

**MINUTES  
NORTH WILLOWS COUNTY SERVICE AREA  
ADVISORY COMMITTEE**

**February 24, 2010**

The North Willows County Service Area Advisory Committee convened at 1:30 p.m. on the above date, at Glenn County Planning and Public Works Agency Conference Room.

<b>Members Present:</b>	Dean Gummow Barbara Mann	Ray Crabtree Buck Ward
<b>Members Absent:</b>	Joe Hinton	
<b>Others Present:</b>	Denny Bungarz	
<b>Staff Present:</b>	Randy Murphy Todd Murray	Jennifer Cannizzaro John Linhart

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**ACTION ITEMS**

**1. REVIEW AND APPROVE MINUTES OF NOVEMBER 13, 2009**

It was the consensus of the Committee to approve the minutes of November 13, 2009.

**2. CONSIDER REGULAR MEETING DATES-QUARTERLY OR SEMI-ANNUAL**

Mr. Murphy questioned the committee's preference for scheduling regular meetings. Mr. Gummow reported that he felt the committee should only meet as needed, while Mr. Crabtree suggested annual meetings to address parcel fees and the annual budget. Mr. Linhart explained that having a regular meeting schedule allows for staff to meet posting deadlines.

On a motion of Mr. Gummow, seconded by Mr. Crabtree it was unanimously voted to schedule quarterly meetings beginning March 24, 2010.

**3. PRESENTATION AND CONSIDERATION OF DETENTION BASIN APPRAISAL**

Members reviewed the following:

The lease for the detention basin expires in two years. The Committee has had several conversations about what is in the long-term best interest of the community. The choices are:

1. Purchase the property via a willing seller;
2. Acquire the property through eminent domain (if option 1 is unattainable);
3. Obtain a permanent easement; or
4. Renew the lease for another 20-year term.

On the advice of then-County Counsel, staff solicited proposals and ultimately retained Shaw and Associates to complete a property appraisal. Bob Shaw has recently submitted his findings of valuation for the property (summary attached).

Mr. Shaw suggests that the fair market value (FMV) of the property is \$6,000 per acre and provides a basis for his findings in a report available for review in the Murdock Av offices of the County Planning & Public Works Agency. Using this value, Shaw declares that the FMV to purchase the 50.21 acres containing the detention basin would be a one-time cost of: \$363,200 for an outright purchase of the land, or \$75,400 for a permanent easement, or \$34,300 for another 20-year lease term. All values include some amount for severance and other damages to the current property owners. Please be aware that these amounts do not include the costs of any environmental reviews that may be required, nor do they include any litigation expenses that may be incurred should the County pursue acquisition via eminent domain.

In order to assist the Committee in determining a preferred alternative to recommend to the Board of Supervisors, staff has provided a summary of the NWCSA's past five years revenues and expenses on the attached spreadsheet. A quick review shows that average revenues have exceeded average expenses by almost \$12,000 a year in that time; however, staff recommends only using \$5,000 of that toward any payment option, as it would be prudent to retain some flexibility in future years' budgets. Also, staff is assuming a fiscal year 09/10 ending balance of approximately \$60,000. Consequently, staff is confident that the current property assessment is adequate if either option 3 or 4 is selected. However, if either purchase or

eminent domain action is recommended, the County would have to borrow a considerable sum and the debt service would have to be borne by the residents of the NWCSA.

A likely scenario would require a borrowing of \$500K, which would cover the purchase of the property, plus environmental review, legal fees and election expenses. Assuming that amount, this would equate to a debt service of some \$30, 000 to \$35,000 per year for 40 years (at 6%). Since the revenue realized by the current assessment is about \$20,000 per year, the assessment would have to be increased by 100% or more in order to cover the debt service (see attached for current rates). Current state law requires a vote to increase the assessment, so passage of any such increase makes these options the riskiest, as it would require a vote of the affected property owners with passage by a weighted (based on parcel size or appraised value) 2/3 majority.

Mr. Ward entered the meeting.

Mr. Gummow spoke against an additional tax to pay for the purchase of the property. Discussion ensued regarding a permanent easement vs. purchasing of the property. Mr. Ward suggested that staff proceed with a permanent easement.

On a motion of Mr. Ward, seconded by Member Crabtree, it was unanimously voted to direct staff to recommend to the Board of Supervisors a permanent easement or renewal of the lease for an additional twenty years should the property owner choose not to grant a permanent easement.

## **DISCUSSION ITEMS**

### **1. RECENT STORM ACTIVITY**

Mr. Murray reported that he works very hard to keep pumps running and that he would like to get the pump under the canal cleaned. Mr. Ward commented that Mr. Murray and his crew do a great job of keeping the water moving during storms. Mr. Murray asked for residents to call when there are concerns so that they can be addressed in a timely manner.

## **UNSCHEDULED MATTERS AND FUTURE AGENDA ITEMS**

None presented. Next meeting to be held on Wednesday, March 24, 2010 at 1:30 p.m.

**NO FURTHER BUSINESS, MEETING ADJOURNED AT 2:10 PM**