMAN, Executive Officer



CARRE BROWN, Chair

Exhibit "A"



Area of Interest 3

Area A

Area of Interest 1

Area A

Area of Interest 1

Area of Interest 2

City of Willits

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, April 2019.
 Note: This map is not a survey product and should not be used to determine legal boundaries.

- Area A
- Area of Interest 1
- Area of Interest 2
- Area of Interest 3
- City of Willits
- Parcels
- Sphere of Influence
- Highways
- Roads



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1 INTRODUCTION

1.1 LOCAL AGENCY FORMATION COMMISSION

Local Agency Formation Commissions (LAFCo) are quasi-legislative, independent local agencies that were established by State legislation in 1963 to oversee the logical and orderly formation and development of local government agencies including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. seq.) in order to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

1.2 MENDOCINO LAFCO

The CKH Act provides for flexibility in addressing State regulations to allow for adaptation to local needs. Mendocino LAFCo has adopted policies, procedures and principles that guide its operations. These policies and procedures can be found on Mendocino LAFCo's website at the following location: <http://www.mendolafco.org/policies.html>.

Mendocino LAFCo has a public Commission with seven regular Commissioners and four alternate Commissioners. The Commission is composed of two members of the Mendocino County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

1.3 MUNICIPAL SERVICE REVIEW

The CKH Act (GC §56430) requires LAFCo to prepare a Municipal Service Review (MSR) for all local agencies within its jurisdiction. MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI).

An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. An MSR must address the following seven factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial

water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

MSRs include written statements or determinations with respect to each of the seven mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of a service provider's existing and future service area boundary.

1.4 SPHERE OF INFLUENCE

The CKH Act requires LAFCo to adopt a Sphere of Influence (SOI) for all local agencies within its jurisdiction. A SOI is "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission" (GC §56076).

When reviewing an SOI for a municipal service provider, LAFCo will consider the following five factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sphere of Influence Updates include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider's SOI or probable future boundary.

1.5 MENDOCINO LAFCO POLICIES

In addition to making the necessary determinations for establishing or modifying a SOI consistent with the CKH Act, the appropriateness of an agency's SOI is also based on an evaluation of consistency with local LAFCo policies.

The following Sphere of Influence policies are from the Mendocino LAFCo Policies and Procedures Manual, adopted November 5, 2018.

10.1.1 Legislative Authority and Intent

A sphere of influence is the probable 20-year growth boundary for a jurisdiction's physical development. The Commission shall use spheres of influence to:

- a) promote orderly growth and development within and adjacent to communities;
- b) promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
- c) guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
- d) assist property owners in anticipating the availability of public services in planning for the use of their property.

10.1.2 Definitions

The Commission incorporates the following definitions:

- a) an "establishment" refers to the initial development and determination of a sphere of influence by the Commission;
- b) an "amendment" refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency; and
- c) an "update" refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.

10.1.3 Sphere Updates

In updating spheres of influence, the Commission's general policies are as follows:

- a) The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.
- b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
- c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

10.1.4 Reduced Spheres

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency's sphere of influence if either of the following two conditions apply:

- a) the land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- b) the land is inside the affected agency's jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

10.1.5 Zero Spheres

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

10.1.6 Service Specific Spheres

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a “service specific” sphere of influence may be designated.

10.1.7 Agriculture and Open Space Lands

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency’s sphere of influence unless the area’s exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency’s boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency’s sphere. Exclusion of these areas from an agency’s sphere of influence indicates that detachment is appropriate.

10.1.8 Annexations Are Not Mandatory

Before territory can be annexed to a city or district, it must be within the agency’s sphere of influence (G.G. §56375.5). However, territory within an agency’s sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

10.1.9 Islands or Corridors

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

10.1.10 Overlapping Spheres

LAFCo encourages the reduction of overlapping spheres of influence to avoid unnecessary and inefficient duplication of services or facilities. In deciding which of two or more equally capable agencies shall include an area within its sphere of influence, LAFCo shall consider the agencies’ service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies. Where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

- a) Inclusion within a city’s sphere
- b) Inclusion within a multi-purpose district’s sphere
- c) Inclusion within a single-purpose district’s sphere

Territory placed within a city’s sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city’s sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city’s sphere. To promote

efficient and coordinated planning among the county's various agencies, districts that provide the same type of service shall not have overlapping spheres.

10.1.11 Memorandum of Agreements (For City Sphere Amendments and Updates)

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in G.C. §56425. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

10.1.12 Areas of Interest

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest to any local agency. (Resolution No. 2018-19-01)

- a) An Area of Interest is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
- b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
- c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

(LAFCo, Nov 2018)

1.6 SENATE BILL 215

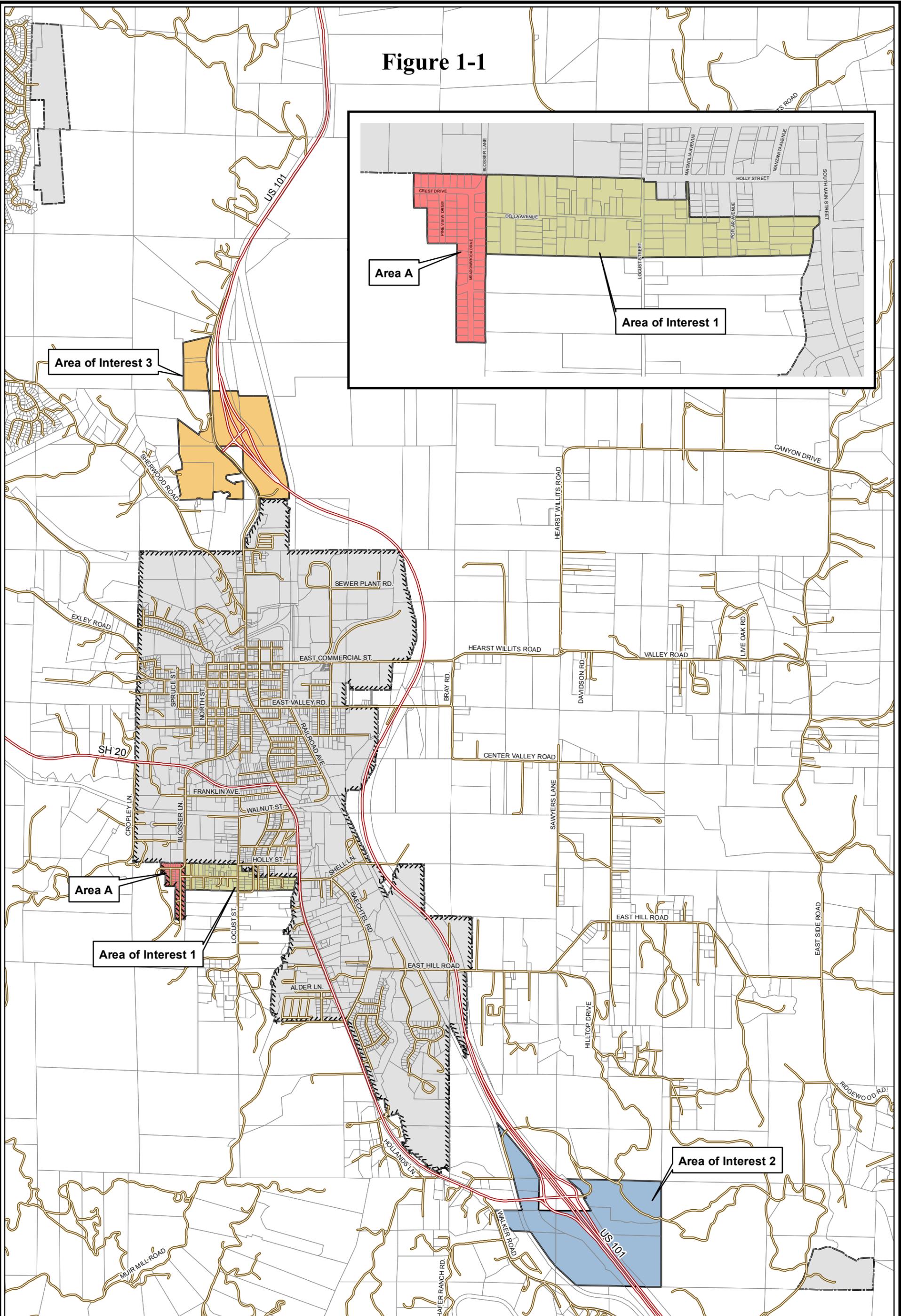
Senate Bill 375 (Sustainable Communities and Climate Protection Act) requires each metropolitan planning organization (MPO) to address regional greenhouse gas (GHG) emission reduction targets for passenger vehicles in their Regional Transportation Plan (RTP) by integrating planning for transportation, land-use, and housing in a sustainable communities strategy. Senate Bill 215 (Wiggins) requires LAFCo to consider regional transportation plans and sustainable community strategies developed pursuant to SB 375 before making boundary decisions.

Mendocino County is not located within an MPO boundary and therefore is not subject to the provisions of SB 375. However, the Mendocino Council of Governments (MCOG) supports and coordinates the local planning efforts of Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits to address regional housing and transportation needs and helps provide a framework for sustainable regional growth patterns through the 2018 Mendocino County Regional Housing Needs Allocation (RNHA) Plan and Vision Mendocino 2030 Blueprint Plan. MCOG is also responsible for allocating regional

transportation funding to transportation improvement projects consistent with the 2017 RTP for Mendocino County.

Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits are the local agencies primarily responsible for planning regional growth patterns through adoption and implementation of general plan and zoning regulations. While Mendocino County is not subject to the provisions of SB 375, LAFCo will review applicable regional transportation and growth plans when considering a change of organization or reorganization application.

Figure 1-1



City of Willits

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, April 2019.
 Note: This map is not a survey product and should not be used to determine legal boundaries.

- Area A
- Area of Interest 1
- Area of Interest 2
- Area of Interest 3
- City of Willits
- Parcels
- Sphere of Influence
- Highways
- Roads



2 AGENCY OVERVIEW

Table 2.1 City of Willits Profile

Agency Name:	City of Willits
Phone Number:	(707) 459-4601
Mailing Address:	111 E Commercial Street, Willits, CA 95490
City Hall:	111 E Commercial Street, Willits, CA 95490
Website:	http://www.cityofwillits.org/
General Email:	citycouncil@cityofwillits.org
Date of Formation:	November 19, 1888
Agency Type:	General Law City, Multiple-Service Provider
Enabling Legislation:	Government Code Section 34000 et seq.
Council Meeting Schedule:	2nd and 4th Wednesday of the month at 6:30 p.m. at City Hall

2.1 HISTORY

2.1.1 FORMATION

The City of Willits (City or Willits) incorporated on November 19, 1888 and is a General Law City under the California Constitution (LAFCo, 2015).

2.1.2 BOUNDARY

The City of Willits is located in the geographic center of Mendocino County and along the County’s main transportation corridor of US Highway 101. The City lies within the Little Lake Valley at the edge of the Jackson State Forest and is known as “The Gateway to the Redwoods”. The City is approximately 2.82-square miles (1,804-acres) in size and includes two incorporated island areas or non-contiguous land (Figure 1-1). The contiguous portion, or core, of the City boundary is approximately 2.65-square miles (1,696 acres) in size. The two incorporated islands include city-owned property comprised of the Municipal Airport (73-acres) located northwest of the core of the City and the Municipal Water Treatment Plant (34-acres) located southeast of the core of the City and which is included in the City’s 3,136-acre watershed. There are no unincorporated islands within the City boundary. (LAFCo, 2015; Willits, Nov 2018)

Until recently, a portion of the US Highway 101 corridor connecting San Francisco to Eureka traversed the City in a north-south direction along Main Street. In 2016, Caltrans completed the Willits Bypass project, which re-routed 6-miles of US Highway 101 to the eastern edge of the City limits and added two interchanges located just south (Haehl Creek) and north (Quail Meadows) of the City limits. The State Highway 20 corridor traverses the southern portion of the City in a north-south direction along South Main Street and heads west, just past the Willits Arch, 35-miles to the City of Fort Bragg. The City is located approximately 20 air-miles northwest of the City of Ukiah. (LAFCo, 2015; Willits, 2018c)

2.1.2.1 Boundary Changes

The most recent addition to the City’s boundary was the “Southeast Annexation” in 1986, which added 260-acres to the City and is zoned for a variety of uses. This annexation area is partially developed and

includes the new Adventist Health Howard Memorial Hospital, which opened in 2015, and the 2006 Haehl Creek Subdivision for Bemcore Enterprises creating 58 residential parcels (Willits, Nov 2018). In June of 2014, a 5.5-acre non-contiguous parcel that was the site of the City’s former water treatment plant (and now in private ownership) was detached from the City as required by law. No subsequent actions relating to City annexations, detachments, or boundary changes have occurred. (LAFCo, 2015)

2.1.3 SERVICES

The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. For more information regarding these City services and other services provided by contract or Joint Powers Authority (JPA), refer to Chapter 3.

2.2 GOVERNMENT STRUCTURE

2.2.1 GOVERNING BODY

The City operates under the Council-Manager form of government. The City Council is the legislative body for the City and is responsible for enacting ordinances, establishing policy, adopting and amending the annual budget, adopting resolutions, and appointing committees. The City is governed by a five-member City Council elected at-large to serve staggered four-year terms (Table 2.2). City Council elections are held in November of even numbered years. City Council members are paid a stipend for meetings attended in the amount of \$200/month for the Mayor and \$100/month for the remaining Council members. The City also contributes annually to health care coverage for the Councilmembers. In addition, out-of-County travel and other eligible expenses incurred by Councilmembers in the performance of City-related duties are subject to reimbursement (Willits, Nov 2018). Staff support for the City Council includes the City Manager, City Clerk, and Contract City Attorney. (LAFCo, 2015)

Table 2.2 City of Willits City Council	
Title	Term Expiration
Councilmember	Nov 2020
Councilmember	Nov 2020
Councilmember	Nov 2020
Councilmember	Nov 2022
Councilmember	Nov 2022

Source: LAFCo, 2015; Willits, 2018c; Willits, Nov 2018.

2.2.2 PUBLIC MEETINGS

Regularly scheduled City Council meetings are held on the second and fourth Wednesday of the month at 6:30 p.m. in the City Council Chambers at City Hall located at 111 E Commercial Street in Willits. In accordance with the Brown Act, all meetings are open to the public and are publicly posted a minimum of 72 hours prior to regular meetings and a minimum of 24 hours prior to special meetings at the City Hall main entrance bulletin board, on the City’s website, and notices are emailed to anyone that has requested such notification. City Council meetings are broadcast live on Cable Channel 3 by Willits Community Television, Inc. (WCTV), and rebroadcast at 5:00 p.m. on Saturdays. Minutes are kept for all public meetings and are adopted at a subsequent meeting. Currently, there is not a searchable

document archive system on the City’s website for past City Council meeting agendas, agenda packets, public hearing notices, meeting minutes, and adopted ordinances and resolutions. However, there is a City Council meeting event calendar that provides online access to download agenda packets for specific meetings starting on April 12, 2017. (LAFCo, 2015; Willits, 2018c)

2.2.3 STANDING COMMITTEES

Boards, commissions, and committees assist in carrying out various functions of local government. The City Council also serves as the Planning Commission, the Oversight Board of the Successor Agency to the Willits Redevelopment Agency, and the Industrial Development Authority (not currently active). Councilmembers serve on various committees including Finance, Revitalization and Economic Development (Revit-ED), and Water and Wastewater Systems. The 2015 Municipal Service Review recommended the City consider appointing a separate Planning Commission to provide greater public input and review, as well as a defined appeal process. (LAFCo, 2015)

2.2.4 PUBLIC OUTREACH

In addition to public meetings and workshops, the City conducts public outreach to help keep citizens informed regarding current projects and overall governance of the community (see Table 2.3 below). The City maintains a website at <http://www.cityofwillits.org/>, which is a helpful communication tool to enhance government transparency and accountability. The homepage of the City’s website includes current information such as City Hall hours and location, Councilmember and City staff contact information, important documents available for download, updated information on current local elections, and a reference to the County Sheriff’s Facebook page for information regarding current emergency and safety information (Willits, 2018c). The City’s website could be enhanced to include a searchable and chronological document archive system to post current and past meeting agendas and agenda packets, public hearing and workshop notices, adopted meeting minutes, adopted resolutions, adopted annual budgets, financial audit reports, fee schedules, and draft/final plans, studies, reports, and maps. The City has hired a consultant to update and improve their website, which is scheduled to launch in early 2019 (Willits, Nov 2018).

Table 2.3 City of Willits Online Public Outreach Opportunities	
Method	Link
City Website	http://www.cityofwillits.org/
City Council Meetings	http://www.cityofwillits.org/city-council-meetings/
Downtown Sidewalk Improvements	https://willitsbypass.wordpress.com/
* Official information for the Willits Bypass and Willits Rehabilitation and Relinquishment of Old Highway 101 from Caltrans.	
Willits Municipal Airport Ells Field	http://willitsairport.com/
Facebook	
City of Willits	https://www.facebook.com/CityofWillits
Willits Police Department	https://www.facebook.com/WillitsPD
City Pool	https://www.facebook.com/willitscitypool
Willits Municipal Code	https://library.municode.com/ca/willits/codes

* Interested individuals can subscribe to receive an email notification when there is an Ordinance Update published through Municode.

Source: Willits, 2018c.

2.2.5 COMPLAINTS

The public may file complaints with the City Clerk and may provide verbal comments or complaints in person at City Hall during business hours, Monday through Thursday from 9 a.m. to 5:30 p.m., or at the City Council meetings during the general public comment period. (LAFCo, 2015; Willits, 2018c)

2.2.6 TRANSPARENCY AND ACCOUNTABILITY

The City has adopted the following Mission Statement:

- The City of Willits is primarily responsible for maintaining a safe, pleasant environment within the community by providing effective delivery of public services.
- In the process of providing representatives local government, the City identifies and anticipates concerns, problems and opportunities and takes action to address them. The City also provides a catalyst in the development and maintenance of a well-integrated community.
- The City delivers critical public services in an efficient, professional and timely manner.
- The City is responsible for the preservation of community physical and aesthetic assets, and for the efficient management and equitable allocation of community fiscal resources.
- Essential to accomplishing the objectives outlined above is the selection, training, motivation and retention of highly qualified men and women as City employees.

(Willits, 2018a)

The City's Personnel Policies and Procedures contain a general Code of Conduct (Willits, Nov 2018).

The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict of Interest Code pursuant to Government Code §81000 et seq.

The Political Reform Act also requires persons who hold office to disclose their investments, interests in real property, and incomes by filing a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203.

According to AB 1234, if a local agency provides compensation or reimbursement of expenses to local government officials, then all local officials are required to receive two hours of training on public service ethics laws and principles at least once every two years and establish a written policy on reimbursements pursuant to Government Code §53235.

The City complies with the above requirements (Willits, Nov 2018).

Refer to **Appendix A** for a brief list of educational resources regarding open government laws.

2.3 OPERATIONAL EFFICIENCY

2.3.1 MANAGEMENT AND STAFFING

The City Council appoints a City Manager to support their efforts and oversee the daily operations of the City to ensure that the Council's policies, programs, and priorities are implemented. The City is

comprised of nine municipal departments including Administration, Finance, Police, Community Development, Engineering, Public Works, Water Treatment, Wastewater Treatment, and Seasonal Parks and Recreation. The City employs both full-time and part-time positions for a total staffing level of 53.60 Full Time Equivalent (FTE) positions in addition to 5 FTEs for Councilmembers. The City contracts for the City Attorney position. Table 2.4 shows City staffing levels by department.

Table 2.4 City of Willits Staffing Levels by Department	
Department	FTE
Administration	3.00
Finance	5.33
Police	16.94
Community Development	4.00
Engineering	4.18
Public Works	7.13
Sewer Treatment	6.00
Water Treatment	5.00
Seasonal Parks & Recreation	2.02
Total	53.60

Source: Willits, 2018a

Table 2.5 shows a comparison of City staffing levels between FY 2012-13 and FY 2018-19.

Table 2.5 City of Willits Staffing Levels by Fiscal Year	
Fiscal Year	FTE
FY 2018-19	58.60
FY 2017-18	52.98
FY 2016-17	55.02
FY 2015-16	57.50
FY 2014-15	56.31
FY 2013-14	58.83
FY 2012-13	56.25
Average	56.50
The staffing number includes 5 FTEs for Councilmembers.	

Source: Willits, 2018a

Figure 2-1 shows the City's organizational chart.

Figure 2-1 City of Willits Organizational Chart



2.3.2 AGENCY PERFORMANCE

A component of monitoring agency performance is the routine evaluation of staff productivity by tracking employee workload through regular timesheets and conducting annual written employee performance evaluations.

All line employees are evaluated annually by their department heads. Department heads are evaluated annually by the City Manager. The City Manager is evaluated annually by the City Council. The last City Manager evaluation was held on June 28, 2017. An evaluation form is utilized for all evaluations and follows prescribed steps. All employees submit detailed time sheets by job task. This is important because employees can work in more than one department and/or perform duties tied to a specific funding source during a pay period. All time sheets are reviewed by the City Manager and entered into the bookkeeping system by the Finance Department.

The City Manager was tasked with a significant number of duties including City Clerk, the Human Resources Director, the Risk Manager, and the Director of Emergency Services. Since the 2015 MSR, the City Manager's workload has been reduced by adding Assistant City Manager, Human Resources Analyst, and City Clerk positions. In consultation with the City Council, the City Manager manages employee workload and makes adjustments as necessary. The City Manager commissioned a benchmarking study and organizational assessment in 2013. As a result of this study, the City has completed a reorganization of City Staff to increase the efficiency of City operations.

The City-sponsored Voter Measure I for a Cannabis Industry Tax for the City was approved on the November 6, 2018 Election and it is estimated that the City could receive annual cannabis related tax revenue in the range of \$250,000 to \$400,000 (Willits, 2018b).

(LAFCo, 2015; Willits, 2017f; Willits, Nov 2018)

There are no new opportunities for the City to achieve management or operational efficiencies identified during the preparation of this update to the City's 2015 MSR.

2.3.3 STRATEGIC PLANNING

On August 9, 2018, the City Council held a goal-setting workshop and the following goals reflect the most critical items, projects, and strategic initiatives resulting from that effort. Some of these tasks will span a number of years and many of these tasks are proposed to be addressed in the FY 2018-19 Draft Budget:

- ADA accessibility improvements
- Vacancy Ordinance
- Update flood zone maps
- Finance – developing and implementing best practices recommendations
- Develop Purchasing Policy
- Negotiations with WPOA and IBEW; key positions to be recruited include Finance Director, Public Works Director, and Building Official
- Coordinate with Caltrans and business owners on Main Street Beautification Work and Relinquishment Project
- Brooktrails Settlement compliance
- Keep abreast of plans for the old Frank R. Howard Memorial Hospital
- Landfill closure

- Redesign website to improve on-line presence
- Emergency Action Plan for City dams
- Work on emergency communications tactics
- City Emergency Plan Update, including hazardous materials
- Close out underground storage tank at the Public Works Yard
- Maintain services levels around everyday operations
- Send out an RFQ and begin General Plan Update
- Interim Zoning adjustments
- Development Impact Fees
- Update Use Fees
- Work with County on annexations and Sphere of Influence
- Continue to develop groundwater resources to ensure water sustainability into the future
- Continue to upgrade 4" steel water line in the oldest sections of town
- Blosser Drainage Improvement Project
- Blosser Lane Rehabilitation Project
- Coast Street Sewer replacement
- East Valley Bridge & Commercial Bridge rehabilitation
- Local limits for wastewater
- Upgrade Maple Water Pump Station
- Seek grants for Main Street Beautification Corridor Enhancement Plan
- Targeted Economic Development Efforts to bring jobs and companies to Willits
- Targeted Economic Development Efforts for downtown businesses
- Enhance cultural arts (public art; art & music fairs)
- Improve recreational opportunities
- Create an Energy Management Plan and examine the use of renewable energy, like solar and methane
- Create a Landscape and Lighting District to help fund Main Street Beautification and Landscaping
- Set up a recreation district for 95490

(Willits, 2018a)

2.3.4 REGIONAL AND SERVICE-SPECIFIC COLLABORATION

The City participates in regional and service-specific associations and organizations including the League of California Cities, Mendocino Council of Governments (MCOG), Economic Development and Financing Corporation (EDFC), Mendocino Solid Waste Management Authority (MSWMA), Mendocino Transit Authority (MTA), and Visit Willits Tourism Board (Willits, Nov 2018).

2.3.5 GOVERNMENT RESTRUCTURE OPTIONS

Government restructure options should be pursued if there are potential benefits in terms of reduced costs, greater efficiency, greater accountability, or other advantages to the public. The City of Willits, the Little Lake Fire Protection District (LLFPD), and the County of Mendocino are the only municipal service providers in the Little Lake Valley area. The County of Mendocino provides law enforcement, transportation, and stormwater management services in unincorporated areas adjacent to the City limits. The Brooktrails Township Community Services District (BTCSD) is a municipal service provider in the region, but its services do not extend into the Little Lake Valley area except for mutual aid responses and dispatched service calls for fire protection and emergency medical services. There is no

recommendation for a reorganization of local municipal service providers in the Little Lake Valley area at this time. To address the provision of municipal services outside the City limits, the City could consider pursuing an opportunity to create a subsidiary district or sponsor the creation of a new independent special district.

2.4 FINANCES

The core operations of the City are accounted for in the General Fund and include administration, public safety, community development, public works, engineering, and community services. The Landfill closure and remediation activities are also accounted for in the General Fund. The primary sources of General Fund revenue are sales and use tax, General Fund overhead allocations, motor vehicle license fees, property tax, transient occupancy tax (TOT), franchise fees, and business license tax. The City also receives gas tax, which is dedicated to the public works department to maintain roadways and other services. In addition, the City's enterprise or business-type operations include water, wastewater, and airport services. These enterprise activities are accounted for in Enterprise or Proprietary Funds and the cost of providing enterprise services are intended to be recovered through service rates. (Willits, 2018a)

The City-sponsored Voter Measure I for the Cannabis Industry Tax for the City was approved by the Voters in the November 6, 2018 Election and it is estimated that the City could receive annual cannabis related tax revenue in the range of \$250,000 to \$400,000 (Willits, 2018b).

2.4.1 CURRENT FISCAL HEALTH

The annual budget serves as a financial planning tool and an expense control system. Expenses cannot exceed the authorized budgeted amounts unless the budget is amended by City Council by resolution during the fiscal year. Unused appropriations lapse at the end of the fiscal year (June 30) and are available to be allocated in the following budget.

The City holds quarterly Finance Committee meetings and normally prepares a preliminary budget in March of each year, which is reviewed in detail by the City Council at scheduled budget workshop meetings. The Final Budget is then presented to the Council for adoption in June in preparation for the new fiscal year, which begins on July 1st. However, the most recent budget preparation cycle is behind the normal schedule. At the June 27, 2018 Regular City Council Meeting, Councilmembers adopted a resolution authorizing continuation of municipal operations based upon the Fiscal Year (FY) 2017-18 Budget per agenda item 5e on the Consent Calendar. The City held a Budget Workshop on August 21, 2018 and adopted the Final FY 2018-19 Budget on September 20, 2018. The City's FY 2018-19 Budget projects operating revenues of \$13,097,974 and operating expenses of \$14,950,020 and includes both General Fund and Enterprise Fund activities (Willits, Nov 2018).

Annually audited financial statements prepared by a Certified Public Accountant (CPA) serve as financial assurance for the use of public funds. The City's financial records are audited each year by a qualified CPA. The most recent audit was prepared by Moss, Levy, and Hartzheim, LLP for FY 2016-17 and was presented to the City Council on May 9, 2018.

2.4.1.1 Financial Summary

The following table (Table 2.6) provides year-end (not budget) financial information for FY 2014-15, 2015-16, and 2016-17. This table summarizes the Statement of Activities prepared by a CPA and represents the long-term financial standing of the City based on reporting capital asset activity using the

full accrual basis of accounting. This involves depreciation, which is a method of spreading the cost of a capital asset over its estimated useful life, as opposed to recognizing the cost of a capital asset as an expenditure at the date of acquisition. The City’s Capitalization Policy defines a capital asset as property, plant, equipment, and infrastructure with an initial cost of \$10,000 or greater, and depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows: buildings and improvements 30-years, vehicles 5-years, machinery and equipment 5 to 15-years, and infrastructure 50 to 80-years (MLH, 2018). Also, refer to Figure 2-2 for the most recent Statement of Net Position, which represents the difference between the City’s assets and liabilities.

Table 2.6 City of Willits Financial Summary			
	FY 14-15	FY 15-16	FY 16-17
Ending General Fund Balance	\$2,321,611	\$2,470,229	\$2,545,972
Ending Net Position	\$24,122,740	\$26,403,548	\$26,792,328
Revenue			
<u>General Revenues</u>			
Property Taxes	\$373,917	\$392,423	\$427,518
Sales and Use Taxes	\$2,833,771	\$2,495,055	\$2,451,743
Business License Taxes	-	\$146,819	\$148,698
Franchise	\$221,811	\$307,681	\$213,787
Transient Occupancy Tax	-	-	\$291,908
Other Taxes	\$563,878	\$1,002,561	\$537,156
Investment Earnings	-	\$18,057	\$42,314
Fines and Forfeitures	-	\$4,425	\$4,455
Other Revenue	\$882,333	\$148,705	\$321,069
Transfers	\$15,000	\$15,000	\$15,000
Sub-total	\$4,890,710	\$4,530,726	\$4,453,648
<u>Program Revenues</u>			
General Government	\$176,323	\$773,313	\$491,806
Public Safety	\$160,749	\$137,060	\$245,098
Community Development	-	\$0	\$40,382
Public Works	\$301,261	\$23,502	\$106,839
Parks and Recreation	\$46,647	\$0	\$28,661
Planning	-	\$114,167	\$96,882
Community Services	-	\$0	\$0
Water Enterprise	\$3,997,579	\$2,764,420	\$2,693,891
Wastewater Enterprise	\$3,112,013	\$2,933,363	\$3,087,137
Solid Waste	-	\$0	\$0
Airport	\$73,120	\$181,016	\$106,942
Sub-total	\$7,867,692	\$6,926,841	\$6,897,638
Total Revenue	\$12,758,402	\$11,457,567	\$11,351,286
Expenses			

Table 2.6 City of Willits Financial Summary			
	FY 14-15	FY 15-16	FY 16-17
General Government	\$1,111,783	\$2,025,406	\$1,024,565
Public Safety	\$1,085,933	\$2,353,044	\$2,201,409
Community Development	-	\$28,271	\$21
Public Works	\$936,560	\$799,729	\$756,319
Parks and Recreation	\$178,655	\$181,682	\$212,584
Planning	\$101,430	\$286,906	\$430,246
Community Services	\$182,375	\$175,032	\$205,174
Water Enterprise	\$2,530,249	\$1,589,737	\$2,060,281
Wastewater Enterprise	\$3,373,594	\$4,094,837	\$3,148,122
Solid Waste	-	\$57	\$114
Airport	\$113,629	\$188,870	\$90,408
Total Expenses	\$9,618,820	\$11,723,571	\$10,129,243
Net Income/(Loss)	\$ 3,139,582	(\$266,004)	\$1,222,043
Net Accumulated Depreciation	\$36,438,394	\$43,997,410	\$44,032,065

Source: RJR, 2016; MLH: 2017, 2018.

The following are financial highlights for FY 2016-17:

- The City's total net position was \$26,792,328 as of June 30, 2017. This was an increase of \$388,780 or 1% from the prior year when prior period adjustments are taken into consideration. Of this total, \$2,214,651 was governmental net position and \$24,577,677 was business-type net position.
- Government-wide revenues were \$5,463,316 and were (\$115,452) or 2% less than the prior year. They include program revenues of \$1,009,668 and general revenues of \$4,453,648.
- Government-wide expenses were \$4,830,318 and were (\$1,019,752) or 17% less than the prior year.
- Business-type revenues were \$5,924,228 and were \$43,183 or 1% greater than the prior year. They include program revenues of \$5,887,970 and general revenues of \$36,258.
- Business-type expenses were \$5,298,925 and were (\$574,576) or 10% less than the prior year.
- General Fund revenues were \$4,350,769 and were (\$12,983) lower than the prior year.
- General Fund expenditures were \$4,452,217 and represented an increase of \$222,073 over the prior year.
- General Fund balance was \$2,545,972 as of June 30, 2017 and increased by \$75,743 or 3% from the FY 2015-16 fund balance of \$2,470,229 when prior period adjustments are taken into consideration.

(MLH, 2018)

The following are financial highlights for FY 2015-16:

- The City's total net position was \$26,403,548 as of June 30, 2016. Of this total, \$1,591,536 was governmental net position and \$24,812,012 was business-type net position.
- Government-wide revenues include program revenues of \$1,048,042 and general revenues of \$4,515,726, for a total of \$5,563,768.
- Government-wide expenses were \$5,850,070.
- Business-type program revenues, other revenue and interest were \$5,896,045 while business-type expenses were \$5,873,501.

- General Fund revenues were \$4,363,752 and were \$82,548 lower than the prior year.
- General Fund expenditures were \$4,230,144 and represented an increase of \$127,900 over the prior year.
- General Fund fund balance was \$2,455,229 as of June 30, 2016, and increased by \$133,618 from the FY 2015-16 fund balance of \$2,321,611.

(MHL, 2017)

The City budgeted for a General Fund deficit in FY 2014-15 and 2015-16 and anticipated using General Fund Reserves to cover the net loss. By year-end for both fiscal years, the City was able to reduce expenditures and/or increase revenue to the point that the City successfully increased General Fund Reserves during that time period. The General Fund balance increased approximately 18% from July 1, 2013 to June 30, 2016. (Willits, 2017f)

2.4.1.2 Enterprise Activities

The City's enterprise operations include water, wastewater, and airport services. These enterprise activities are accounted for in Enterprise Funds and the cost of providing enterprise services are recovered through service rates. The current industry standard is to review service rates every five-years to ensure that they accurately reflect the cost of operating enterprise funds in a self-sufficient manner. On August 9, 2017, the City increased the water and wastewater service rates, effective September 1, 2017, based on the 2017 Water and Sewer Rate Study prepared with the assistance of Bartle Wells Associates.

The water rate schedule includes a projection of the anticipated capital improvement costs through FY 2026-27 and is based on a two-tiered rate schedule, an annual rate increase of up to 4%, a reduced cost to the fixed "base" charge to all meter sizes, and a proposed increase to the Fire Charges. Single family water service is currently set at a flat monthly meter fee of \$23.50 and a two-tiered usage fee of \$5.79 per hundred cubic feet (hcf) for up to 600 hcf, and \$8.02 per hcf for over 600 hcf. The wastewater rate schedule includes a projection of the anticipated capital improvement costs through FY 2026-27 and is based on incremental increases to the Wastewater Charges per EDU ranging from 4.5% - 7% increases per fiscal year. Residential sewer service is currently set at an annual rate of \$790.73 or \$65.89 per month. (Willits, 2017e; Willits, 2017a)

The water service enterprise operates at a net income. The wastewater service enterprise operates at a deficit due to debt service interest and payments for loans and bonds used to upgrade the wastewater treatment facility. The airport enterprise service also operates at a deficit, although the shortfall is relatively small and has been offset by grants from federal and state agencies. In 2016 and 2017, the airport operated at a surplus due to an increase in hangar fees adopted in 2016, new tenants at the airport, grants, and greater operating efficiencies (Willits, 2017f). The City receives income from emergency response operations requiring the use of the Municipal Airport for Helibase operations; for example, the City has billed the Mendocino National Forest in the amount of \$40,500 for the Eel and Mendocino Complex Fire incidents (Willits, Nov 2018).

2.4.1.3 Fiscal Year 2018-19 Draft Budget

The information provided in this section is from the FY 2017-18 Draft Budget proposed for the August 21, 2018 City Council Budget Workshop. The General Fund revenue is projected to be \$4,536,314 and is based upon the assumptions of modest economic growth, a gradually improving real estate market, and

increasing development activity within the City. This revenue estimate does not include revenue from the cannabis excise tax approved by the Voters in the November 6, 2018 Election.

The General Fund expenditures are projected to be \$5,508,678 and reflect the baseline on-going operations from the prior fiscal year, plus additional funding requests from departments to increase service levels, and restore staff positions that existed in previous years (some of which were vacant in FY 2017-18) including the filled Public Works Director and Community Development Director, the recently filled Assistant City Planner/Code Compliance Officer (approved in FY 2017-2018), Senior Accountant, Office Assistant 1, and Police Officer – Willits Unified School District School Resource Officer. Additional increases in expenditures include increased costs such as utilities and insurance, and dedication of funds to capital facilities projects and significant strategic projects such as the Willits General Plan Update.

Increased expenditures constitute an increase of \$723,531 (15%) from the FY 2017-18 Adopted Budget expenditures projection. The adopted FY 2018-19 Budget revenue and expenditure estimates for the General Fund combine to create an initial budget deficit of \$765,979, which is anticipated to be reduced at year-end because the projected revenue is conservatively under-estimated and the projected expense is over-estimated to allow for flexibility, and the adopted budget meets the City's General Fund Reserve Policy to maintain a minimum unassigned fund balance of 35%. In addition, more than half of the projected budget deficit includes a number of carry-over projects from the prior fiscal year, one-time purchases, and capital facility expenditures that are consistent with the City's Reserve Policy for appropriate or permissible expenditures of available General Fund balance. Finally, it is anticipated that the City will collect some offsetting user fee revenues for new positions and filled vacant positions providing services within departments that are substantially funded by user fees, particularly for community development activities.

The FY 2018-19 Draft Budget proposes to maintain existing services, enhance service levels where strategic, and fund critical infrastructure improvements. In moving forward, it will be important for the City to build financial capacity for the development of a General Plan Update, a Long Range Financial Plan, a Master Facilities Plan, a Development Impact Fee Study, a User Fee Study, Lighting and Landscaping Assessment Districts, a Recreation District, and continue periodic Utility Rate Studies.

(Willits, 2018a; Willits, Nov 2018)

2.4.2 LONG TERM FINANCIAL CONSIDERATIONS

2.4.2.1 Reserves

Reserves for the City's special revenue funds and enterprise funds are held in separate accounts. However, general reserves for the City are not held in a separate account. General reserves are accounted for in the General Fund balance, which primarily represents unrestricted reserve funds (Willits, Nov 2018).

The following is the City's General Fund Reserve Policy.

Reserves for Fiscal Stability, Cash Flow and Contingencies

The City will strive to maintain a minimum unassigned fund balance of at least 35% of operating expenditures in the General Fund for fiscal stability, cash flow and contingencies. This is based on the risk assessment methodology for setting reserve levels developed by the Government Finance Officers Association of the United States and Canada (GFOA) in adequately addressing:

- Revenue source stability, local disasters and other financial hardships or downturns in the local or national economy.
- Contingencies for unseen operating or capital needs.
- Unfunded liabilities such as self-insurance, pensions and retiree health obligations.
- Dependency of other funds on the General Fund.
- Institutional changes, such as State budget takeaways and unfunded mandates.
- Cash flow requirements.

Whenever the City’s General Fund unrestricted fund balance falls below this target, the City will strive to restore reserves to this level within five years. As revenues versus expenditures improve, the City will allocate at least half of any operating surplus to reserve restoration, with the balance available to fund outstanding liabilities, asset replacements, service levels restoration, new operating programs or capital improvement projects.

Circumstances in which taking reserves below policy levels would be appropriate include responding to the risks that reserves are intended to mitigate, such as:

- Meeting cash flow needs during the fiscal year; closing a projected short term revenue expenditure gap; responding to unexpected expenditure requirements or revenue shortfalls; and making investments in human resources, technology, liability reductions, economic development and revenue base improvements, productivity improvements and other strategies that will strengthen City revenues or reduce future costs.
- Where a forecast shows an ongoing structural gap in providing a strategic bridge to the future.

On the other hand, the City should avoid using reserves to fund ongoing costs or projected systemic “gaps.” Stated simply, reserves can only be used once, so their use should be restricted to one-time (or short-term) uses.

Future Capital Project Fund Balance Assignments

The Council may also commit or assign specific General Fund balance levels above the reserve target for future development of capital projects or other long-term goals that it determines to be in the best interests of the City.

Other Commitments and Assignments

In addition to the 35% target noted above, unrestricted fund balance levels will be sufficient to meet funding requirements for programs or projects approved in prior years that are carried forward into the new year; debt service reserve requirements; commitments for encumbrances; and other restrictions, commitments or assignments required by contractual obligations, state law or generally accepted accounting principles.

(Willits, 2017d)

2.4.2.2 Outstanding Debt

Although the City does not have long term debt related to general government activities, it does have long term debt related to enterprise activities. Debt was acquired to make improvements to the City water and wastewater treatment facilities. Table 2.7 shows the City’s outstanding financial obligations based on these bonds and loans. The City will be obligated through FY 2045-46 for current debt

payments and the payment amount will vary as payoff approaches. In addition to the water and wastewater debt, the City incurred a long term obligation when it closed the City landfill in FY 1997-98.

Table 2.7 City of Willits Long Term Debt Obligations		
Bond and Loan Liabilities	FY 2016-17 Balance	FY 2017-18 Payment
Water Service Enterprise		
1984 California Dept. of Water Resources Loan	\$483,264	\$205,485
2012 Safe Drinking Water State Revolving Fund	\$2,965,730	\$105,919
Wastewater Service Enterprise		
2007 USDA Wastewater Sewer Loan A	\$8,044,500	\$469,235
2007 USDA Wastewater Sewer Loan B	\$1,151,500	\$66,939
2011 Wastewater Bonds	\$7,512,000	\$329,013
2015 Wastewater Tax Compliance Certificates	\$3,207,585	\$269,178
Total	\$23,364,579	\$1,445,769

Source: MLH, 2018.

As a result of the Governor’s elimination of redevelopment programs state-wide in 2011, residential loans are no longer available for low-income home improvement and construction through the Revolving Loan Account under the Community Development Block Grant (CDBG) program. (LAFCo, 2015)

2.4.2.3 Capital Improvement Plan

The City does not have a Capital Improvement Plan (CIP). However, the City does establish a Fixed Assets/Capital Projects 5-Year Plan in the annual budget to define capital improvement priorities. Funding for projects is identified from various sources including: the General Fund, Street Maintenance Fund, Sales Tax Transportation Improvement Fund, Humboldt Street and Vicinity Rehabilitation Fund, Baechtel Road/Railroad Avenue Corridor Phase II Feasibility Study, Sewer Fund, Water Fund, and Other Water Assets/Projects. (Willits, 2018a)

Based on the 2017 Water and Sewer Rate Study, the water and wastewater systems will require maintenance and capital improvements over the next five-years. The City anticipates spending \$4.0 million for capital improvements to the water system and \$4.1 million for capital improvements to the wastewater system. (Willits, 2017c)

Figure 2-2

CITY OF WILLITS Statement of Net Position June 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Investments	\$ 5,344,998	\$ 4,654,132	\$ 9,999,130
Restricted Cash and Investments		312,387	312,387
Accounts Receivable	658,970	617,561	1,276,531
Notes Receivable	267,731		267,731
Interest Receivable	3,886	3,672	7,558
Prepaid Expenses		3,544	3,544
Inventory	1,720	9,688	11,408
Capital Assets, Not Being Depreciated	150,963	1,845,865	1,996,828
Capital Assets, Net of Accumulated Depreciation	815,564	43,216,501	44,032,065
Total Assets	<u>7,243,832</u>	<u>50,663,350</u>	<u>57,907,182</u>
Deferred Outflows of Resources:			
Pension related	2,013,074	560,418	2,573,492
Total Deferred Outflows of Resources	<u>2,013,074</u>	<u>560,418</u>	<u>2,573,492</u>
Liabilities:			
Accounts Payable	113,537	63,906	177,443
Interest Payable		129,389	129,389
Deposits Payable	4,000	74,110	78,110
Noncurrent Liabilities:			
Due Within One Year		733,664	733,664
Due in More Than One Year	6,631,533	25,563,403	32,194,936
Total Liabilities	<u>6,749,070</u>	<u>26,564,472</u>	<u>33,313,542</u>
Deferred Inflow of Resources:			
Pension related	293,185	81,619	374,804
Total Deferred Inflow of Resources	<u>293,185</u>	<u>81,619</u>	<u>374,804</u>
Net Position:			
Net Investment in Capital Assets	966,527	21,929,564	22,896,091
Restricted for:			
Community Development	547,629		547,629
Streets and Roads	2,807,271		2,807,271
Public Safety	258,896		258,896
Unrestricted	(2,365,672)	2,648,113	282,441
Total Net Position	<u>\$ 2,214,651</u>	<u>\$ 24,577,677</u>	<u>\$ 26,792,328</u>

The notes to the financial statements are an integral part of this statement.

2.5 GROWTH

2.5.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT

Willits has a full range of land uses in the City, ranging from low density residential through multi-family residential, retail and service commercial, manufacturing, public facilities, recreation, and undeveloped properties. The 1992 General plan identified general land use categories as follows:

- Residential – 650 acres (37%)
- Commercial – 241 acres (14%)
- Industrial – 646 acres (37%)
- Public Facilities – 174 acres (10%)
- Open Space – 35 acres (2%)

As of January 2014, the State Department of Finance (DOF) estimates that there are 2,082 dwelling units in the City, of which 1,218 (59%) are single-family units, 587 (28%) are multi-family units and 277 (13%) are mobile homes. The current vacancy rate in the City is 7.7%.

According to the 2009 General Plan Housing Element adopted in 2014, the top ten employers in the City are: Adventist Health Howard Memorial Hospital (260), Willits Unified School District (225), Metal/fx Custom Manufacturing (121), Safeway Stores (107), Sparetime Garden Supply (65), Grocery Outlet (60), City of Willits (52), Shusters Transportation & Logging, Inc. (42), and Microphor, Inc. Manufacturing (30). The Sherwood Valley Casino (adjacent to the City limits) employs 90 people.

The City also has important local services including the Willits Branch of the Mendocino County Library System, the North County Center of Mendocino Community College, the Mendocino County Museum, The Skunk Train, Willits City Park, Recreation Grove Park, Willits Rodeo Grounds, Willits Center for the Arts, the Noyo Theater, Roots of Motive Power, and two local newspapers.

The current City General Plan was adopted by the City Council in August 1992 with a planning horizon to the year 2020. The General Plan contains goals and policies related to public safety services (police, fire, and emergency medical services) and infrastructure (water, sanitary sewer, and storm drainage).

The General Plan evaluated properties within the existing City limits that could accommodate residential development. Twenty-seven sites were identified for both single-family and multi-family dwellings that could accommodate construction of an estimated 1,631 residential units. The General Plan looked at three growth scenarios: 1.0% population growth per year; 1.7% population growth per year; and 2.5% population growth per year. The lower the growth rate (currently 0.3% per year) the longer the time period required to utilize all the land identified on the 27-sites. The City is in the process of seeking a consultant to prepare a General Plan Update.

(LAFCo, 2015; Willits, Nov 2018)

2.5.2 EXISTING POPULATION AND PROJECTED GROWTH

According to California Department of Finance (DOF), the City of Willits had a population of approximately 4,937 as of January 2014. Since 2000, the population has declined by 136 residents or 2.7%, which is attributed to an aging population and out-migration. However, the City population increased between January 2013 and January 2014 by 33 persons, a 0.7% increase.

The 2009 General Plan Housing Element projected a City population of 7,500 at General Plan buildout in 2020. Between 2000 and 2014, there were 69 new residential dwelling units constructed in the City (an average of five per year) with an associated population increase of 174 (based on 2.52 persons per household). At this rate of residential construction, the population of Willits will be approximately 5,013 in 2020.

(LAFCo, 2015)

2.6 DISADVANTAGED UNINCORPORATED COMMUNITIES

Senate Bill (SB) 244, which became effective in January 2012, requires LAFCo to evaluate any Disadvantaged Unincorporated Communities (DUCs), including the location and characteristics of any such communities, when preparing an MSR that addresses agencies that provide water, wastewater or structural fire protection services. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) that is less than 80% of the State MHI of \$63,783, or \$51,026 (USCB, 2017). This State legislation is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

The City of Willits has an MHI of \$36,466, which is less than 80% of the State MHI of \$61,632 (LAFCo, 2015). While the City MHI is 59% of the State MHI, the City does not qualify as a DUC because it is an incorporated area. The areas surrounding Willits may qualify as a DUC, especially given the existing out-of-area water and wastewater services currently being provided by the City. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy. The City is responsible for providing water and wastewater services. The Little Lake Fire Protection District is responsible for providing structural fire protection services.

Pursuant to GC §65302.10(b), SB 244 also requires each City to plan for DUCs in their General Plan Land Use Element in conjunction with adopting their Housing Element. To comply with this requirement, each City must identify, describe, and map each island and fringe community within the City's Sphere of Influence that qualifies as a DUC; analyze the water, wastewater, stormwater drainage, and structural fire protection needs or deficiencies of the DUCs; and analyze potential funding mechanisms that could make the extension of services to the DUCs financially feasible.

3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the SOI Update process and assist LAFCo in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.13.

3.1 SERVICE OVERVIEW

This section provides information regarding the wide range of municipal services provided by the City of Willits including the following:

- General Government
- Finance
- Public Safety
- Community Development
- Engineering
- Public Works
- Water
- Wastewater
- Airport
- Parks and Recreation

Additional municipal services are provided to City residents by other public agencies through agreements and Joint Powers Authority (JPA) and by private businesses through service contracts, as detailed in Section 3.12. This MSR only reviews services provided by the City.

This is the second MSR prepared for the City; the first one was adopted by the Commission on February 2, 2015. The City has undergone changes in the last few years that warrant a minor update to the MSR and associated determinations in order to provide a reliable basis of information for evaluating the appropriate current and future service area for the City as part of the SOI Update process.

This combined MSR/SOI Update includes information from the 2015 MSR and provides updated information related to the three following MSR service review factors: capacity of facilities, financial ability to provide services, and governance and accountability.

3.1.1 OUT-OF-AREA SERVICES

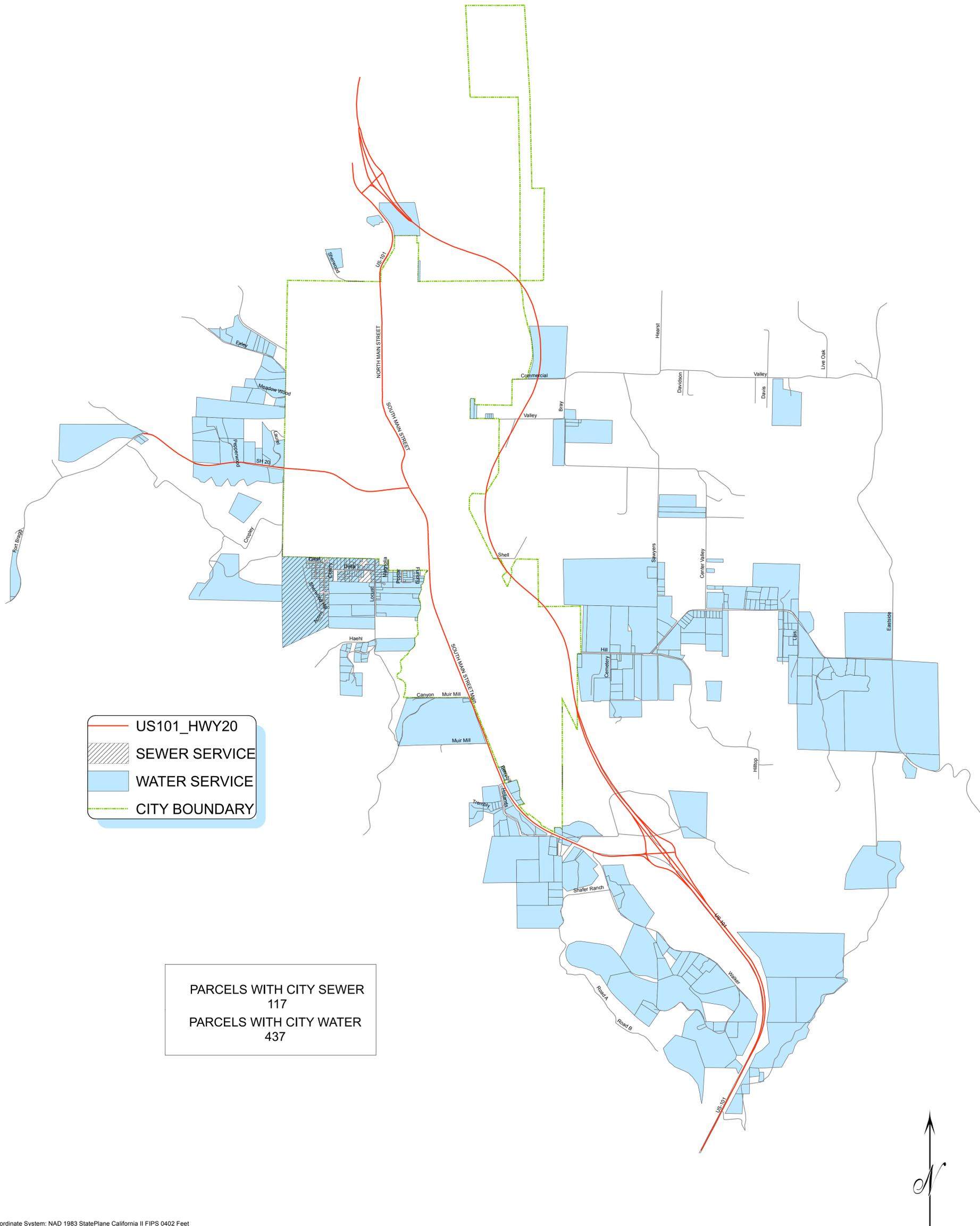
The City has 437 water and 117 wastewater service connections to properties located outside the City limits (Willits, 2016). As shown on Figure 3-1, many of these out-of-agency (OAS) services are located in the Della Avenue, Locust Street, Meadowbrook Drive, and Pineview Drive area, with the remaining located in fringe areas outside the City limits. These OAS connections serve individual homeowners and groups of homeowners from master meters located at the City limit boundary. The large majority of the OAS water services were exempt from LAFCo approval pursuant to Government Code Section 56133(e)(4), which states that an extended service that a city or district was providing on or before January 1, 2001, is exempt from LAFCo review.

Figure 3-1

CITY OF WILLITS

WATER AND WASTEWATER PARCEL INVENTORY

OUTSIDE OF CITY LIMITS



Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
False Easting: 6,561,666.6667
False Northing: 1,640,416.6667
Central Meridian: -122.0000
Standard Parallel 1: 38.3333
Standard Parallel 2: 39.8333
Latitude Of Origin: 37.6667
Units: Foot US

The City inherited most of the OAS water customers when they acquired the private Little Lake Water Company through eminent domain from Clifford and Katherine Horn in November of 1983 for \$1.4 million. The City's purchase of the water system was financed through Certificates of Participation, with the final payment of \$340,000 made in September of 2014. The water system was originally acquired by the Horns from the Pacific Gas and Electric (PG&E) Company and entailed all water collection, treatment, transmission, and distribution facilities and infrastructure. The purchase of the water system included a water treatment plant, a 3-million gallon water storage tank, and watershed lands of approximately 3,136-acres with Morris Lake and Dam, all timber situated on the property, and associated permits, licenses, easements, and franchise agreements.

By agreement, the City provides wastewater treatment and disposal services to the adjacent domestic wastewater collection system of Brooktrails Township, and provides 117 wastewater service connections to the Meadowbrook Manor subdivision and Sherwood Valley Band of Pomo Indians Rancheria.

(LAFCo, 2015)

The Sherwood Water Group, located along Sherwood Road between the City and Brooktrails Township, does not have its own water supply and therefore purchases water from the City to serve approximately 25 residences. This common water system includes a 2-inch water supply line from the City, a pump house, and a redwood water storage tank. (Willits, 2019)

3.2 GENERAL GOVERNMENT

Many of the City's government functions are housed at City Hall, which is located at 111 East Commercial Street, including the City Manager, City Clerk, Finance/City Treasurer, Human Resources, Elections Official, Planning, Building Safety, and Code Enforcement. City Council Chambers are also located at City Hall. Services available to the public at City Hall include meeting with Councilmembers and staff, water service payments, business licenses, building permits, job applications, accounts payable and receivable, various document requests, and filing complaints. The normal business hours at City Hall are 9:00 a.m. to 5:30 p.m., Monday through Thursday. (LAFCo, 2015)

The City's General Government services include Administration, Legal Counsel, Human Resources, and Elections.

Administration

The basic functions of City Administration include:

- Coordination of legal services
- Management and coordination of all City policies, programs, and services
- Negotiation and management of contracts
- Interface with other local governments, regulatory agencies, and state and federal agencies
- Management and coordination of City fiscal and human resources
- Public and agency notices as required
- Review of correspondence received and preparation/review of correspondence sent
- Implementation of ordinances and policies
- Interaction with and response to media
- Presentations to community groups

- Staff support to various JPA's and other intergovernmental agencies
- Revenue development, budgets and expenditure control
- Management of special projects
- Various franchise administration activities
- Coordination of economic development activities
- Risk management and insurance
- Management of City facilities
- Management of leases, agreements, etc.
- Response to citizen and community complaints
- Long range planning
- Maintenance of relationship with legislative and congressional representatives
- Other assignments established by City Council

Additional duties of City Administration include:

- Oversee the general administration of police services for the City of Willits.
- Continue to seek alternative sources to fund police services while managing the day to day budget of the police department.
- Manage the various intergovernmental, community and local partnerships associated with providing basic police services to the greater Willits community.
- Administer compliance requirements associated with maintaining police services for the City of Willits.
- Coordinate update of City Emergency Plan with other City Departments.
- Continue work on establishing a Volunteer Program.
- Digitize and catalogue old crime reports for destruction, obtain authorization for destruction from City Council, and purge by shredding, with goal of being mostly paperless.

The specific duties and responsibilities of the City Clerk include:

- Coordination of Form 700 FPPC filing
- Staff support to Council Members and Council Committees/Commissions
- Attendance at Council and Committee meetings
- Preparation of City Council agendas and minutes

Legal Counsel

The specific duties and responsibilities of the City Attorney include:

- Provision or coordination and management of defense in all litigation and hearings
- Rendering of legal opinions
- Legal support services to City departments
- Attendance at all meetings of Council, Redevelopment Agency, Planning Commission, etc.
- Preparation and/or review of various documents including demand letters, indemnification agreements, contracts, joint powers agreements, leases, licenses and permits, policies, and memoranda of understandings
- Other duties as assigned by City Manager

Human Resources

The purpose of Human Resources is to provide quality services and support to the City Manager, City Departments, employees and applicants in the areas of employee relations, employee benefits, recruitment, retention, testing, classification/compensation, and risk management. The basic functions of Human Resources include:

- Manage and administer all personnel programs and policies for the City and its employees
- Ensure compliance with various state and federally mandated programs including, but not limited to, OSHA, SB198 compliance, ADA requirements, harassment and workplace violence training, various federal and state labor code, etc.
- Manage modifications to personnel policies and procedures manual
- Conduct formal and informal negotiations with represented and unrepresented employees
- Employee-related dispute resolution
- Implementation of employee training and certification programs
- Interface with Payroll and City departments regarding application of terms and conditions of labor agreements

Elections

The City Clerk serves as the City's Elections Official and is responsible for:

- Coordination of municipal elections, including preparation and review of documents as mandated by state law.
- Analysis of election correspondence.
- Preparation of resolutions.
- Coordination of County Elections Office contract to conduct consolidated elections.
- Preparation and publication of notices.
- Coordination of special or recall elections.
- Records management.

(Willits, 2018a; Willits, Nov 2018)

3.3 FINANCE

The Finance Director/City Treasurer is the Chief Financial Officer of the City and exercises general supervision over the accounting of all departments under the direction of the City Manager and City Council. The Finance department maintains all basic financial information. The specific duties and responsibilities of this department include: the receipt and disbursement of all City funds, cash management, compilation of the City budget under the direction of the City Manager, budgetary control, payroll preparation, billing functions, coordination of annual audit, preparation of various State and Federal reports, maintenance and improvement of data processing systems, review, approval and payment of all claims against the City, special projects, attendance at the City Council meetings and assistance to the various departments as required. (Willits, 2018a)

3.4 PUBLIC SAFETY

The Willits Police Department operates at the joint County of Mendocino-City of Willits Justice Center, which is located adjacent to City Hall at 125 East Commercial Street. Services are available 24-hours a

day, seven-days a week and normal business hours are from 8:00 a.m. to 4:00 p.m. on Monday through Friday. (LAFCo, 2015)

As of October 2018, the City's Police Department is staffed with one Chief of Police, three Sergeants, one Corporal, and four Officers for a total of nine sworn Officers. The Department also employs four Dispatcher/Records Clerks, and one Community Service Officer. In 2017, the Police Department responded to 10,437 calls for service. As of October 2018, the Police Department responded to 9,951 calls for service with a projected total of 11,941 calls for service in 2018. Officers work many overtime hours to maintain the existing level of service and address the volume of calls received, thus indicating that the Officer staffing level is not sufficient. (Warnock, 2018; Willits, Nov 2018)

The City's Public Safety services include Police Administration, Public Safety Dispatch, Field Operations, and the State Citizens Options for Public Safety (COPS) Program.

Police Administration

The basic functions of Police Administration include:

- Direct the goals, objectives, policies, and priorities of the Police Department.
- Plan and direct Police Department personnel in preserving order, protecting life and property, and enforcement of laws.
- Research and implement modern police management methods.
- Confer with citizens and City officials on law enforcement and public safety problems.
- Prepare and administer the Police Department budget.
- Recruit and process applicants for employment.
- Attend City Council meetings, community meetings, county, and area and state law enforcement meetings with other public officials.
- Supervise, train, and evaluate staff.
- Manage criminal intelligence.
- Assist Director of Emergency Services.
- Personnel and risk management.
- Administration of the jail, dispatch, and records.
- Facility maintenance.
- Parking program management.
- Crime analysis/data entry.
- Payroll.
- Oversight of Arson, Narcotics and Sex Offender Registration Programs.
- Direct/conduct personnel/administrative investigations.

Public Safety Dispatch

The basic functions of Public Safety Dispatch include:

- Through radio communications, provide dispatch in response to calls for service for the Willits Police Department, Little Lake Fire Protection District, Mendocino County Sheriff, CAL FIRE, and other City departments.
- Answer 9-1-1 emergency calls for the City of Willits.
- Answer department business telephones.

- Provide reception needs to citizens. Operate California Law Enforcement Telecommunications System (C.L.E.T.S.) terminal and Computer Aided Dispatch (C.A.D.).
- Monitor persons in custody through jail camera/monitor.
- Collect bails and fines.
- Perform records functions: data entry – Alpha and CAD, process reports for submission to the District Attorney, maintain subpoena logs for the Police Department, process police records for submission to the Department of Justice, maintain Daily Activity and Press logs, maintain fingerprint and identification files for arrested persons.
- Complete other duties as required including some of the duties of the supervising administrator position.

Field Operations

The basic functions of Sworn Officers in Field Operations include:

- Respond to and investigate all types of calls for service involving criminal, civil, traffic, and medical emergency incidents, and write reports based on the investigation of those incidents.
- Arrest criminal suspects.
- Issue citations to offending drivers.
- Collect and preserves evidence.
- Book, photograph, process, and transport prisoners to County Jail.
- Testify in court when subpoenaed.
- Appear at and provide crime prevention presentations at schools and community based organizations.
- Attend basic and advanced training sessions to keep current on modern police tactics and methods.
- Assist other law enforcement agencies when called upon, and assist other City departments as needed.

State COPS Program

The Citizens Options for Public Safety (COPS) is funded through a State grant program. The purpose of the State COPS Program is to perform a wide variety of tasks to ensure that the Willits Justice Center Temporary Holding Facility (THF) is in compliance with all applicable laws, rules, and regulations of the State of California and the Willits Police Department. The basic functions of Community Services Officers (CSO) and Corrections Officers (CO) in the State COPS Program include:

- Routine security, custodial, and clerical work.
- Book, search, examine, and instruct arrestees.
- Conduct the distribution of meals when necessary.
- Transport arrestees to County Jail.
- Transport arrestees to medical facilities and other facilities when necessary.
- Maintain discipline.
- Monitor and conduct visiting hours when necessary.
- Assist Field Operations by handling selected calls for service.
- Assist in the dispatch center.
- Assist in evidence room and records room when necessary.
- Perform other duties as required.
- A Level II Community Services Officer provide administrative assistance as needed.

(Willits, 2018a)

3.5 COMMUNITY DEVELOPMENT

The City's Community Development services include Planning, Building Safety, and Code Compliance.

Planning

The purpose of Planning is to provide professional services and information in four functional areas of day-to-day operations, current planning, long-range planning, and regional planning. The basic functions of Planning are related to the four service areas as follows:

- A. Day-to-day operations involve interaction with the general public, developers, consultants, and public officials on planning matters, which include: Responding to questions in the field, in the office, or over the telephone, promoting the managed growth of the community, meeting and working with other organizations and jurisdictions, attending public meetings and workshops to stay aware of programs and policy development, presenting staff recommendations at public meetings, administration of budgets and grants, and other duties as assigned.
- B. Current planning operations involve researching issues concerning zoning, zone text amendments, general plan amendments, annexations, subdivisions, minor land divisions, lot line adjustments, variances, conditional use permits, planned unit developments, environmental reviews, and other minor permits, processing land use applications by conducting field checks, coordinating reviews with the Technical Advisory Committee, and writing staff reports with legal findings, presenting staff recommendations and findings on planning matters to the Planning Commission/City Council, reviewing site plans, landscape plans, and building plans for zoning compliance, writing, editing, and presenting draft ordinances to the Planning Commission/City Council, writing and editing minutes of public meetings.
- C. Long-range planning operations involve researching issues concerning population, housing, land use (including the Municipal Service Review and other issues before LAFCO and MCOG), economics, and transportation, information collection and analysis, developing specific plans, working on special studies, including monitoring projects and consultants, and promoting public participation.
- D. Regional planning includes staff support to Caltrans Main Street Relinquishment Project Development Team, to MCOG in developing the Regional Transportation Plan Update, Transportation Overall Work Program, the Regional Housing Needs Plan, and Countywide Capital Improvement Plan, and the Blueprint planning effort for Mendocino County and to the Willits Chamber of Commerce and EDFC in developing and implementing local economic development strategies.

Building Safety

The basic functions of Building Safety include:

- Enforce building codes and municipal code regulations; perform duties as Flood Plain Administrator and Health and Safety Officer.
- Coordinate building and safety related activities.
- Interface with other City departments regarding future developments.
- Coordinate with all interdepartmental agencies with regard to policies and procedures.

- Provide plan checks and issue building permits.
- Perform onsite inspections and assist in resolving technical questions relating to various code requirements.
- Maintain Building and Safety files for department reference and public information.
- Attend meetings as required for City Council, Planning Commission and Technical Advisory Committee.
- Provide technical staff assistance.
- Investigate complaints of building, housing and zoning violations in conjunction with Code Enforcement.
- Issue notices and orders, prepare policies, procedures, studies, reports, and code changes. Prepare and administer department budget.

Code Compliance

The purpose of Code Compliance is to provide comprehensive and competent information, services and programs associated with the enforcement of those City Ordinances under the purview of the Community Development Department. The basic functions of Code Compliance include:

- Continue the development of written procedures for initiating, investigating, processing, resolving and documenting code enforcement cases
- Respond to citizen inquiries, complaints and information requests relating to potential Municipal Code violations
- Initiate appropriate investigative procedures including property inspections to determine the nature of potential code violations
- Explain the pertinent codes, their purpose, how they will be enforced and the steps necessary for gaining compliance
- Work with appropriate agencies to abate abandoned vehicles on private and public property
- Work with appropriate agencies to abate hazardous or blighted conditions on public or private property
- Work with the City Attorney to prepare cases for legal action and testify in court proceedings
- Maintain files of all documents related to each code enforcement case

(Willits, 2018a)

3.6 ENGINEERING

The Engineering Department serves the engineering related needs of other City departments. This work includes engineering, construction management, inspection, and contract administration for projects initiated by departments within the City. Collectively, the Engineering Department is fully capable of assisting with all phases of project development, from developing plans, specifications, and cost estimating to construction inspection and management. When specialized engineering or other outside services are required, the department participates in the selection and supervision of contracted professional services. The Engineering Department is also responsible for mapping & analysis of city utilities and infrastructure, locating and enforcing the City's right-of-way, performing deed research, and reviewing community initiated construction plans, Boundary Line Adjustments, and legal descriptions.

(Willits, 2018a)

3.7 PUBLIC WORKS

The Public Works Department operates at the City's Corporation Yard located at 380 East Commercial Street and this facility includes an administrative office. Regular office hours are from 8:00 a.m. to 4:30 p.m. on Monday through Friday. Public access to the Public Works administrative office is from Commercial Street located behind the Public Library and can be difficult to find. (LAFCo, 2015)

The Public Works services include Administration, Operations and Equipment, Park Maintenance, Building Maintenance, Traffic Safety Operations, Gas Tax Street Administration, Street Maintenance, Storm Drain Maintenance, and Transportation Sales Tax Improvement Program.

Administration

Public Works Administration administers and directs the Public Work Department and prepares the annual departmental budget. Participation in staff meetings, City of Willits Council Meetings, Technical Advisory Committee (TAC), and other various meetings is required.

This division manages the City's Public Works projects with duties such as preparation of RFP's, administration of outside contracts, development of project specifications, development and management of project scheduling and funding, management of the public bidding process, and some project inspection during construction. Project management also requires the development and preservation of positive working relationships with other City departments as well as with outside agencies.

Public Works Administration is also responsible for various community needs such as the issuance of encroachment permits, including review and inspection, participation in the acknowledgement and resolution of Citizen Reports; and the administration and technical support for the Willits Community Pool and Willits Unified School District. This department serves as a funding mechanism for the County of Mendocino Animal Control and Weed Abatement contracts. Additionally, Public Works Administration acts as the lead public agency for the administration, oversight, and monitoring of the REMCO facility, as required by the Consent Decree, including remedial investigation, feasibility study, IRA, work plans, and for the duties and expenditures related thereto.

Operations and Equipment

Public Works Operations is responsible for maintaining the City's infrastructure and buildings including: maintenance and support to water and sewer departments, airport buildings, grounds, and fuel system, Public Works buildings and grounds, City Hall and Community Center buildings and grounds, arch inspection and maintenance, holiday decorations installation and removal.

Public Works Operations is also responsible for overseeing vehicle and equipment repairs, including processing purchase orders, ordering parts, scheduling repairs and safety inspections, and reviewing operating costs. The using funds or departments are charged a sum to recover the cost of personnel, fuel and oil, and vehicle maintenance.

Park Maintenance

The Public Works Parks Department is responsible for the maintenance of the City's parks, including grounds and buildings, electrical repairs, graffiti removal, tree trimming, tree removal, painting, vandalism repair, plumbing repairs, restroom supplies, playground equipment, skate park,

baseball/soccer grounds, fences, parking areas and the irrigation system from City well. This department also support for community activities which utilize City parks traffic control, garbage collection, etc.

Building Maintenance

Public Works Building Maintenance coordinates maintenance activities with other departments and outside agencies, orders and maintains inventory of parts and supplies, is responsible for cleaning schedules, coordinates Community Center activities and schedules, manage all related building maintenance contracts, and performs other duties as required.

Traffic Safety Operations

The Traffic Safety Department oversees and administers the City's traffic safety program. Basic functions include assistance with the engineering and design of projects, vegetation management for sight distance and sign visibility, repair and replacement of traffic and street signs, painting of pavement markings, such as curbs, crosswalks, stop bars, railroad crossings, and traffic lane stripping. This department communicates traffic safety concerns directly with Caltrans and assists with the development and engineering review of existing and proposed traffic control devices. Grant applications and other funding applications are developed and filed with appropriate federal, state and local offices. The Traffic Safety Department also provides traffic control for parades including Frontier Days and Homecoming.

Gas Tax Street Administration

The Street Administration Department oversees and administers all Gas Tax funded departments. Gas Tax revenues are the funding mechanism for City wide street lights. Basic functions include scheduling street maintenance projects, such as grading, pothole patching, brush clearing, storm drain projects, engineering review and implementation of the City's Pavement Management Program. Public Works engineering drawings and specifications are prepared and reviewed. RFPs are administered for outside engineering contracts storm damage projects, etc. This department provides contract administration, construction engineering and project inspection for Public Works projects, working closely with MCOG to secure street rehabilitation funding.

Street Maintenance

The Street Maintenance Department is responsible for the maintenance and repair of City streets and sidewalks, including pothole patching, section patching, chip sealing, dust control, tree trimming safety, sight distance and sweeping of City streets, US Highway 101, and State Highway 20. The street crew coordinates work with other departments to maintain City streets in a safe drivable condition to reduce/limit City's liability exposure.

Storm Drain Maintenance

The Storm Drain Maintenance Department is responsible for the clearing of debris from storm drain grates, catch basins and drainage channels, construction and replacement of storm drains and catch basins, coordination of storm drain rehabilitation projects, contract administration and project inspection.

Transportation Sales Tax Improvement Program

This Department funds projects from the City Transportation Sales Tax revenues (0.5% approved in 2003). Projects include local streets and roads maintenance, rehabilitation, reconstruction and construction, including sidewalks, curbs and gutters, ADA accessibility, and drainage facilities. Funds are applied to local street projects and administrative expenses such as Board of Equalization contract costs, account maintenance fees, and fiscal audit costs.

(Willits, 2018a)

3.8 WATER

The City owns, operates, and maintains a public water system including water supply facilities, a Water Treatment Plant (WTP), and distribution infrastructure. The City's water system is classified as a Large Water System because it has more than 500 connections and is under the jurisdiction of the State Water Resources Control Board (SWRCB) Division of Drinking Water. The City's Water Department is responsible for the water enterprise service.

The City's water system serves 1,817 (82%) residential customers and 400 (18%) non-residential customers for a total of 2,217 water customers (Willits, 2017c). Of the total, there are 437 (20%) water customers located outside the City limits and 1,780 (80%) water customers located within the City (Willits, 2016). The City's water system also serves 51 fire customers, which are defined as providing fire protection for commercial and industrial buildings (Willits, 2017c; Willits, Nov 2018).

Through an agreement executed in November of 1995, the City provides water and wastewater services to the Sherwood Valley Band of Pomo Indians Rancheria located southwest of the City limits, which includes residential units, a community center, and the Sherwood Valley Casino. This agreement provides for the water needs of up to 50 residential units or their functional equivalent. (LAFCo, 2015)

The City's water supply is a combination of surface water from Davis Creek and groundwater from the Elias Replacement Well. Davis Creek is a tributary to Outlet Creek, which is tributary to the Eel River. The City stores water along Davis Creek at Morris Reservoir with 726 acre-feet (AF) capacity and Centennial Reservoir with 635 AF capacity. The watershed area for Davis Creek upstream from Morris Dam is 4.9 square miles (3,136 acres). (LAFCo, 2015; Willits, Nov 2018)

The City's WTP is located adjacent to Morris Dam, has a capacity of 3.3 million gallons per day (MGD), and utilizes alternative filtration technology and an upflow clarifier process to produce treated water. The City has five water storage tanks, with a total capacity of 4.711 million gallons (MG), including: a 3.0 MG tank installed in 1980, a 1.5 MG tank and clear well installed in 1989 (both adjacent to the treatment plant), a 0.125 MG tank on Locust Street installed in 1993, a 0.043 MG tank on Laurel Street installed in 1977, and a 0.043 MG tank on Berry Hill installed in 1980. There are eight pressure zones within the City's water distribution system. (LAFCo, 2015)

The City has taken the following corrective actions to meet drinking water standards: completely upgraded the Water Treatment Plant in 2015, added a third filter and a 220,000-gallon pre-treatment upflow solids contact clarifier, lined the 3 MG main water storage tank in 2016, and replaced 3,400-feet of 10-inch steel pipe with 12-inch ductile iron and C-900 piping in 2009 and 2016 (Willits, Nov 2018).

On October 17, 2014, the SWRCB issued the City a compliance order which determined that the City did not have a reliable supply of water to serve its customers due to the drought conditions and senior water right demands. The order allowed the City to serve existing customers, but prohibited new service

connections. It also required the City to secure a reliable long-term supply of water. This order by the SWRCB was rescinded at the end of November 2014 based on further information provided by City Staff to the SWRCB that addressed their concerns. (LAFCo, 2015)

On August 9, 2017, the City Council approved full-time use of the Elias Replacement Well to supplement the City's surface water supply. Groundwater is now a regular water supply to the City's water system, instead of being limited to emergency situations. A Source Capacity Analysis prepared for the City by GHD consultants specified a maximum well capacity of 800 gallons per minute (gpm); however, with head-loss, friction, and overcoming system pressure, the well pump is a limiting factor. The City routinely pumps this groundwater well at a production rate of 330 gpm and proposes not to exceed a total annual use of 400 AF (131 MG). The City is currently evaluating potential enhancements to this groundwater system including changing the configuration and increasing the pump size. The Elias Replacement Well offers a consistent high quality water source that is not prone to seasonal water quality issues like surface water sources. (Willits, 2017b; Willits, Nov 2018)

Based on a water supply planning study prepared by West Yost and Associates in 2006, the City's water demand was 886 AF per year, of which 565 AF per year was for residential use. Based on 2,245 water service connections at that time, the average water usage was 154 gallons per person per day. Between 1994 and 2002, the WTP pumped an average of 445 MG per year (1.22 MGD). In 2011, the WTP produced 270 MG per year (0.74 MGD). Based on a City-estimated population of 8,062 served at the time, the average water usage was 92 gallons per person per day. (LAFCo, 2015)

The City's annual metered water consumption between July 2015 and June 2016 was 257,350 hundred cubic feet (CCF) or 192.5 MG. The City's projected annual water demand is approximately 200 MG or 614 AF. The City currently has 2,931 Equivalent Domestic Units (EDU) of water service provided within and outside the City limit. (Willits, 2017c)

With the City's 330 gpm groundwater well providing a regular supplement to the City's existing surface water supply, the City now has the ability to serve an additional 460 EDUs (16%), based on the assumption that a single family home uses 230 gallons of water per day. (Herman, 2018)

In the case of wildfire disaster, the best-case scenario for the total amount of water supply available from the City's water system in a 24-hour period is 1,387.05 AF (452 MG) based on full surface water storage (1,361 AF), groundwater pumping capacity (1.46 AF), WTP capacity (10.13 AF), and full water storage tanks (14.46 AF). Due to the unpredictable nature of wildfire, the water system facilities and infrastructure (WTP, pumps, tanks, piping, etc.) may not be fully functional in this type of an emergency.

Chapter 14-90 of the Willits Municipal Code addresses drought conditions and provisions for implementing a Water Shortage Emergency Plan. The last time the City declared a state of drought emergency was in 2014. (LAFCo, 2015)

The Water Enterprise services include Water Administration, Water System Maintenance, Groundwater Plant Operations, Water Plant Operations, and Water Engineering.

Water Administration

This department is responsible for compliance with laws and regulations relating to the water system, such as reporting, data storage and correspondence with California Department of Public Health, Division of Safety of Dams, Department of Forestry and Department of Water Resources. Staff assigned to the Water Administration Department maintain American Water Works Association training and

certification programs, oversee mandated water quality testing, reporting and public notification functions. This division assures that proposed changes in the system and treatment facilities meet the needs of the community and comply with all regulatory agencies requirements. Water Administration staff also assist water customers and contractors. Administrative tasks include: assisting with program administration, preparing correspondence on behalf of the Water Department, contract administration for water related professional services contracts, preparing and transmitting regulatory agency reports, purchasing, record keeping, and file maintenance. Staff participates in the Technical Advisory Committee, Water Resources Committee, and Council meetings. This department is also responsible for long range planning, including researching and preparing project proposal documents, such as requests for proposals (RFP), technical reports, proposal packets and preparing Council reports for water related projects. It also includes the preparation of the annual Water and Capital Improvement Budgets.

Water System Maintenance

The Water System Maintenance Department is responsible for the operation and maintenance of water lines, pump stations, tanks, leak detection, utility locating, pipeline replacement, fire hydrants, system flushing, construction liaison, inspection of all pipeline and service installations, valve exercising program, maintenance of easements, emergency response, coordination with water billing staff, notifications, service termination and restoration, 24-hour on-call service, data storage, meter reading and reporting, installation of meters and customer shut-off valves and related components, cross connection control program and corrosion control.

Groundwater Plant Operations

The Groundwater Treatment Plant Operations Department is responsible for the operation and maintenance of the groundwater treatment plant and associated wells.

Water Plant Operations

The Water Plant Operations Department is responsible for the operation and maintenance of the water treatment plant and watershed. Tasks for this department include: process monitoring and adjustment, chemical laboratory analysis and treatment strategy, instrumentation calibrations, installation and repair, filter and clarifier inspection and servicing, disinfection systems, chemical storage, handling and application, map file system, computer systems, cathodic protection systems, report generation, disaster response, lake and dam operation and maintenance, lake level and stream releases, algae control, pumps, tanks, forestry management, tree planting, fire protection program, security, fence, sign and road maintenance, review of plans and specifications, liaison with engineering. Generate Annual Consumer Confidence Report. Conditions require operators to respond quickly, safely and decisively in rapidly changing conditions with knowledge of treatment demands and options in emergency situations. Operators provide continuous coverage by remaining on call 24 hours a day, 7days a week. Operators are also responsible for trouble-shooting processes, doing complex mathematical calculations, and staying abreast of state and federal regulations and plan accordingly.

Water Engineering

This division is a component of the Engineering Department. It is responsible for the production of plans and specifications for water related projects. Staff also conducts reviews consultant produced engineering drawings and specifications.

(Willits, 2018a)

3.9 WASTEWATER

The City owns, operates, and maintains a public wastewater system including wastewater collection infrastructure, the recently upgraded Wastewater Treatment Plant (WWTP), and water reclamation facilities. The City's Wastewater Department is responsible for the wastewater enterprise service.

The City's wastewater system serves an estimated total population of approximately 8,600 people including: 5,000 located in the City limits, 3,300 located in the Brooktrails Township Community Services District, 200 located in the Meadowbrook Manor Sanitation District, and 100 in the Sherwood Valley Band of Pomo Indians Rancheria.

The City provides wastewater service outside the City limits by agreement. The City has provided wastewater treatment and disposal services to the Brooktrails Township Community Services since 1967, and 117 wastewater service connections to the Meadowbrook Manor Sanitation District since 1970 and the Sherwood Valley Band of Pomo Indians since 1989.

The City's WWTP is located in the northeast corner of the City at the end of Sewer Plant Road via North Lenore Avenue and East Commercial Street and the northerly portion of the treatment plant area is located outside the City limits. The City's wastewater system includes a sewage collection system consisting of approximately 22-miles of gravity-fed sewer mains ranging in size from 4-inches in diameter to 24-inches in diameter and one lift station and 450 manholes. The WWTP also includes associated reclamation and disposal facilities. From October 1 through May 14, treated wastewater is discharged from Discharge Point 003 to Outlet Creek, downstream of the confluence of Broaddus Creek and Baechtel Creek, consistent with the City's NPDES permit #CA0023060 from the North Coast Regional Water Quality Control Board (RWQCB), and from May 15 through September, and all other times seasonally appropriate, treated wastewater is recycled via irrigation on adjacent pasture lands (Willits, 2019).

The original secondary aeration treatment plant dates from 1975. Subsequent upgrades included headworks with grit removal, two extended aeration basins, a circular clarifier, a chlorine contact chamber, and dechlorination capability. That facility was designed to treat an average dry weather flow (ADWF) of 1.3 MGD and peak flows up to 3.0 MGD. However, the City experienced wet weather flows exceeding secondary treatment capability due to Inflow and Infiltration (I&I) and utilized up to five holding basins with a capacity of 16 MG to capture the overflow. The City was operating under North Coast Regional Water Quality Control Board (RWQCB) Order No. R1-2001-71. Between January 2000 and May 2006, the City was fined \$21,000 related to effluent discharge violations (Willits, Nov 2018).

In response to Statewide General Waste Discharge Requirements issued in 2006, and a Supplemental Report of Waste Discharge submitted by the City in 2009, the City proposed to upgrade its WWTP to include enhanced secondary-level treatment of wastewater. Construction of the upgraded WWTP included septage receiving stations prior to the existing headworks, extended aeration/activated sludge processes with nutrient removal, ultraviolet (UV) disinfection, and enhanced effluent polishing within a new 30-acre treatment wetland.

In July of 2010, the North Coast RWQCB issued Order No. R1-2010-0017 establishing new waste discharge requirements as well as reclamation requirements for the City. The Regional Board also required relocation of the discharge point on Outlet Creek, prohibited discharge of treated effluent between May 15th and October 30th of each year, set new limitations on biochemical oxygen demand

(BOD), total suspended solids (TSS), pH, nitrogen, and total coliform, placed requirements for land disposal of treated effluent, and specified standard provisions and additional monitoring requirements.

In October 2015, the North Coast RWQCB issued the current waste discharge requirements and master reclamation permit under Order No. R1-2015-0029 which will expire on November 30, 2020. The enhanced secondary-level treatment WWTP was completed in 2013 and has a design discharge capacity of 7.0 MGD and a permitted average monthly flow of 4.0 MGD (Willits, Nov 2018). The City requested that permitted flow be limited to 4.0 MGD based on projected needs through 2025. The treatment plant currently treats an average of 0.65 MGD dry weather flow (without I&I) and 1.20 MGD wet weather flow.

The City and the Brooktrails Township Community Services District (BTCSD) entered into an agreement on September 11, 1967 for treatment and disposal of BTCSD wastewater at the City's WWTP. This agreement has been amended over time. Contract amendment No. 2 in 1975 granted BTCSD an exclusive right to dispose of 0.16 MGD of effluent and a subsequent contract amendment in 2014 increased the allowable volume of effluent from BTCSD to 0.49 MGD. BTCSD contributes approximately 30% of the effluent treated at the City's WWTP.

In 2007, the City commenced construction of improvements to the WWTP, which included new headworks and metering facilities. In 2010 the City began the second phase of WWTP improvements, which included the construction of treatment wetlands for storage, polishing, and discharge of treated effluent, which was completed in 2012. In 2010, BTCSD filed a lawsuit against the City seeking, among other things, declaratory relief regarding wastewater accounting methods and allocation of operating costs and annual audits. The City filed a cross complaint against BTCSD to recover certain costs and expenses incurred by the City related to the WWTP improvement project.

(LAFCo, 2015)

Per the contract terms, BTCSD agreed to reimburse the City for costs allocated to BTCSD based on the ratio of total flow entering the City's treatment plant; the cost allocation was carried over from previous years. On April 6, 2015, the City and BTCSD settled the lawsuit stipulating a new cost allocation to BTCSD of \$22,000 per month beginning July 1, 2015 in addition to 36% of the bond payments. (MLH, 2018)

The Wastewater Enterprise services include Sewer Administration, Sewer Maintenance, Sewer Plant Operations, Sewer Engineering, and Septage Receiving.

Sewer Administration

This department provides administrative support to the Sewer Department. Administrative tasks include: assisting with program administration, preparing correspondence on behalf of the Sewer Department, contract administration for sewer related professional services contracts, preparing and transmitting regulatory agency reports, purchasing, record keeping, and file maintenance. Staff participates in the Technical Advisory Committee, Sewer Task Force Committee, and Council meetings. This department is also responsible for long range planning, including researching and preparing project proposal documents, such as RFPs, technical reports, proposal packets and preparing Council reports for sewer related projects. It also includes the preparation of the annual Sewer and Capital Improvement Budgets.

Sewer Maintenance

This department maintains and repairs the City sewer collection system. This work includes: inspection, cleaning, and repair of sewer pipelines. This department is also responsible for the implementation and enforcement of the Inflow and Infiltration I&I Program, Fats Oils and Grease (FOG) Program, Flow Monitoring Program, and Wastewater Discharge Program. Staff responds and resolves sewer problems, including emergency overflows. Staff also performs lift station maintenance, inspects new pipeline construction and marks sewer facilities for Underground service Alert.

Sewer Plant Operations

This department is responsible for the operation and maintenance of the City's sewer plant and reclaimed water irrigation, sludge thickening & dewatering, compost mixing and disposal systems. WWTP operators conduct laboratory testing as defined by regulatory agencies. This department is also responsible for the disinfection and disposal of effluent water as defined by the City's NPDES permit. Operators respond to all sewer plant alarms and emergencies. Operators also maintain plant grounds and equipment.

Sewer Engineering

This department is a component of the Engineering Department and responsibilities include:

- Preparing and reviewing engineering plans, specifications, construction engineering, and providing inspection for projects.
- Securing permit approval from outside agencies including Caltrans, Mendocino County Department of Public Works, Fish & Wildlife, Regional Water Quality Control Board, and Army Corps of Engineers.
- Preparing sewer line and appurtenances standard details, specifications, and infiltration and inflow (I&I) analysis.

Septage Receiving

This department is responsible for providing a NPDES compliant point of receipt for wastewater trucked in from the City's outlying areas. The volume of wastewater is metered, and the fees collected for receipt of the wastewater pay for a portion of the overall costs of the Sewer Enterprise Fund. This department is also responsible regulating septage haulers and reporting to state and regional authorities.

(Willits, 2018a)

3.10 AIRPORT

The City owns the Willits Municipal Airport (FAA LID O28), also known as Ells Field, which is managed under contract by Mulligan Aviation. This public airport facility is located on 76-acres approximately 3-miles northwest of the City. The airport began private operations in the 1960s by the Deerwood Corporation as a destination for flights from Oakland to prospective buyers of parcels in the adjacent Brooktrails Vacation Village subdivision known today as Brooktrails Township. The Airport property was donated to the City in 1964. (LAFCo, 2015)

The Airport is used for General Aviation and recreation-oriented flights. Facilities at the airport include a single 3,000-foot runway (16-34), 23 hangars on-site for rent and 25 tie-downs available for \$5.00 per night, lights for night operations, a 24-hour self-serve fueling station, and the Pilot Cave facility which

includes a pilot's lounge, restrooms, showers, kitchen, and outdoor picnic tables. REACH Air Medical Services has a helicopter for medical transport services at the Municipal Airport. (LAFCo, 2015; Willits, Nov 2018)

The Airport Manager represents the interests of the airport to the City, Federal Aviation Administration, and Cal Trans Aeronautical Division. The duties and responsibilities of the Airport Manager include:

- Producing required reports and managing grant obligations.
- Managing the airport fuel facility for the City, including inventory and sales of fuel and maintenance and testing as required by the fuel supplier.
- Inspecting and maintaining airport facilities for the City, including buildings, hangars, runways, taxiways, and lighting systems.
- Reporting airport facility conditions and repair requirements to the City and performing basic repairs.
- Working with the City, volunteers, and CAL FIRE crews to maintain airport grounds.
- Promoting airport facilities and related Willits attractions to the community and visiting pilots.

(Willits, 2018a)

3.11 PARKS AND RECREATION

The City operates and maintains a park system that includes two family parks with playground equipment, three neighborhood parks, four baseball diamonds, one soccer field, four tennis courts, one 3-acre open use field, and one skate park. Park and recreation facilities are maintained by the Public Works Department. (LAFCo, 2015)

During the summer months (June to August) the City funds full-time use, and during September and October part-time use, of the community pool for recreation purposes including swimming lessons and water aerobics. A fee is charged to the public and used to partially offset the maintenance, utilities, and other costs of operating the pool. A number of seasonal employees are hired each year, including a Pool Manager, Assistant Pool Manager, Swim Instructors, and Lifeguards, to staff and supervise the use of the pool. Since 2012 the pool has been open additional hours for private swim lessons and water aerobics. (Willits, 2018a; Willits, Nov. 2018)

3.12 SHARED FACILITIES, RESOURCES, AND SERVICES

The City works cooperatively with other service providers to deliver services more effectively or efficiently by sharing public facilities, resources, and/or service delivery responsibility when feasible. This section provides information regarding municipal services provided to City residents by other public agencies through agreements and Joint Powers Authority (JPA) and by private businesses through service contracts.

3.12.1 FIRE PROTECTION

The Little Lake Fire Protection District (LLFPD) is 239.4 square miles in size and provides fire protection services to the City of Willits and the surrounding Little Lake Valley area. Fire protection services to the Brooktrails Township subdivision are provided by Brooktrails Township Community Services District. In 1964, the Little Lake Volunteer Fire Department was established to serve the area immediately adjacent

to the City of Willits. In 1974, the City of Willits Fire Department joined the Little Lake Volunteer Fire Department to create the LLFPD.

The LLFPD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, first responder for hazardous materials incidents, fire prevention, and wildland fire protection. Ambulance service is also provided to the Willits area by Verihealth, Inc. which is located at 1135 S. Main St in Willits (Willits, Nov 2018).

The LLFPD operates two fire stations. The Main Station is located at 74 E Commercial Street in Willits and the Sub-station is located at 1575 Baechtel Road in Willits. LLFPD has an ISO rating of 4 within the City of Willits and in adjacent areas with water hydrants, a Rural ISO rating of 8 in outlying areas within 5-miles of a fire station, and a Rural ISO rating of 10 outside the 5-mile limit from a fire station. Within the City of Willits and along major roads, water supply for firefighting is supplied by the City water and hydrant system; there are 298 fire hydrants on the City water system. However, in rural subdivisions there are few or no hydrants available. Water for fire protection in portions of LLFPD outside the City is provided by one 4,000-gallon water tender, one 2,000-gallon tactical water tender, on-board tanks on each engine, and other available water supplies such as ponds, creeks, swimming pools, and cisterns.

More information regarding the LLFPD is available in the Multi-District Fire Protection Services Sphere of Influence Update adopted on May 7, 2018 and at the following website: <https://www.littlelakefire.org/>.

(LAFCo: 2015, May 2018)

3.12.2 SOLID WASTE AND RECYCLING

The City contracts with Solid Wastes of Willits, Inc. (SWOW) for collection, transportation, disposal, and recycling of garbage, refuse, and rubbish. SWOW pays a franchise fee to the City as the service provider. Curbside pickup for both garbage and recycling occurs Monday through Friday depending on the location within the City. In addition, SWOW maintains a recycle center at the Willits Transfer Station located at 350 Franklin Street. Recyclables are accepted at no charge and may include: newspapers, cardboard, office paper, food and beverage glass, steel cans, plastic food and beverage containers, and aluminum cans. Yard waste is picked up on Fridays with an alternating schedule between areas located west and east of the former US Highway 101 corridor. (LAFCo, 2015)

3.12.3 WILLITS SOLID WASTE DISPOSAL FACILITY OPERATIONS

The City and the County of Mendocino have entered into a Solid Waste Disposal Facility Operations Agreement for the purpose of joint ownership, maintenance, and operation of the solid waste landfill serving the City and certain unincorporated areas. Per the contract terms, the City has complete control of and authority over the administration, operation, and maintenance of the landfill and the City and County equally share the costs associated with the landfill including the purchase of equipment and closure/post-closure costs. (MLH, 2018)

3.12.4 SOLID WASTE DISPOSAL SITES AND MANAGEMENT PLAN

The City is a member of the Mendocino Solid Waste Management Authority which consists of three Mendocino County cities and the County of Mendocino and was created for the purpose of (a) siting, licensing, developing, constructing, maintaining, and operating disposal sites and sanitary landfills, and (b) preparing and implementing a solid waste management plan. (MLH, 2018)

3.12.5 EMERGENCY SERVICES

The City is a member of the Mendocino Emergency Services Authority which consists of all four Mendocino County cities and the County of Mendocino and was created for the purpose of coordinating disaster and other emergency preparedness planning and recovery programs, training employees and volunteers, administering disaster recovery programs, and other related activities. (MLH, 2018)

3.12.6 POOLED INSURANCE

The City is a member of the Redwood Empire Municipal Insurance Fund (REMIF) which is a group of Northern California cities that participate in an agreement to provide themselves with various levels of liability, property, and workers' compensation insurance. (MLH, 2018)

3.12.7 OTHER SERVICES

Below are additional examples of the City's interagency collaborative arrangements:

- The City's Police Department is the Public Safety Answering Point (PSAP) for emergency (9-1-1) calls within the City and in the surrounding area. The Police Department coordinates with the Mendocino County Sheriff's Office, the California Highway Patrol, the Little Lake Fire Protection District, and CALFIRE.
- The City's Police Department provides dispatch services for the Little Lake Fire Protection District.
- A School Resource Officer position is staffed by the City's Police Department for the Willits Unified School District.
- The City, in conjunction with the Willits Unified School District, operates a summer swim program at the Community Pool on the Willits High School campus.
- The City leases a portion of the Corporation Yard to the Mendocino Transit Authority (MTA) for parking public buses.
- The City contracts with the Mendocino County Information Services Division for all computer hardware and software technology repairs, upgrades, and maintenance including all network computers, internet, email, servers, copiers, desktops, laptops and documentation.

(LAFCo, 2015; Willits, 2018a)

3.13 DETERMINATIONS

This section presents the required MSR determinations pursuant to California Government Code §56430(a) for the City of Willits.

3.13.1 MSR REVIEW FACTORS

3.13.1.1 Growth

Growth and population projections for the affected area

1. As of January 2014, the Department of Finance (DOF) estimated the population of Willits was 4,937.
2. Since 2000, the population of Willits has declined by 136 residents or 2.7%. However, between January 2013 and January 2014, the City added 32 persons, a 0.7% increase.
3. Population growth for the City is projected to be a small increase to 5,013 by 2020, based on the historical average of five new dwelling units constructed per year.
4. The City's wastewater system serves approximately 8,600 persons; the City (population 5,000), Brooktrails Township Community Services District (population 3,300), Meadowbrook Manor Sanitation District (population 200), and the Sherwood Valley Rancheria (population 100).
5. The current City General Plan was adopted in 1992 and has a planning horizon ending in 2020. The City is in the process of seeking a consultant to prepare a General Plan Update.
6. The City of Willits has land use authority within incorporated areas and Mendocino County has land use authority within unincorporated areas of the Little Lake Valley area. The City and the County make land use decisions based on their respective General Plans and Zoning Regulations.

3.13.1.2 Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

7. The median household income (MHI) for the City of Willits is \$36,466, which is 59% of the State MHI. While the City MHI is less than 80% of the State MHI, the City does not qualify as a disadvantaged unincorporated community (DUC) because it is an incorporated area. The areas surrounding Willits may qualify as a DUC. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

3.13.1.3 Capacity of Facilities and Adequacy of Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence

8. The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. The City owns the Willits Municipal Airport, which is managed under contract by Mulligan Aviation. The City contracts with Solid Wastes of Willits, Inc. (SWOW) for solid waste services and recycling. The Little Lake Fire Protection District provides fire protection services to the City and the surrounding Little Lake Valley area.

9. The City has 437 water service connections to properties located outside the City limits. The City provides wastewater treatment and disposal services to the adjacent domestic wastewater collection system of Brooktrails Township, and provides 117 wastewater service connections to the Meadowbrook Manor subdivision and Sherwood Valley Band of Pomo Indians Rancheria located outside the City limits. The Sherwood Water Group purchases water from the City for a common water system serving approximately 25 residences.
10. The City's water system serves 2,217 customers. The City's water supply is a combination of surface water from Davis Creek, including Morris Reservoir (726 acre-feet) and Centennial Reservoir (635 acre-feet), and groundwater from the Elias Replacement Well (400 acre-feet). The City's WTP has a capacity of 3.3 million gallons per day and the City has five water storage tanks with a total capacity of 4.711 million gallons. The City's projected annual water demand is approximately 200 MG (614 acre-feet) and the City currently has 2,931 Equivalent Domestic Units (EDU). The City's 330 gpm groundwater well has allowed the City to serve an additional 460 EDUs.
11. Although not required because the City has less than 5,000 water connections, the City should consider developing an Urban Water Management Plan (UWMP) for the 2015 cycle of the State Water Resources Control Board. The UWMP can evaluate future water needs, long-term supply, drought response, and identification of new water sources.
12. The new WWTP has a design discharge capacity of 7.0 MGD; however the City requested that permitted flow be limited to 4.0 MGD based on projected needs through 2025. The treatment plant currently treats an average of 0.65 MGD dry weather flow (without I&I) and 1.20 MGD wet weather flow.
13. Inflow and infiltration (I&I) into the City's wastewater collection system still occurs but is no longer a significant problem. The City has a program to systematically eliminate the major sources of I&I. The City also has a low-interest loan program that will allow property owners to take out loans from the City to pay for repairs to private sewer laterals.
14. On April 6, 2015, the City and BTCSD settled the lawsuit stipulating a new cost allocation to BTCSD of \$22,000 per month beginning July 1, 2015 in addition to 36% of the bond payments.
15. As of October 2018, the City's Police Department was staffed with nine sworn Officers, four dispatcher/records clerks, and one Community Service Officer. In 2017, the Police Department responded to 10,437 calls for service. As of October 2018, the Police Department responded to 9,951 calls for service with a projected total of 11,941 calls for service in 2018. Officers work many overtime hours to maintain the existing level of service and address the volume of calls received, thus indicating that the Officer staffing level is not sufficient.
16. There are no significant capacity issues or major infrastructure needs for the City that need to be addressed within the timeframe of this MSR.
17. It is suggested that the City prepare a Capital Improvement Plan that identifies current and long-term City facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs.

3.13.1.4 Financial Ability of Agency

Financial ability of agencies to provide services

18. The City prepares an annual Budget and has annual Independent Financial Audits prepared by a qualified Certified Public Accountant.

19. The City budgeted for a General Fund deficit in FY 2014-15 and 15-16 and anticipated using General Fund Reserves to cover the net loss. By year-end for both fiscal years, the City was able to reduce expenditures and/or increase revenue to the point that the City successfully increased General Fund Reserves during that time period. The General Fund balance increased approximately 18% from July 1, 2013 to June 30, 2016.
20. Based on the FY 2016-17 Audit, General Fund revenues were \$4,350,769 and were \$12,983 lower than FY 2015-16, General Fund expenditures were \$4,452,217 and were \$222,073 higher than FY 2015-16, and the General Fund balance was \$2,545,972 and increased by \$75,743 or 3% from the FY 2015-16 fund balance of \$2,470,229 when prior period adjustments are taken into consideration.
21. The City's Budget for FY 2017-18 was \$11.2 million and included both General Fund and Enterprise Fund activities. Enterprise Fund activities account for almost half of the FY 2017-18 Budget and are primarily funded by charges for services. The City's General Fund has no long term debt but Enterprise Funds have \$23 million in long term debt with payments of \$1.4 million in FY 2017-18.
22. The water enterprise operates at a net income. The wastewater enterprise operates at a deficit due to debt service interest and payments for loans and bonds used to upgrade the wastewater treatment facility. On August 9, 2017, the City increased the water and wastewater service rates effective September 1, 2017. The City anticipates spending \$4.0 million over five-years for capital improvements to the water system and \$4.1 million over five-years for capital improvements to the wastewater system. In 2016 and 2017, the Municipal Airport operated at a surplus due to an increase in hangar fees adopted in 2016, new tenants at the airport, grants, and greater operating efficiencies.
23. The City-sponsored Voter Measure I for the Cannabis Industry Tax for the City was approved by the Voters in the November 6, 2018 Election and it is estimated that the City could receive annual cannabis related tax revenue in the range of \$250,000 to \$400,000.

3.13.1.5 Shared Facilities

Status of, and opportunities for, shared facilities

24. The City has an agreement with Mendocino County to share the cost of operations and closure of the Willits Solid Waste Disposal Facility.
25. The City is a member of the Mendocino Solid Waste Management Authority which consists of three Cities and Mendocino County formed for the purpose of siting solid waste disposal facilities and solid waste management planning.
26. The City is a member of the Mendocino Emergency Services Authority which consists of all four Cities and Mendocino County and was created for the purpose of coordinating disaster and other emergency preparedness planning and recovery programs.
27. The City is a member of the Redwood Empire Municipal Insurance Fund (REMIF) which is a group of Northern California cities that participate in an agreement pooled insurance including liability, property, and workers' compensation.
28. The City's Police Department is the Public Safety Answering Point (PSAP) for emergency (9-1-1) calls within the City and in the surrounding area. The Police Department coordinates with the Mendocino County Sheriff's Office, the California Highway Patrol, the Little Lake Fire Protection District, and CALFIRE.
29. The City's Police Department provides dispatch services for the Little Lake Fire Protection District.

30. A School Resource Officer position is staffed by the City's Police Department for the Willits Unified School District.
31. The City, in conjunction with the Willits Unified School District, operates a summer swim program at the Community Pool on the Willits High School campus.
32. The City leases a portion of the Corporation Yard to the Mendocino Transit Authority (MTA) for parking public buses.
33. The City contracts with the Mendocino County Information Services Division for all computer hardware and software technology repairs, upgrades, and maintenance including all network computers, internet, email, servers, copiers, desktops, laptops and documentation.

3.13.1.6 Accountability, Structure, and Operational Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies

34. The City of Willits is a General Law City and operates under the Council-Manager form of government. The City is governed by a five-member City Council elected at-large to serve staggered four-year terms. Regularly scheduled City Council meetings are held on the second and fourth Wednesday of the month at 6:30 p.m. in the City Council Chambers at City Hall located at 111 E Commercial Street in Willits. All meetings are open to the public and are publicly posted prior to the meeting in accordance with the Brown Act.
35. The City Council also serves as the Planning Commission and the Oversight Board of the Successor Agency to the Willits Redevelopment Agency. The 2015 Municipal Service Review recommended the City consider appointing a separate Planning Commission to provide greater public input and review, as well as a defined appeal process.
36. The Willits City Council is very receptive to public input and new ideas, and may benefit from establishing a Task Force to evaluate City operations, practices, and activities. A Task Force has not been established to date; however, the City conducted an organizational analysis in 2013 which resulted in a number of organizational changes.
37. The City Manager was tasked with a significant number of duties including City Clerk, the Human Resources Director, the Risk Manager, and the Director of Emergency Services. Since the 2015 MSR, the City Manager's workload has been reduced by adding Assistant City Manager, Human Resources Analyst, and City Clerk positions.
38. The City is comprised of nine municipal departments including Administration, Finance, Police, Community Development, Engineering, Public Works, Water Treatment, Wastewater Treatment, and Seasonal Parks and Recreation. The City employs both full-time and part-time positions for a total staffing level of 53.60 Full Time Equivalent (FTE) positions. A review of City staffing levels did not identify any instances where government functions are over-staffed. On the contrary, the City of Willits operates in a very efficient manner with employees who are capable of accomplishing different tasks in a seamless manner.
39. The City works cooperatively with other service providers to deliver services more effectively or efficiently by sharing public facilities, resources, and/or service delivery responsibility when feasible. There are no new opportunities for the City to achieve management or operational efficiencies identified during the preparation of this update to the City's 2015 MSR. There is no recommendation for a reorganization of local municipal service providers in the Little Lake Valley area at this time. To address the provision of municipal services outside the City limits, the City

could consider pursuing an opportunity to create a subsidiary district or sponsor the creation of a new independent special district.

40. The City maintains a website at <http://www.cityofwillits.org/>, which is a helpful communication tool to enhance government transparency and accountability. The City has hired a consultant to update and improve their website, which is scheduled to launch in early 2019.
41. The public may file complaints with the City Clerk and may provide verbal comments or complaints in person at City Hall during business hours, Monday through Thursday from 9 a.m. to 5:30 p.m., or at the City Council meetings during the general public comment period.

3.13.1.7 Other Service Delivery Matters

Any other matter related to effective or efficient service delivery, as required by commission policy

42. There are no other matters related to service delivery required by Mendocino LAFCo Policy.

4 SPHERE OF INFLUENCE

LAFCo prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. An SOI Update considers whether a change to the SOI, or probable future boundary, of a local government agency is warranted to plan the logical and orderly development of that agency in a manner that supports CKH Law and the Policies of the Commission. The MSR and required determinations for the City of Willits are presented in Chapters 2 and 3 of this document and form the basis of information and analysis for this SOI Update. This chapter presents the SOI Update and required determinations pursuant to California Government Code §56425(e) for the City of Willits.

4.1 SOI UPDATE

4.1.1 EXISTING SPHERE OF INFLUENCE

There is no information available to indicate that a Sphere of Influence (SOI) has been adopted by Mendocino LAFCo for the City of Willits. The City's 1992 General Plan Planning Area is limited to the then (and current) City limits. The current SOI for the City is considered to be coterminous with the contiguous or core portion of the current City jurisdictional boundary. (LAFCo, 2015)

4.1.2 COUNTY POLICIES

Mendocino County's 2009 General Plan established a policy framework for the Willits area in Chapter 6 Community Specific Policies. The following four goals, eleven policies, and five actions are specific to the Willits area, and supplement the countywide goals and policies included elsewhere in the County's General Plan.

Willits Community Goals

Goal CP-W-1: Coordinate planning and development of the areas around Willits in a manner that complements the City of Willits' role as the local center for services and civic life.

Goal CP-W-2: Plan for the development of the Brooktrails Township through implementation of the Brooktrails Township Specific Plan and resolution of infrastructure issues.

Goal CP-W-3: Adopt planning policies to govern new development opportunities along the State Route 101 Willits Bypass route east of the City in advance of development demand.

Goal CP-W-4: Maintain the rural character of Little Lake Valley using "smart growth" principles including defining a stable limit to urban growth and avoiding a proliferation of rural ranchettes.

Willits Community Area Policies

Policy CP-W-1: Places and facilities that create a sense of community should be established in the Willits area.

Policy CP-W-2: The County will work with the City of Willits to create a unified community encompassing urban development both within and adjacent to the City.

Policy CP-W-3: Residential uses in the unincorporated area should be focused in areas south of the City of Willits and in the Brooktrails Township (as supported by necessary water and sewer service connections).

Policy CP-W-4: The County supports expanded and diversified economic ventures for the Willits area. Potential strategies include:

- Accommodate State Route 20 and 101 tourist-based traffic by establishing, expanding and redeveloping commercial uses suitable to meet the needs of residents and visitors.
- Support operation of the Skunk Train as a significant tourist feature for the Willits area.

Policy CP-W-5: The County shall seek to maximize the compatibility of the US 101 Willits Bypass with community identity and the protection of economic ventures and agricultural resources.

Policy CP-W-6: The County shall actively plan for changes in circulation and associated effects that will accompany the US 101 Willits Bypass. The following concepts shall be included in the County's plans for the Willits area when the Bypass is complete:

- Maintain land use patterns as they existed in 2007 around the Bypass interchanges unless contiguous to the City.
- Bypass ramp design should provide convenient access to downtown commercial areas while minimizing impacts on residential neighborhoods.
- New development should be focused on the western side of the Bypass.
- The side of the Bypass closest to the City should develop first before permitting development to the "outside" of the Bypass.
- Create substantial green space buffers around the Bypass ramps reflecting a rural perspective and mitigating the visual impacts of new development where allowed.
- Avoid locating highway commercial uses (gas stations, fast food, convenience store, etc.) within green space buffers around the Bypass ramps.

Policy CP-W-7: The County supports improvements to the State Route 20 and 101 corridors in the suburban areas around the Willits City limits.

Action Item CP-W-7.1: Work with Caltrans to evaluate and support measures to reduce traffic hazards associated with pedestrian crossings of US 101.

Action Item CP-W-7.2: Establish public parking areas with easy access to, but substantially screened from, State Route 20 and 101.

Policy CP-W-8: Minimize the visibility of parking areas, utilities and similar improvements.

Policy CP-W-9: Highway visitor travel should be accommodated through visually enhanced parking and streetscapes.

Policy CP-W-10: The County shall collaborate with the City of Willits in providing services, housing and economic opportunity to support a healthy community.

Action Item CP-W-10.1: Work with the City of Willits in planning for the efficient extension of water and wastewater services and annexation to facilitate compact development patterns, efficient service delivery, and affordable housing, consistent with County goals.

Action Item CP-W-10.2: Negotiate an equitable property tax revenue sharing agreement between the County and the City of Willits to facilitate annexations, ensuring that the County receives credit for the transfer of its regional housing needs allocation.

Policy CP-W-11: The County will support the Brooktrails Township Community Services District in its efforts to implement the Brooktrails Township Specific Plan, including the District's efforts to resolve major services and infrastructure problems and reduce the risk of wildfire in the urban-rural interface.

Action Item CP-W-11.1: Organize an annual meeting with the City of Willits and the California Department of Forestry and Fire Protection to ensure continuity of action and address planning issues of mutual concern.

(Mendocino County, 2009)

4.1.3 SOI STUDY AREAS

There is an existing residential neighborhood located directly south of the City limits and accessed from Meadowbrook Drive, Crest Drive, and Pineview Drive that receives water and wastewater services from the City.

There is a large area located directly south of the City limits and accessed from Della Avenue, Locust Street, Holly Street, and Popular Avenue developed with a mixture of residential and rural residential parcels that receives water and/or wastewater services from the City.

There are two areas adjacent to the new highway interchanges located north and south of the City limits created from the Caltrans US Highway 101 Bypass project with the potential for new commercial and residential development and associated municipal service needs.

4.1.4 AREA OF INTEREST DESIGNATION

LAFCo's Area of Interest Policy, per Section 10.1.12, provides for the designation or identification of unincorporated areas located near to, but outside the jurisdictional boundary and established SOI of a city or district, in which land use decisions or other governmental actions of another local agency directly or indirectly impact the subject local agency.

An Area of Interest designation serves as a compromise approach that recognizes situations involving challenging boundary or municipal service delivery considerations, or for which urbanization may be anticipated in the intermediate or long range planning horizons. It is a tool intended to enhance communication and coordination between local agencies.

An Area of Interest designation is most helpful when the county and city or district can reach agreement that development plans related to LAFCo designated Areas of Interest will be treated the same as if these areas were within the city or district SOI boundary regarding notification to and consideration of input from the city or district.

Three of the above SOI Study Areas, including the Della Avenue/Holly Street parcels and the parcels adjacent to the two new Highway 101 interchanges, have been designated as an Area of Interest as shown on Figure 1-1. These areas are consistent with many of the Mendocino County General Plan goals and policies noted in Section 4.1.2 and are identified on the Sphere map to further emphasize and support the City in requesting consideration from the County regarding discretionary land use entitlements or other development plans with the potential to impact City lands, facilities, and/or services.

4.1.5 PROPOSED SOI CHANGES

The first SOI Study Area described above is proposed to be added to the City's SOI boundary, and eventually the City's jurisdictional boundary. This SOI Study Area encompasses an existing residential neighborhood shown as Area A on Figure 1-1 and contains 61 parcels and adjacent roadways for a total of 12 acres.

Area A - List of Assessor Parcel Numbers (APNs):

038-450-10	038-440-09	038-450-04	038-440-10
038-450-11	038-440-41	038-450-05	038-440-11
038-440-42	038-440-44	038-450-15	038-440-14
038-440-43	038-450-09	038-440-45	038-440-29
038-440-46	038-450-19	038-450-02	038-440-22
038-440-47	038-440-23	038-440-18	038-440-15
038-440-37	038-440-16	038-440-33	038-450-13
038-440-36	038-440-24	038-440-34	038-450-14
038-440-02	038-440-30	038-440-21	038-450-06
038-440-03	038-450-18	038-440-31	038-450-16
038-440-05	038-450-08	038-440-17	038-440-20
038-440-06	038-450-07	038-440-32	038-440-13
038-440-01	038-440-12	038-440-25	038-440-28
038-440-04	038-450-17	038-440-35	
038-440-07	038-450-12	038-450-01	
038-440-08	038-450-03	038-440-19	

4.1.6 POLICY CONSISTENCY ANALYSIS

Area A is developed with single-family residences and no extension of utility service is needed since this neighborhood already receives water and wastewater service from the City; currently three parcels are undeveloped and two parcels do not receive water service.

Area A is zoned Suburban Residential (SR) by Mendocino County, and the SR zone allows for variable density. For SR zoned property served by water and wastewater, the minimum parcel size is 6,000 square feet which is consistent with the City's Single Family Residential (R1) zone. All parcels in Area A are under 12,000 square feet in size and do not have the potential to allow further subdivision.

Area A does not contain any agricultural and open space lands.

Area A is contiguous to the City's existing southern boundary. While the addition of Area A to the City SOI will create a peninsula, this irregular boundary represents the most logical and orderly shape based on the existing land use pattern of the neighborhood and municipal services provided to the area. Further, Area A is located directly west of Area of Interest (AOI) 1 and together they form a regular boundary. AOI 1 will be considered for inclusion in the City's SOI once it becomes further developed to a consistent residential density through land division and/or is proposed for annexation to the City.

The addition of Area A to the City's SOI is not anticipated to affect the City's current operating level because the City already serves this area.

The SOI Update is consistent with Mendocino LAFCo Policies (refer to Section 1.5 for more information).

4.1.7 DETERMINATIONS

It is recommended that the Commission amend the existing coterminous SOI for the City of Willits to add Area A, containing 61 parcels and adjacent roadways for a total of 12 acres, to the City's SOI boundary. The following statements have been prepared in support of this recommendation.

4.1.7.1 Land Uses

The present and planned land uses in the area, including agricultural and open space lands

The City of Willits has a history of commercial development along the former US Highway 101 corridor and industrial development on outlying parcels within the City limits. The Brooktrails Township subdivision of approximately 6,605-parcels is located northwest of the City. The City is located in the Little Lake Valley area with a visual backdrop of wooded ridgelines and is primarily surrounded by agricultural lands, undeveloped properties, and rural-scale development. The City of Willits provides a variety of urban land uses ranging from suburban residential to multi-family residential, retail and service commercial, manufacturing, public facilities, and recreation. The primary land uses for unincorporated areas adjacent to the City of Willits are agricultural, forest, rangelands, and Variable Residential including suburban and rural. The Sherwood Valley Band of Pomo Indians Rancheria is located southwest of the City limits and includes residential units, a community center, and the Sherwood Valley Casino. The City of Willits has land use authority within incorporated areas and Mendocino County has land use authority within unincorporated areas of the Little Lake Valley area. The City and the County make land use decisions based on their respective General Plans and Zoning Regulations.

4.1.7.2 Need for Facilities and Services

The present and probable need for public facilities and services in the area

The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. The City owns the Willits Municipal Airport which is managed under contract by Mulligan Aviation. The City contracts with Solid Wastes of Willits, Inc. (SWOW) for solid waste services and recycling. The Little Lake Fire Protection District (LLFPD) provides fire protection services to the City and the surrounding Little Lake Valley area and has a coterminous sphere.

The City has 437 water and 117 wastewater service connections to properties located outside the City limits. The City provides wastewater treatment and disposal services to the adjacent domestic water collection systems of Brooktrails Township, Meadowbrook Manor, and Sherwood Valley Band of Pomo Indians Rancheria.

The City and LLFPD are the only two municipal service providers in the Little Lake Valley area. The Brooktrails Township Community Services District (BTCSD) is a municipal service provider in the region, but its services do not extend into the Little Lake Valley area except for mutual aid responses and dispatched service calls. There is no MSR recommendation for a reorganization of local municipal service providers in the Little Lake Valley area at this time.

The two new highway interchanges created north and south of the City limits from the Caltrans US Highway 101 Bypass project have the potential for new commercial and residential development and associated municipal service needs.

The City's residents, visitors, and the areas located outside the City limits that are currently receiving City services will continue to need the public services provided by the City.

4.1.7.3 Capacity of Facilities and Adequacy of Services

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

As determined in the MSR prepared for the City of Willits, the City has adequate facilities, personnel, finances, and equipment to meet current and limited future growth demands for public services within the next five years.

4.1.7.4 Communities of Interest

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

There are at least three social or economic communities of interest that have been identified in the Willits area that are relevant to the City.

The Brooktrails Township subdivision located one-mile northwest of the City and which already receives wastewater service from the City.

The Sherwood Valley Band of Pomo Indians Rancheria, including residential units, a community center, and the Sherwood Valley Casino, located directly southwest of the City and which already receives water and wastewater services from the City.

The two new highway interchanges created north and south of the City limits from the Caltrans US Highway 101 Bypass project have the potential for new commercial and residential development and associated municipal service needs. It will be important to monitor new development occurring in these areas and the potential financial implications and other impacts to the City, as the primary municipal service provider, and the City's ability to continue to provide services to the Little Lake Valley area.

4.1.7.5 Disadvantaged Unincorporated Communities

The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

The median household income (MHI) for the City of Willits is \$36,466, which is 59% of the State MHI. While the City MHI is less than 80% of the State MHI, the City does not qualify as a disadvantaged unincorporated community (DUC) because it is an incorporated area. The areas surrounding Willits may qualify as a DUC. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

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6 ACRONYMS

AF	Acre-feet
BTCSD	Brooktrails Township Community Services District
CCF	hundred cubic feet
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CSD	Community Services District
FY	Fiscal Year
GPM	gallons per minute
HCF	hundred cubic feet
LAFCo	Local Agency Formation Commission
LLFPD	Little Lake Fire Protection District
MG	million gallons
MGD	million gallons per day
MSR	Municipal Service Review
SOI	Sphere of Influence
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

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7.1 REPORT PREPARATION

This Municipal Service Review and Sphere of Influence Update was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

- Uma Hinman, LAFCo Executive Officer
- Larkyn Feiler, LAFCo Analyst
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E Mulberg & Associates	Elliot Mulberg

8 APPENDICES

8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES

The purpose of this appendix is to provide a brief list of some educational resources for local agencies interested in learning more about the broad scope of public interest laws geared towards government transparency and accountability. This appendix is not intended to be a comprehensive reference list or to substitute legal advice from a qualified attorney. Feel free to contact the Mendocino LAFCo office at (707) 463-4470 to make suggestions of additional resources that could be added to this appendix.

The websites listed below provide information regarding the following open government laws: (1) **Public Records Act** (Government Code §6250 et seq.), (2) **Political Reform Act** – Conflict-of-Interest regulations (Government Code §81000 et seq.), (3) **Ethics Principles and Training** (AB 1234 and Government Code §53235), (4) **Brown Act** – Open Meeting regulations (Government Code §54950 et seq.), and (5) **Online Compliance** regulations (Section 508 of the US Rehabilitation Act and Government Code §11135).

- Refer to the State of California Attorney General website for information regarding public access to governmental information and processes at the following link: <https://oag.ca.gov/government>.
- Refer to the State of California Attorney General website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <https://oag.ca.gov/ethics>.
- The Fair Political Practices Commission (FPPC) is primarily responsible for administering and enforcing the Political Reform Act. The website for the Fair Political Practices Commission is available at the following link: <http://www.fppc.ca.gov/>.
- Refer to the California Department of Rehabilitation website for information regarding Section 508 of the US Rehabilitation Act and other laws that address digital accessibility at the following link: <http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>.
- Refer to the Institute for Local Government (ILG) website to download the Good Governance Checklist form at the following link: www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices.
- Refer to the Institute for Local Government (ILG) website to download the Ethics Law Principles for Public Servants pamphlet at the following link: www.ca-ilg.org/node/3369.
- Refer to the Institute for Local Government (ILG) website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <http://www.ca-ilg.org/ethics-education-ab-1234-training>.
- Refer to the California Special Districts Association (CSDA) website for information regarding online and website compliance webinars at the following link: <http://www.csda.net/tag/webinars/>.