



Hamilton City Community Services District
P.O. Box 116
211 Main Street
Hamilton City, CA 95951
(530) 826-3208

HAMILTON CITY COMMUNITY SERVICES DISTRICT Board Meeting Agenda

**Monday, March 10, 2025
211 Main Street, Hamilton City**

Call to Order: 6:00 p.m.

Welcome:

Guests:

Roll Call:

_____ **ROSEANNA OCAMPO**
_____ **DAVID HUNTOON**
_____ **ROSA VARGAS**
_____ **CHRIS CARRIZALES**
_____ **CARAVEZ LEDEZMA, ALEJANDRA**

Flag Salute:

Public Comment: Public comment on items not listed on the agenda. The Board may not discuss or consider non-agenized items during the public comment period but may ask questions or clarify information.

Approval of Minutes of the Meeting (February 10, 2025 - February 17, 2025)

Review of Correspondence: N/A

Unfinished Business: N/A

New Business:

1. Discussion and possible action on bill pay system being upgraded with two company options/offers.

2. Discussion and possible action understanding the Teeter Plan Process and repaying the county for a Negative Apportionment Due to Bankruptcy Case with voting on Resolution No. 2025-1.
3. Discussion and possible action on Fireworks booth.

Reports:

1. **Board:** Individual reports
2. **General Manager:** warrants list for February 2025, GM progress report

Approve Payment of the Bills: February 2025.

Adjournment: Next Regular Board meeting scheduled for April 14, 2025.

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Board of Directors
Minutes of Meeting Held February 10, 2025

CALL TO ORDER:

The meeting was called to order by Roseanna Ocampo at **6:10 p.m.**

Board Members present: Roseanna Ocampo, David Huntoon, Chris Carrizales, Rosa Vargas, Alejandra Ledezma

Board Members absent: N/A

District Employees: Lewis Hall GM.

Guests: N/A

FLAG SALUTE: lead by Roseanna Ocampo

PUBLIC COMMENT: Public comment on items not listed on the agenda. The board may not discuss or consider non-agenized items during the public comment period but may ask questions or clarify information.

MINUTES: of November 12, 2024 and December 9, 2024(**No Meeting in January 2025**)

- a. Minutes of November 12, 2024, Alejandra Caravez Ledezma motioned to pass the minutes as written. Rosa Vargas second the motion, motion passed with all board members present. December 9, 2024, David Huntoon Motioned to pass the minutes as written. Roseanna Ocampo second the motion, motion passed with all board members present.

REVIEW OF CORRESPONDENCE: None

NEW BUSINESS:

1. Discussion and possible action of voting in board members Rosa Vargas And Caravez Ledezma Alejandra.
 - a. Both Canadettes were voted in by Roseanna Ocampo, David Huntoon, Chris Carrizales

1. Discussion and possible action on swearing in Rosa Vargas and Alejandra Ledesma
- a. Rosa Vargas and Alejandra Ledesma were sworn in By Vice present David Huntoon at the meeting before any business was conducted.

New Business:

1. Discussion and possible action on nonprofit status of Edgewater park.
- a. Discussion only.
2. Discussion and possible action on Edgewater Park future maintenance, events and Purchases.
- a. Discussion only, Roseanna Ocampo suggested all board members bring 3 ideas of future fund raisers for the park to the next board meeting.
3. Discussion and possible action on bill pay system upgrade.
- a. Discussion only GM explained two companies were bidding for the billing system but haven't finished catering their systems to what HCCSD needs.

CLOSE SESSION: in @ 7:13

Pursuant to Government Code § 54957-Citiizens were asked to exit the facility during the Closed Session to ensure confidentiality and integrity of process. GM conduct was discussed in closed session.

Out of close Session @ 7:45

REPORTS:

1. Board: Old minutes,
2. General Manager: GM report

PAYMENT OF HCCSD BILLS: David Huntoon motioned to pay December 2024 and January 2025 bills, Alejandra Caravez Ledezma, second the motion, motion carried with all board members present.

Adjournment: @7:59 PM Chris Carrizales motioned to Adjourn the meeting, Alejandra Caravez Ledezma, second the motion, motion carried with all board members present.

Next Regular Board meeting scheduled for March 10, 2025.

Respectively submitted,
Lewis Hall



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Board of Directors
Minutes of Special Meeting Held February 17, 2025

CALL TO ORDER:

The meeting was called to order by Roseanna Ocampo at 6:00 p.m.

Board Members present: Roseanna Ocampo, David Huntoon, Chris Carrizales, Rosa Vargas, Alejandra Ledezma

Board Members absent: N/A

District Employees: Lewis Hall GM.

Guests: Leon Contreras, Primavera Morales

FLAG SALUTE: lead by Roseanna Ocampo

PUBLIC COMMENT: Public comment on items not listed on the agenda. The board may not discuss or consider non-agenized items during the public comment period but may ask questions or clarify information.

MINUTES: N/A

REVIEW OF CORRESPONDENCE: None

NEW BUSINESS:

1. Discussion and possible action on letting the post office setup a temporary modular located just south of the main office on HCCSD's Vacant lot.
 - a. General Manager Lewis Hall explained to the board the need to let the Post Office set up a temporary station on Hamilton City Community Service District's (HCCSD) vacant lot next to the office. This is to facilitate the mail being accessible to Hamilton City

Community with the least amount of disruption or traveling approximately 15 miles to Chico in order to collect the mail.

- b. Alejandra Caravez Ledezma motioned to let the Post Office set up a temporary post office on the vacant lot next to the HCCSD office free of rent. That all necessary hook ups would be the financial responsibility of the Post Office. Chris Carrizales second the motion. Motion passed with all board members present.

REPORTS:

1. Board: Old minutes,
2. General Manager: GM report

PAYMENT OF HCCSD BILLS: N/A

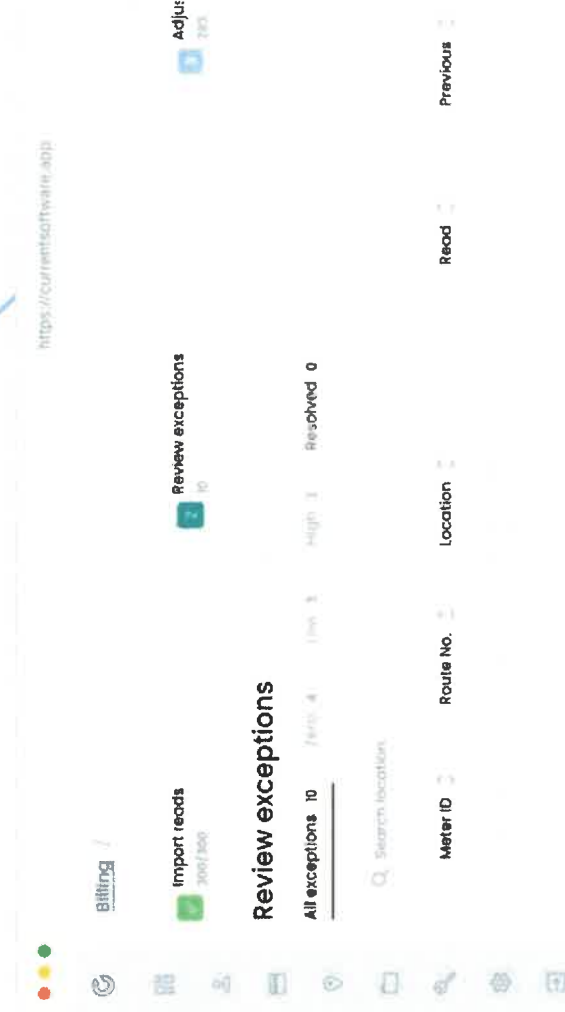
Adjournment: @6:26 PM Chris Carrizales motioned to Adjourn the meeting, Alejandra Caravez Ledezma, second the motion, motion carried with all board members present.

Next Regular Board meeting scheduled for March 10, 2025.

Respectively submitted,
Lewis Hall



The modern Customer Platform for
small & medium utilities



Total Reads
287

Total Outstanding Balance
\$ 1,293

Current Bill
\$ 2,293

Vision

High quality modern software that **simplifies utility operations** and provides **customers with more digital tools**

Primary Goal

More modern billing tool with better customer-facing capabilities

Expected Benefits

1. Higher customer satisfaction
2. Streamlined utility operations

Current's Customer Platform uniquely puts focus on ratepayer management

Legacy On-Premise Billing

- Stable but lacking innovation
- Cheap to run but costly to upgrade
- Can limit org's cloud capabilities

Municipal / GovTech ERPs

- Feature-rich (possibly overbuilt)
- Expensive with long deployments
- Billing is an add-on, not core focus

Current Customer Platform

- Built for utility customer management
- Cloud-native, mobile-first, and integration rich (GIS, AMI)

Niche Cloud Providers

- Transitioned to cloud (not native)
- Expensive to make up R&D costs
- Features still in progress

Our unique Customer Platform lets you manage your accounts from end to end

Customer Facing

Online Payments

View Usage

Autopay

Notifications & Alerts

Advanced Capabilities

Delinquency Module

Custom Reporting

Move-out Checklist

Field Mobility

Traditional Billing System

Service Orders

Billing & Transactions

Customer Information System

A never-before-seen way to generate bills in minutes, not days

Key Features

- **Guided experience** to step through the main billing steps
- **Automatically group similar accounts** to enable bulk actions
- **Audit log** to see which meters have been worked and by whom
- **Summary** to guide remaining work and review potential errors

Billing / 2

1 Import Data
252/500

2 Review Exceptions
44 unresolved exceptions

3 Review Bills
208/500

4 Summary & Send Bills
0/500 posted

Back

Next

Review Exceptions ☒ Edit Meter Read ☒ Confirm Meter Read ☒ Create Service Order

All Exceptions 44 Zero 0 Low 40 High 3 Resolved 9

Activity

BIIAAdjusted
Adjusted bill for account 58
October 19, 2023 at 3:36pm

BIIAAdjusted
Adjusted bill for account 58
October 19, 2023 at 3:36pm

MeterDataImported
re-read of meter M2-
Confirm meter read
Create Service Order

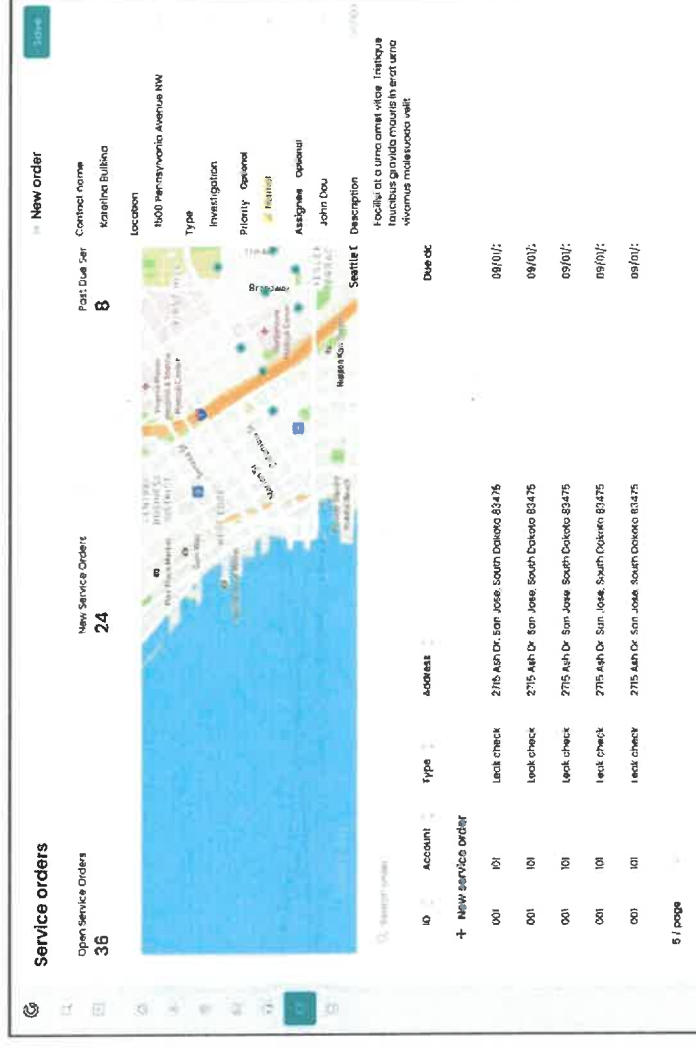
Search data

MeterID	Route	Address	Previous	Read	Consu...	Average	Excepti...	Service...
<input type="checkbox"/> M1-S1	RI	8943 ...	47,716	47,75...	41,139	100	Low	...
<input type="checkbox"/> M1-S9	RI	7708 ...	45,983	102	-45,881	100	No...	...
<input type="checkbox"/> M1-S24	RI	4948 ...	46,654	46,69...	41,924	100	Low	...
<input type="checkbox"/> M1-S71	RI	1660 ...	46,502	46,55...	48,778	100	Low	...

Real time service orders accessible in the office or field

Key Features

- Create and assign tickets from within the billing system
- Deliver service orders on paper or digitally
- Avoid duplicate data entry (and errors) with real-time updating
- Comprehensive reporting on in-progress and completed work



Proactively manage delinquent accounts to boost the bottom line

Key Features

- Explicitly configure delinquency process and fees by account type
- Take action on accounts **one by one or in bulk**
- Aging report to track lateness in accordance with GAAP
- Exemption status for special cases or payment plans customers



A single portal for all your customer needs

Key Features

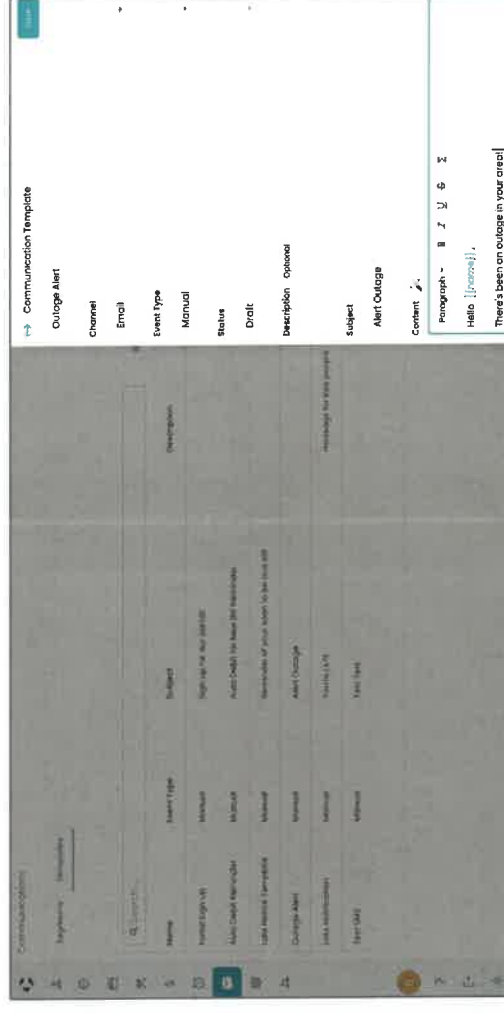
- Drive online payments (credit card and ACH) for customer convenience and team time savings
- Configurable autopay where customers set the date and amount
- Usage insights that preempt calls and complaints
- Single login for customers to see everything from one portal



Keep your customers informed with outbound communications

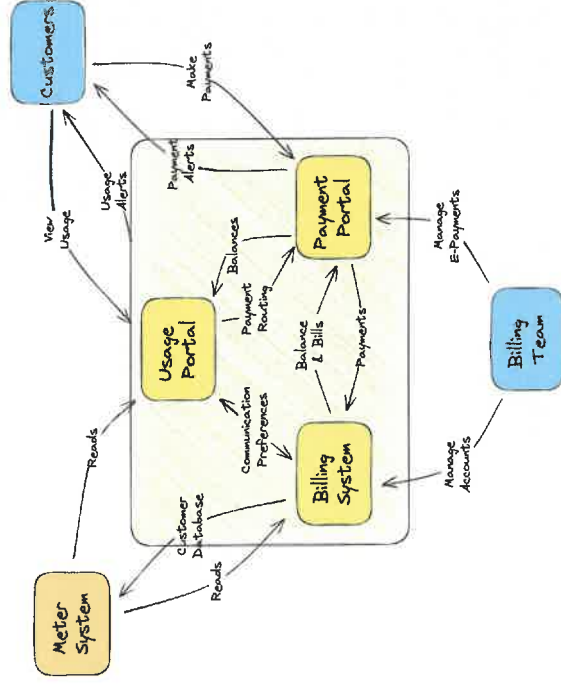
Key Features

- Alert customers for major events like system outages
- Define customer lists for targeted communications
- Personalize messages using customer details from the CIS
- Multi-channel communication via email, text, or voice

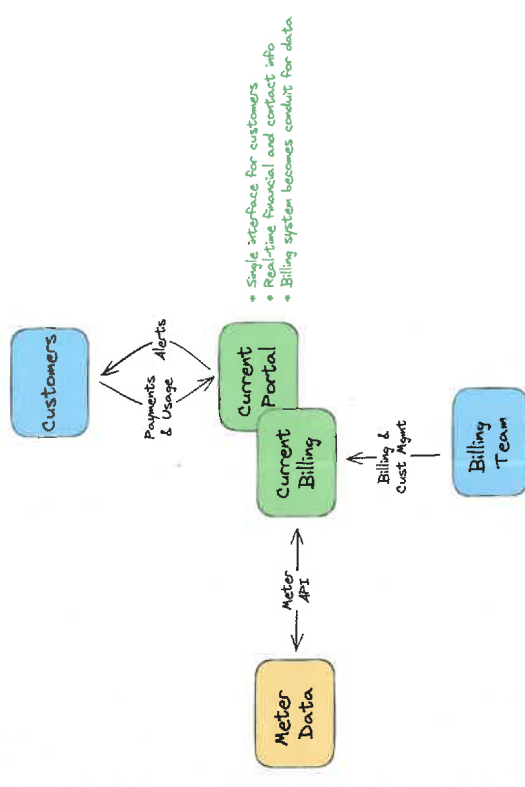


Escape the Bermuda Triangle of customer information with a single unified portal

Multi-portal: Confusing for customers, more work for utilities.



Unified portal. Single customer interface that is much simpler to maintain.



Flat \$1/item print & mail service to save time & money each month

Features & Differentiation

- Save 5-10 hours a month with 3rd party print & mail services
- Access to bulk rates through our managed program with Infosend
- Automatic data transfer once you complete billing in Current



(530) 428-3446
brandvye@trinitycountywaterworks.com

Trinity County Waterworks
P.O. Box 217
Hayfork, CA 96041
Service Address:
Grace Robinson
7660 HWY 3
Hayfork, CA 96041

Bill

Account Number 10112
Due Date 2/17/2025

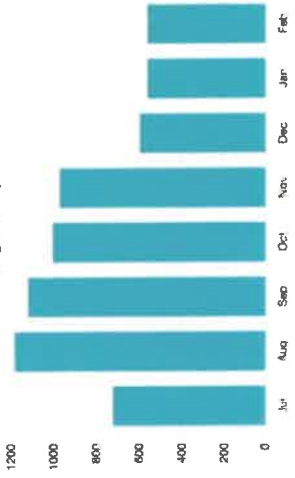
Account Summary	
Previous Bill Amount	\$125.90
Payments & Credits	-\$62.95
New charges	\$62.96
Amount Due	\$125.91

Service Period	Meter Number	Current Read	Last Read	Total Usage	Estimate
1/1/2025 - 2/6/2025	30270135	90128	89566	562	No

Announcements

No announcements

Usage History



Description

Description	Amount
Late	\$100
Payment - Money Order	-\$62.95
Previous Bill Amount	\$125.90
Water Metered Service	
Minimum Charge	\$31.00
First 500 units at \$0.0025	\$1.25
Over 500 units at \$0.0275	\$1.71
Sewer Fixed Service	
Sewer EDU	\$28.00

visit <https://trinitycountywaterworks.com/> for 24-hour account or



Embracing the best of modern technology: moving to the cloud

Main advantages to cloud software:

- **Remote access for team**
 - *Office:* Work from home and initiate alerts remotely
 - *Field:* Connect to the billing system for easy service order resolution
 - *Management:* Access customer details or summary info on the go
- **Security, reliability, and user experience**
 - *Continuous improvements:* Program is updated weekly (if not daily)
 - *Security:* Encryption, intrusion detection, daily backups come standard
 - *UX:* Modern development happens in the cloud



Proposal



Proposal: 12 months of Current Essentials

Software: \$5,500 / year

- Billing Program: \$4,500
- Customer Portal & Communications: \$1,000
- Includes: Cloud hosting, technical support

Print & Mail Service: \$1 / mailed item

- Includes materials & postage
- To be billed up front each quarter

One-Time Implementation Fee: \$3,500

- Includes data migration
- Includes configurations for documents like invoices & notices

Terms: 1 year agreement

- Implementation fee due at signing
- Annual fee due at onboarding date

No hidden fees. Support is included.

Customer alignment. We earn your renewal every year.

Continuous development. New features are added constantly.

Proposal options (for 800 connections)

Compare two choices based on your payment preferences.
Options are calibrated to have the same overall cost over three years.

	Option A	Option B
Annual Contract <i>Due each year in January</i>	\$5,500	\$6,500
One-Time Implementation <i>Includes data migration from legacy provider</i>	\$3,500	\$1,000
Due Mar, 2025 <i>1 Annual fee + 1-time implementation</i>	\$9,000	\$7,500
Ongoing Yearly Cost <i>Annual fee due starting Year 2</i>	\$5,500	\$6,500

Price Comparison: How consolidating tools makes sense for small districts

	Today's System	Current	Notes
Billing Software	\$3,500	\$5,500	For core billing modules
E-Payment	?	\$1,000	Unsure what e-payment value is
Additional Training & Support	\$1,200	-	Assume \$100 / mo for on-prem
Servers + IT	\$1,200	-	Assume \$100 / mo for on-prem
Printing & Mailing	\$1.25-\$1.50/item	\$1 / item	Assume 800 items 6x per year
TOTAL	\$11.9k - \$13.1k+	\$11.3k	All-in annual cost

Essentials: What's Included?

See below for an overview of what's included in our Essentials plan meant for small districts

Product		Description
Current Bill	✓	Core CIS with account management, printed service orders, reporting, billing, payment entry, and delinquency management
Current Portal	✓	Portal for ratepayers to see their bill, make payments, set up autopay, and view usage online
Alerting	✗	Send outbound messages to customers via phone, email, or text.
Field Mobile	✗	Mobile meter reading & digital service orders
Advanced Rates & Payment Plans	✗	Complex rate formulas (e.g. subtract meters, budget based billing) and payment arrangements for delinquent customers
API Integrations	✗	Direct connections to Esri GIS and AMI vendors for instant data access

Sample 6 week implementation schedule

Use the below schedule as a template for how Current can migrate your data and get you comfortable with your new system in just 4-8 weeks.

Note that we will be here for you well beyond implementation!

Phase	Week	Description
Initiation	1	Project kickoff - agree on schedule and key personnel
Migration	1-2	Export data from CUSI into Current
Parallel Process	3-4	Produce bills in old and new systems; compare billing accuracy
Training & Clean Up	5	Follow-up on any parallel process inaccuracies and conduct trainings. Determine go-live event (e.g. monthly billing or late fees)
Final Prep & Go-Live	6	Conduct go-live exercise together.

References from other satisfied small utilities

These utility leaders can speak to our product capabilities as well as what it's like to work with us.

Utility	Connections	Contact	Phone
City of Isle	420	Jamie Hubbell, Clerk (jamie@cityofisle.com)	(320) 676-3641
Box Springs MWC	770	Mark Iverson, GM (mark@bsmwc.org)	(951) 653-6419
Sierra Lakes CWD	830	Anna Nickerson, Admin (anickerson@slcwd.org)	(530) 426-7802



CONTINENTAL UTILITY SOLUTIONS, INC.

Sales Representative: Emma Sairls

P. O. Box 1515

Jonesboro, AR 72403

www.cusi.com

(870) 495-2951

Quote #: es250212133249

Sales Agreement

February 12, 2025



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Lewis Hall

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hccsdgm22@gmail.com



Economic Summary

CUSI Software & Services

Hosting Services

Total CUSI Software & Services (Billed by CUSI)

Total Third Party Software & Services (Billed by Providers)

Total Contract

Up-Front

Monthly

Annual

\$3,411.00

\$3,411.00

\$3,411.00

\$3,411.00

\$3,411.00

\$3,411.00

Billing and Payment Terms

CUSI Up-Front fees shall be invoiced upon contracting. Company shall remit payment 15 days from date of invoice.



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Hosting Services

CUSI Cloud Hosting for CBSW

1 CUSI Cloud Hosting for CBSW	\$3,411.00	\$3,411.00
Service Term - One-year		

CUSI's hosting services rates are subject to periodic review. Any change in rates will be communicated to the client in writing 30 days prior to the change going into effect.

Managed Remote Application Environment

Includes: Operating system security patching, isolated virtual network, network security management, backup management, public IP, and cloud support for 1 Users

Virtual Machine (CBSW Server)

Includes: Disk storage optimized for performance, operating system licensing, virtual machine snapshots, and geo-redundant backups taken daily with a 7-day retention

Virtual Machine (remote application Host)

Includes: Disk storage, operating system licensing, and remote application host pool load balancing

Blob Storage

Includes: 50GB storage, read/write transaction costs, and geo-redundant backups of user profiles taken daily with a 7-day retention

Azure remote application Access License

Includes: Licensing for user access to Azure remote application service, self-service password resets



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Economic Summary

CUSI Cloud Hosting for CBSW

\$3,411.00

Total \$3,411.00



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Terms of Sale

Company has ordered and agrees to purchase from CUSI the products and services defined under this Sales Agreement at the listed quantities and rates. Upon receipt of an executed Sales Agreement CUSI shall ship all products to the Company address and contact defined above and services shall be scheduled and initiated. Company acknowledges that CUSI's products and services are subject to the terms and conditions of a separate Software License Agreements and Services Agreements between Company and CUSI located at www.cusi.com/legal. Monthly or yearly rates for services provided by CUSI or third parties may be subject to price increases with or without notice. Any service requiring CUSI or third parties to travel will incur corresponding expenses that will be billed actual as incurred unless otherwise noted. Travel requiring more than 5 hours of travel time will be billed an additional charge equal to 50% of the daily rate. If Company is not tax exempt or does not provide exemption documentation, CUSI shall invoice for such applicable taxes on each invoice. In the event the tax exemption documentation provided by the Company is disallowed or deemed invalid, Company agrees to pay in full all such taxes, including any applicable interest or penalties.

CUSI's hosting services rates are subject to periodic review. Any change in rates will be communicated to the client in writing 30 days prior to the change going into effect.

Quotation Terms

This quote is valid until 03/14/2025. Quote was created using Sales Agreement Version: 2025.01.10

Execution Instructions

Execute, date, and email all pages to sales representative.



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Sales Representative: Emma Sairls

P. O. Box 1515

Jonesboro, AR 72403

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(870) 495-2951

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February 12, 2025

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Purchaser Authorization

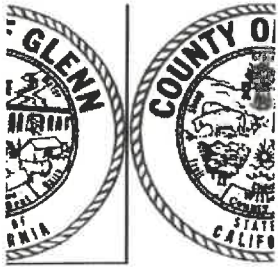
I certify that as the person signing this form I have purchasing authority for Hamilton City Community Services District.

Print Name:

Title:

Authorized Signature:

Date:



GLENN COUNTY
DEPARTMENT OF FINANCE
516 West Sycamore Street
Willows, California 95988
Auditor-Controller: (530) 934-6476
Treasurer-Tax Collector: (530) 934-6410
FAX (530) 934-6421



Heather Clay
Auditor-Controller Manager

Humberto Medina, CPA
Director of Finance

Juan Caratachea
Staff Services Manager

January 17, 2025

To Whom It May Concern,

Subject: Understanding the Teeter Plan Process

We believe it is prudent to provide a description of the Teeter Plan Process to all of you, so you can have a clearer understanding of the process the Department of Finance follows for the apportionment of property tax revenues.

Introduction

In October 1993, the Board of Supervisors adopted the alternative method of property tax distribution (the Teeter Plan) pursuant to Revenue and Taxation (R&T) Code Section 4701 et seq. (the Code). The intent then, as now, is to maintain the Teeter Plan in perpetuity, subject to review and reconsideration, if necessary. Although the Code allows counties to discontinue their Teeter Plan, most counties that have adopted Teeter have not reverted to the traditional method of distribution due to the advantages that it provides.

Teeter Plan Overview

The Teeter Plan provides for a tax distribution procedure by which secured (including supplemental secured) property taxes are distributed to the different taxing agencies (Revenue Districts) on the basis of the tax levy rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest associated with those taxing agencies for that year's tax levy.

To implement a Teeter Plan, the Board of Supervisors of a county generally must elect to do so by July 15 of the fiscal year in which the plan is to apply. A county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll in addition to the general levy. Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the Board orders its discontinuance, or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two thirds of the Revenue Districts in the county. An electing county may, however, determine to discontinue the Teeter Plan with respect to any levying agency in the county if certain conditions are met.

Participation in the Teeter Plan

Pursuant to state law, school districts are mandatory participants upon the adoption of the Teeter Plan by a county. Other taxing entities may join upon the recommendation of the County Executive Office and Board approval. In June 2016, the Board of Supervisors approved Resolution No. 2016-35 in which the County opted to exclude assessments and direct charges from the Teeter Plan Process, which were perceived to have a greater risk of tax loss to the County than the general tax levy.

Financing

Since at least 1997, the County has funded the annual advance and any ongoing residual (unpaid amounts not collected in any given year) via a Board-approved Delinquent Tax and Revenue Anticipation Note (the Note) that the Auditor-Controller presents to the Tax Collector. The Tax Collectors in turns provides the Note's cash amount to the Auditor-Controller. One of the Note's specific terms include the charging of interest at the average rate earned on the investments held by the Glenn County Treasury Pool. The County manages the Teeter Plan on a continuous basis by a) paying down the amount of the Note outstanding with collections of prior fiscal years' taxes, b) funding with the Note proceeds the current year's advance, and c) funding any unpaid amounts of maturing note.

Tax Losses Reserve Fund (TLRF)

The Code requires counties to maintain a reserve to cover losses of tax-defaulted properties at tax sales. The TLRF is to be funded in one of two amounts: 1) either 1% of the charge on the tax roll that is subject to the Teeter Plan, or 2) 25% of the prior year's delinquent amounts (subject to Teeter). Penalties and interest on delinquent accounts are to be deposited in the TLRF. Amounts in excess of the reserve requirement may be transferred to the County General Fund. Based upon the County's tax sale loss experience since adopting the Teeter Plan, it is the Board policy to maintain an amount that is the lower of the two alternatives, which as of today it is option no. 2. The Auditor-Controller and the County Executive Officer monitor the reserve requirement under the two alternatives annually and will recommend to the Board any required changes by October 31 of the relevant fiscal year, pursuant to the Code. Interest earnings on fund balances in the Tax Resources Fund and the TLRF shall be credited to the TLRF.

Distribution Schedule

R&T Code Section 4701 et seq. allows for the distribution of tax levies enrolled on the secured (including supplemental secured) property tax roll for those public entities participating in the Teeter Plan. It is therefore the intent of the County to cause the distribution of those levies enrolled on the secured (including supplemental secured) property tax roll, excluding assessments and direct charges pursuant to R&T Section 4702.5, for those public entities participating in the Teeter Plan process as follows:

- I. On or before January 15* of each fiscal year, actual collections received from secured (including supplemental secured) properties for payments received through December 31.

- II. On or before May 15* of each fiscal year, actual collections received from secured (including supplemental secured) properties for payments received through April 30.
- III. On or before August 15* of the succeeding fiscal year, actual collections received from secured (including supplemental secured) properties for payments received through June 30.

Teeter Plan Process

- IV. On or before August 15* of the succeeding fiscal year, a settlement of the difference between one hundred percent (100%) of the tax levies enrolled for the preceding fiscal year that has been adjusted to reflect all changes, refunds, and other adjustments made during said fiscal year and all amounts previously distributed for said fiscal year.

*Assumes normal staffing levels

Distributions will be made on an accrual basis with actual cash transfers made shortly thereafter.

Advantages and Disadvantages of Participating in the Teeter Plan

Advantages

- The Teeter Plan enables the County to use short-term borrowing to obtain the cash necessary to cover delinquent property taxes owed to the participating local government agencies at the end of the fiscal year, which allows the participating local government agencies to receive their full share of the property taxes owed to them out of the cash borrowed by the County. In exchange participating local government agencies give up their share of the penalties and interest due on delinquent property taxes.
- The Teeter Plan enables all participating local agencies to rely on a stable property tax base, regardless of fluctuations caused by delinquencies.
- The Teeter Plan eliminates fluctuations in property tax revenues due to delinquencies and helps assure that essential local services continue during economic downturns.

Disadvantages

- Retroactive changes to assessed valuations processed by the County Assessor for up to 4 years can result in a reverse apportionment to the participating local government agencies, which result in the repayment of the property taxes apportioned pursuant to R&T Code section 51.5. Note: This process will also apply even though the County decides not to participate in the Teeter Plan.

- Changes to the tax levy by correction, cancellation or refund for property taxes already apportioned will be adjusted on a pro-rata basis and recovered from each fund to which apportionment previously has been made pursuant to R&T Code section 4707.

Discontinuance

The current Teeter Plan shall thereafter remain in effect unless the Board of Supervisors (the Board) orders its discontinuance or unless, prior to the commencement of any subsequent fiscal year, the Board receives a petition for its discontinuance joined in by resolutions duly adopted by the governing boards of not less than two-thirds of the participating Revenue Districts in the county, in which event the Board shall order discontinuance of the procedure effective at the commencement of the subsequent fiscal year.

How can we avoid this in the future?

Bankruptcies are increasing at a rapid pace in California. We will continue to see bankruptcy filings, however, the CalPlant bankruptcy case was filed in the United States Bankruptcy Court for the District of Delaware. Bankruptcy attorneys are developing innovative techniques (i.e. sending the official correspondence to the wrong address but still a county department) to minimize their client's court-approved debts. Therefore, early notification is a key element in safeguarding the Teeter Plan's assets. For this reason, key staff in the Department of Finance has signed up with the Bankruptcy Noticing Center, which is a website that allows us to receive all bankruptcy notices electronically through the National Creditor Registration Service (NCRS) or consolidate all U.S. Postal Service notices at one address. This is a free service provided by the U.S. Bankruptcy Courts to give recipients more convenient delivery options for their bankruptcy notices. We believe that early notification will allow us to engage our bankruptcy attorney early on to minimize becoming a victim of these bankruptcy attorneys' "innovative" bankruptcy notices.

Why are you being affected by the CalPlant bankruptcy if CalPlant is not within your City's or Special District's boundaries?

The apportionment of property taxes follows the provisions required by SB 154 & AB8.

Apportionments Cross Geographical Boundaries

One key concept of SB 154 needs to be recognized as it adds complexity to the property tax apportionment process, particularly when combined with the provisions of AB 8 which was enacted the following year. The apportionment of property tax revenue under SB 154 is based on the Revenue District's prior year taxes received on a countywide basis and not a geographical area within the county. Because of this, property taxes, within the county, cross geographical boundaries. For this reason, a City or a Special District receives property taxes for entities that reside outside of the City limits. Attached please find snippets of the property tax apportionment process that will help illustrate this process.

Sample:

For illustration purposes, we selected the **City of Willows, CalPlant #1 (Parcel No. 1) and CalPlant #2 (Parcel No. 2)** to explain the apportionment process.

Calculation of the New Tax Base

Page 7 of the attachment shows three of the total TRA's in the workpaper. These three TRAs are:

- 1) **Willows (TRA 002-001)** – This snippet shows the calculation of the New Tax Base value for the Willows TRA. As you can see, the TRA shows the different taxing agencies providing services to this TRA. Each taxing agency has its own PY Base Revenue value (changes every year) and its own sharing factor for the allocation of the increment. This sharing factor never changes as it was calculated and kept frozen by Prop 13. The New Base Revenue value for FY 2024-25 is the PY Base Revenue value plus or minus any annexation changes plus the increment allocated amount.
- 2) **CalPant #1 (TRA 084-06)** – CalPlant Bankruptcy has two TRAs – Same info as above.
- 3) **CalPant #2 (084-113)** – CalPlant Bankruptcy has two TRAs – Same info as above.
- 4) **Total for all TRAs in the County** – The County has more than 300 TRAs – TRAs are created by the Board of Equalization.

All entities are accumulated and summarized in the “**Grand Total By Agency**” snippet.

Page 8 of the attachment shows the calculation of the AB8 factor:

- i. **Current Year Revenue** – This amount is coming from the “**Grand Total By Agency**” snippet.
- ii. **Adjustment for Educational Revenue Augmentation Fund (ERAF)** – The current year revenue amount is adjusted by the ERAF shift. This ERAF shift is normally perceived as a revenue transfer to the State because it frees State General Fund revenues for discretionary purposes.
- iii. **AB8 factor** – Once the ERAF shift is calculated, we calculate the total (adjusted) AB 8 revenues. For each taxing entity, their adjusted AB8 revenues as a % of the total (adjusted) AB8 revenues for all taxing entities equals the AB8 factor.

For the City of Willows the AB8 factor is: $\$1,071,183.19 / \$42,461,872.33 = .02552694$.

For this calculation to occur, the City of Willows received property taxes from 30+ different TRAs.

Apportionment of Property Tax Revenues (excluding Utility Roll and Unitary Property)

January 17, 2025

Understanding the Teeter Plan Process

Page 6 of 2

Once the taxes are calculated in total, the apportionment of the county-wide property taxes is done via the AB8 factor since all related changes/adjustments (i.e. annexations, increment allocations, and ERAF shift) were performed at the TRA level.

Conclusion

I hope this letter provides a clearer picture of how the Teeter Plan process works and how the property tax apportionment works. Additionally, the California State Controller's Office – Audits Division audits our apportionment process every 5 years. The last audit scope was from July 2014 thru June 2020.

Please let me know if you have any questions or comments on any of the topics above or if you have specific questions on the negative appointment letter.

Sincerely,

Humberto Medina
Director of Finance



GLENN COUNTY
DEPARTMENT OF FINANCE
516 West Sycamore Street
Willows, California 95988
Auditor-Controller: (530) 934-6476
Treasurer-Tax Collector: (530) 934-6410
FAX (530) 934-6421



Heather Clay
Auditor-Controller Manager

Humberto Medina, CPA
Director of Finance

Juan Caratachea
Staff Services Manager

January 7, 2025

To Whom It May Concern,

Subject: Negative Apportionment Due to Bankruptcy Case

As many of you many know, a large business in Glenn County filed for bankruptcy in October 2021. The bankruptcy case included fiscal years 2019-20, 2020-21 and 2021-22 for a total amount of \$6,583,872.02 in property taxes that were apportioned to you during those years.

The bankruptcy judge ruled against our claim, and we will not be able to be repaid with bankruptcy proceeds. The County of Glenn follows the "Alternative Method of Distribution of Tax Levies", commonly referred to as the "Teeter Method", pursuant to Revenue and Taxation Code section 4701 et seq. In accordance with Revenue and Taxation Code Section 4707, the County is required to recover those property taxes apportioned to you for those three years.

Attached please find the amount that each of your accounts is required to pay back. The calculation method used has been approved by the State Controller's Office and it is based on your current AB8 allocation factor.

The Glenn County Tax Collector understands that for some of you the amount might be too high to pay all at once. Therefore, the following payment options are available:

Option No. 1 – Pay the total amount owed in one lump sum on April 30, 2025.

Option No. 2 – Pay the total amount owed over a two-year period with the following payment dates:
April 30, 2025 (50%), and April 30, 2026 (50%).

Option No. 3 – Pay the total amount owed over a three-year period with the following payment dates:
April 30, 2025 (33.33%), April 30, 2026 (33.33%), and April 30, 2027 (33.34%).

Interest will be assessed through the actual payment date since the Teeter Plan obtained a loan to be able to apportion those property taxes for each of those years. Please keep in mind that the longer the payment period selected will result in higher interest charges. Interest will be assessed at the average daily rate calculated by the Glenn County Treasurer-Tax Collector. This interest rate is the rate that the Glenn County Treasurer-Tax Collector uses to calculate your investment earnings every quarter on the cash deposited.

January 7, 2025

Negative Apportionment Due to Bankruptcy Case

Page 2 of 2

Payments will be charged to the interest amount owed first with the remaining amount being charged to the principal balance.

The property taxes for FY 2022-23 and FY 2023-24 have already been adjusted, so there will be no more further adjustments or repayments for these years.

Please provide a response to us no later than February 28, 2025. If no response is received by us by the deadline, we will assume that the District has chosen option no. 3.

Thank you very much for your understanding. Should you have any questions or comments, please call the Department of Finance, Auditor-Controller Division at the phone number above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Humberto Medina". The signature is fluid and cursive, with the first name being more prominent.

Humberto Medina
Director of Finance

GLENN COUNTY
JOURNAL ENTRY

AUTHORIZED SIGNATURE

JE #

1/8/2025

PREPARED BY
REVERSE TAX APPORTIONMENT JOURNAL ENTRY

KP/VERIFIED:

PRIOR YEARS SECURED COLLECTIONS

GENERAL LEDGER		JOB LEDGER		2024-25		DEBIT	CREDIT
FUND	ACCT			FUND NAME			
04700000	00784			Del Sec Corr 2023-24			6,583,872.02
				Cal Plant Bankruptcy			
01011005	14030			GENERAL		1,243,405.73	
01906020	14030			SUPT OF SCHOOLS		37,943.33	
03030000	00675	03030000	10702	CITY OF WILLOWS		143,491.41	
03040000	00675	03040000	10702	CITY OF ORLAND		167,738.01	
03140000	00675	03140000	10702	CAPAY FIRE		2,274.22	
03200000	00675	03200000	10720	ERAF (K-12)		789,808.35	
03200000	00675	03200000	10721	ERAF (COLLEGE)		150,439.68	
03240000	00675	03240000	10702	BEAR INDIAN VALLEY		1,136.66	
03250000	00675	03250000	10702	BUTTE CREEK DRAINAGE		716.45	
03270000	00675	03270000	10702	STONYFORD CEMETERY		648.22	
03630000	00675	03630000	10702	RECLAMATION DIST		4,465.05	
03640000	00675	03640000	10702	PRIN-COD-GLENN IRR		25,886.47	
03650000	00675	03650000	10702	GLENN-COLUSA IRRI		37,337.43	
03660000	00675	03660000	10702	PROVIDENT IRRIGATION		4,182.47	
05010000	14030			ARTOIS FIRE		9,507.72	
05022000	14030			HAMILTON FIRE		4,360.68	
05022010	14030			BAYLISS FIRE		2,058.28	
05050000	14030			WILLOWS RURAL FIRE		9,188.58	
05110000	14030			STORM DRAIN MAINT #1		109.13	
05130000	14030			STORM DRAIN MAINT #3		19,824.64	
05140000	14030			N. WILLOWS CSA		2,856.50	
06010000	14030			ELK CREEK CEMETERY		1,450.34	
06030000	14030			MARVIN-CHAPEL CEM		2,477.09	
06040000	14030			NEWVILLE CEMETERY		108.82	
06050000	14030			ORLAND CEMETERY		50,292.28	
06060000	14030			WILLOWS CEMETERY		33,267.46	
06200000	14030			GLENN-CODORA FIRE		2,628.50	
06210000	14030			ELK CREEK FIRE		2,197.31	
06220000	14030			GLENN-COLUSA FIRE		5,734.35	
06230000	14030			KANAWHA FIRE		7,331.24	
06240000	14030			ORD FIRE		2,305.12	
06250000	14030			ORLAND FIRE		14,853.25	
06300000	14030			LEVEE DISTRICT #1		4,195.28	
06310000	14030			LEVEE DISTRICT #2		593.50	
06320000	14030			LEVEE DISTRICT #3		5,145.14	
06500000	14030			BUTTE CITY CSD		1,968.93	
06700000	14030			ORD CSD		4,502.23	
06865000	14030			HAMILTON CITY CSD.		2,555.48	
06830000	14030			HC CSD - LIGHTING		627.64	
06880000	14030			N.E. WILLOWS CSD		1,129.40	
06920000	14030			MOSQUITO & VEC CNTRL		15,139.44	
60101000	14030			CAPAY JOINT UNION		17,863.24	
60301000	14030			LAKE ELEMENTARY		31,852.03	
60401000	14030			ORLAND JOINT UNIFIED		976,922.20	
60501000	14030			PLAZA ELEMENTARY		73,048.01	
60601000	14030			PRINCETON JT. UNIFIED		153,690.08	
60701000	14030			STONY CREEK JT. UNIFIED		44,592.70	
60801000	14030			WILLOWS UNIFIED		918,834.84	

GLENN COUNTY
JOURNAL ENTRY

AUTHORIZED SIGNATURE _____

JE # _____

1/8/2025

PREPARED BY _____

REVERSE TAX APPORTIONMENT JOURNAL ENTRY

KP/VERIFIED: _____

PRIOR YEARS SECURED COLLECTIONS

GENERAL LEDGER		JOB LEDGER		2024-25		DEBIT	CREDIT
FUND	ACCT			FUND NAME			
61201000	14030			HAMILTON UNIFIED		288,052.28	
61101000	14030			CO SCHOOL SERVICE		274,787.03	
62110000	00675	62110000	10702	YUBA JR. COLLEGE		12,113.55	
62210000	00675	62210000	10702	BUTTE JR. COLLEGE		532,407.21	

SCHOOL BONDS

67300000	14030			ORLAND G.O. BOND-SERIES A		-	
67300000	14030			ORLAND G.O. BOND-SERIES B		-	
67300000	14030			ORLAND G.O. BOND-SERIES C		-	
60851000	14030			WILLOWS G.O. BOND		217,075.16	
03064000	00675	03064000	10702	BUTTE COLL BOND 2002A-2012 RFDNG		109,980.49	
03065000	00675	03065000	10702	BUTTE COLL BOND 2002B-2015 RFDG		116,771.39	

6,583,872.02 6,583,872.02

BOARD OF DIRECTORS
HAMILTON CITY COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2025 - 01

A RESOLUTION OF THE HAMILTON CITY COMMUNITY SERVICES DISTRICT REPAYING A NEGATIVE APPORTIONMENT BACK TO GLENN COUNTY DUE TO BANKRUPTCY FROM ORGANIZATION KEY 06865000 sub-00974 Unreserved Retained Earnings OF \$2556.00 TRANSFER TO ORGANIZATION KEY 06865000 sub-03280 Special Dept. Exp, AND FROM ORGANIZATION KEY 06830000 sub-00974 Unreserved Retained Earnings OF \$628.00 TRANSFER TO ORGANIZATION KEY 06830000 sub-03280 Special Dept. Exp.

WHEREAS, a large business in Glenn County filed for bankruptcy in October 2021, which affected the fiscal years 2019-20, 2020-21, and 2021-22; and

WHEREAS, the total amount of property taxes impacted by the bankruptcy case amounted to \$6,583,872.02, a portion of which was apportioned to the Hamilton City Community Services District (HCCSD) during those years, in the amounts of \$2555.48 and \$627.64, respectively; and

WHEREAS, the bankruptcy court ruled against Glenn County's claim for repayment, and as a result, Glenn County will not be able to recover the funds through bankruptcy proceeds; and

WHEREAS, Glenn County follows the "Alternative Method of Distribution of Tax Levies," commonly referred to as the "Teeter Method," in accordance with Revenue and Taxation Code section 4701 et seq.; and

WHEREAS, in accordance with Revenue and Taxation Code section 4707, Glenn County is required to recover those property taxes apportioned to HCCSD for the fiscal years 2019-20, 2020-21, and 2021-22, in the amounts of \$2555.48 and \$627.64, respectively; and

WHEREAS, it is necessary for HCCSD to repay the negative apportionment by transferring the corresponding amounts from the Unreserved Retained Earnings accounts to the Special Department Expenses accounts;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hamilton City Community Services District does hereby approve the repayment of the negative apportionment to Glenn County by transferring the following amounts:

\$2556.00 from Organization Key 06865000 sub-00974 Unreserved Retained Earnings to Organization Key 06865000 sub-03280 Special Department Expenses.

\$628.00 from Organization Key 06830000 sub-00974 Unreserved Retained Earnings to Organization Key 06830000 sub-03280 Special Department Expenses.

BE IT FURTHER RESOLVED, that the Board of Directors authorizes staff to complete the necessary transactions to ensure the repayment of the negative apportionment in compliance with the applicable laws and regulations.

THIS RESOLUTION WAS PASSED AND ADOPTED by the Hamilton City Community Services District Board of Directors in a meeting of said Board held on March 10, 2025, by the following:

Ayes:

Notes:

APPROVED AS TO FORM:

Absent:

Abstain:

By: _____

Roseanna Ocampo, Board President

ATTEST:

Hamilton City Community Services District

Lewis R. Hall, General Manager

Hamilton City Community Services District

Invoice Payments & Receipts Company's Names			
February 2025			
HCCSD Warrants List			

04292	AST Gas Inc, 1	Gas-94 GMC Sierra	\$79.44
03120	DigitalPath Business	Communications	\$129.99
04300	Calwater	Utilities-office	\$75.55
04300	Calwater	Utilities-Plat	44.36
03200	CalChamber	Membership	\$114.56
03230	Us Bank	Office Expenses	\$3,684.97
04300	WM	Utilities-Edgewater Prk	\$277.23
04300	WM	Utilities-Wwtp	\$122.39
04292	Gandy & Staley Oil Comp Inc	Gas	\$833.33
03120	At&t	Communication-Office	\$144.44
03120	At&t	Communication-Wiles	\$84.98
04300	Pg&e	Utilities-Office	\$552.09
03220	Orkin Pest Control	Office Expenses	\$50.00
03220	Orkin Pest Control	Office Expenses-Plant	\$125.00
04292	AST Gas Inc, 1	Gas-94 GMC Mlg 200870.7-Mike	\$93.29
04292	AST Gas Inc, 1	Ford Fusion-Mike	\$53.82
03120	Eagle Security System	Communications-Plant	\$56.16
03120	Eagle Security System	Communications-Office	\$56.16
03170	Orland Ace Hardware	Maint-Equipmnt-Edgewater Prk	\$348.61
04292	Orland Ace Hardware	Maint-Equipmnt	\$109.61
04300	Pg&e	Utilities-Plant	\$559.97
03120	Digital Path	Communications	\$129.94k
03170	Industrial Power Products	Maint-Equipmnt	\$2,288.26
04300	Pg&e	Utilities-Street Lights	\$791.31
03220	Office Depot	Office Expenses	\$375.59