

# CITY OF LOYALTON

COUNTY OF SIERRA  
605 SCHOOL STREET  
P.O. BOX 128  
LOYALTON, CALIFORNIA 96118  
(530) 993-6750  
cityofloyalton.org



OFFICE OF THE MAYOR

**AGENDA FOR THE REGULAR MEETING OF THE  
LOYALTON CITY COUNCIL  
6:00 P.M. – CITY HALL AUDITORIUM  
605 SCHOOL STREET  
NOVEMBER 16<sup>TH</sup>, 2021  
NEXT ORDINANCE #425  
NEXT RESOLUTION NO. 3-2021**

**AGENDA & PACKET AVAILABLE ON CITY WEB SITE  
cityofloyalton.org**

Any person with a disability may submit a request for reasonable modification or accommodation to the above-described means for accessing and offering comment at the meeting to Kathy LeBlanc, City Clerk, at [\[ofclerk-cityofloyalton@psln.com\]](mailto:ofclerk-cityofloyalton@psln.com) who will swiftly resolve such request.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**
5. **ANNOUNCEMENTS**
6. **APPROVAL OF MINUTES**  
Regular Meeting October 19<sup>th</sup>, 2021 (Attachment)  
Special Meeting October 27<sup>th</sup>, 2021 (Attachment)
7. **STAFF REPORTS**
8. **PUBLIC COMMENT**

This is an opportunity for members of the public to address the Council on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the City Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Council **cannot take action on any item not on the posted agenda**

9. **TIMED ITEM 6:20: PRELIMINARY ENVIRONMENTAL HAZARD ASSESSMENT REPORT**
10. **TIMED ITEM 6:30 : CIRCUIT WRITER FOR WATER/WASTEWATER**
11. **FIRE DEPARTMENT REPORT**
12. **FINANCIAL COMMITTEE REPORTS**
  1. Financial Committee Report/Update
    - Approval of Reconciled Accounts for October 2021 (Attachment)
    - Approval of Bill Sheet October 2021 (Attachment)
    - Acknowledgment of Approval of Fund Transfer from General 1956 to Enterprise Loan MM 0559 not to exceed \$30,000.00 (Attachment)
    - Acknowledgment of Approval of Fund Transfer from Fire Department Reserve 7243 to General Account 1956 not to exceed \$2,287.66. (Attachment)
    - Acknowledgment of Approval of Fund Transfer from General 1956 to Fire Department Reserve 7243 not to exceed \$17,914.79 (Attachment)
13. **PUBLIC WORKS COMMITTEE REPORTS/PARK AND RECREATION**
14. **OTHER COMMITTEE REPORTS**
15. **DISCUSSION AND POSSIBLE ACTION ITEMS**
  1. Discussion and Possible Action regarding 609 Church Street.
  2. Discussion and Possible Action regarding approval of Final Audit for 2019-2020. ( Attachment)
  3. Discussion and Possible action regarding assistance with Building and Planning.
  4. Discussion and Possible Action regarding Incentive for Employees for Holiday's.
16. **AGENDA INPUT FOR UPCOMING MEETINGS**
17. **BOARD MEMBER CLOSING REMARKS**
18. **ADJOURNMENT**

October 19, 2021

## **REGULAR MEETING**

The Regular meeting of the Loyalton City Council was called to order by Mayor S. Jackson on October 19, 2021 at 6:00 p.m. Loyalton City Auditorium

**COUNCIL MEMBERS PRESENT** Mayor S. Jackson, J. Markum, D. Riede, J. Gerow

**COUNCIL MEMBERS ABSENT**

## **STAFF PRESENT**

City Clerk- Kathy LeBlanc, Jamie Stockdale-Bookkeeper

## **GUESTS PRESENT**

B. Mertton, J. Mertton, R. DeMartini, P. DeMartini, A. Elowsky, A. Clark, D. LaFontaine

## **APPROVAL OF AGENDA**

It was moved by J. Markum, seconded by D. Riede to approve the agenda as presented. Motion carried.

## **ANNOUNCEMENTS**

Mayor Jackson announced that there will be a Hazardous Waste Collection Day this Saturday October 23, 2021 in Portola from 9:00 a.m. to 1:00 p.m. for all Sierra County and Plumas County residents.

## **APPROVAL OF MINUTES**

1. It was moved by J. Markum, seconded by D. Riede, to approve the minutes of the Regular Meeting of September 21, 2021 Motion carried.

## **STAFF REPORTS/WRITTEN COMMUNICATIONS**

1. City Clerk K. LeBlanc informed the Council that D. Koch from FNL would like to hold a dance in the Loyalton Fire Station. After a brief discussion it was approved by consensus to give permission to hold the dance.

## **PUBLIC COMMENT**

None

## **PUBLIC HEARING TIMED ITEM: POTENTIAL SEWER RATE ADJUSTMENTS:**

Mayor Jackson opened the Public Hearing. Mayor Jackson stated that the City of Loyalton received 1 protest letter and one letter of support for the increase. Andrew Clark from RDN and California Rural Water Association gave a presentation on the Sewer Rate Increase. He stated that the rates would go up 4% for 2022-2025 and 3% for 2026. 1. B. Mertton asked if the cost of a operator was included in the study. 2. P. DeMartini had a question about the rates. Mr. Clark answered these questions. Having no more public comments Mayor Jackson closed the Public Hearing. It was moved by J. Markum, seconded by D. Riede to accept the proposed rates to go into effect as of January 2022. Roll Call: Mayor Jackson-Aye, J. Markum-Aye, Jerry Gerow-Aye, D. Riede-Aye. Motion carried.

## **FIRE DEPARTMENT REPORT**

Assistant Fire Chief R. DeMartini addressed the council stating that they have had 179 calls this year 95% have been medical. He thanked the Fire Fighters for all they do. He stated that they are holding the meetings every other Monday. He stated the Wild Land Fire season has passed but to stay vigilant. Mayor Jackson inquired about the Wi-Fi at the Fire Station if there could public access given. They will look into how to do that.

## **FINANCIAL COMMITTEE REPORT/UPDATE**

Councilmember Markum reported that no Finance Meeting was held as the City lost internet and phones. She reported that there will be a invoice for the price of fixing this.

1. It was moved by J. Markum, seconded by D. Riede to approve the reconciled Accounts for September 2021. Motion carried.
2. It was moved by J. Markum, seconded by D. Riede to approve the bill sheet not to exceed \$72,855.00. Motion carried.
3. Mayor Jackson gave a brief report on the Audit Findings. It was moved by D. Riede, seconded by J. Markum to approve the Audit Findings for 2019-2020. Motion carried.

## **ACKNOWLEDGEMENT OF APPROVAL OF FUNDS TRANSFERS**

1. It was moved by J. Markum, seconded by D. Riede to approve the fund transfer from General 1956 to Enterprise MM 0559 not to exceed \$24,000. Motion carried.

## **REIMBURSEMENT FOR USDA**

None

## **PUBLIC WORKS COMMITTEE REPORTS/PARK AND RECREATION**

1. Councilmember Gerow requested that the sewer issues at 609 Church be addressed as soon as possible. Mayor Jackson gave a brief history on the existing problems. Councilmember Gerow stated that there is a sleeve option that could be used to correct the problem. By consensus the Council approved the sleeve option.
2. Councilmember Markum asked if the spending freeze could be lifted. By consensus the Council approved lifting the spending freeze.

3. Mayor Jackson requested that the City Clerk contact Tim Beals in regards to the letter from LAFCO for the Trailer park.
4. Mayor Jackson also reported that a meeting will be held this Thursday at 3:30 in the Auditorium with Liberty Utilities in regards to power safety and shut-offs.
5. Councilmember Riede is working on winterizing the water system at the Park.
6. Councilmember Markum reported that the Prop 68 paper work was accepted and the project will be moving forward.

### **OTHER COMMITTEE REPORTS**

1. Mayor Jackson inquired about applicants for the job vacancies. Councilmember Markum reported that they have had several interviews with more set to take place.
2. Councilmember Riede stated that the street signs are here and asked if she could get volunteers to install them.

### **DISCUSSION AND POSSIBLE ACTION ITEMS**

1. It was moved by J. Markum, seconded by J. Gerow to adopt Ordinance 424 Repealing and Replacing Title 17, Zoning, of the Loyalton Municipal Code. Roll Call: Mayor Jackson-Aye, J. Markum-Aye, Jerry Gerow-Aye, D. Riede-Aye. Motion carried.
2. It was moved by J. Markum, seconded by J. Gerow to removed Nancy Rogers as a signer on all City of Loyalton Plumas Bank Accounts. Motion carried. It was moved by J. Markum, seconded by D. Riede to approve Jerry Gerow as an additional signer on all City of Loyalton Plumas Bank Accounts. Motion carried.
3. It was moved by J. Markum, seconded by J. Gerow to approve Business License for The Top Story-Wendy Bergstrom. Motion carried.

### **INPUT FOR UPCOMING MEETINGS**

1. Timed Item: Presentation from Circuit Writer for Water/Sewer
2. 609 Church Street Property.
3. Fire Department Reserve Account.

### **CLOSING REMARKS**

None

Meeting Adjourned

APPROVED: \_\_\_\_\_  
Mayor Jackson

ATTEST: \_\_\_\_\_

Kathy LeBlanc, City Clerk

October 27<sup>th</sup>, 2021

**SPECIAL MEETING**

The special meeting of the Loyaltown City Council was called to order by Mayor Jackson on October 27<sup>th</sup>, 2021 at 6:00 p.m.

**COUNCIL MEMBERS PRESENT**

Mayor Jackson, J. Markum, J. Gerow

**COUNCIL MEMBERS ABSENT:**

D. Riede

**STAFF PRESENT**

K. LeBlanc- City Clerk

**GUESTS PRESENT**

J. Mitchell, B. Wagner, N. Rogers, J. Buck

**APPROVAL OF AGENDA**

It was moved by J. Markum, seconded by J. Gerow to approve the agenda as presented. Motion carried.

**ANNOUNCEMENTS**

None

**STAFF REPORTS**

None

**PUBLIC COMMENT**

None

**DISCUSSION AND POSSIBLE ACTION**

1. Mayor Jackson addressed the council on the damage to City Hall during the recent storm. Mayor Jackson would like to know if we can make an insurance claim, City Clerk will contact the insurance company. J. Mitchell-Museum Curator inquired about grants for fixing the roof. After a discussion it was decided by consensus of the council to put a temporary patch for the time being as directed by insurance company and get estimates on roof repair. Motion carried.

**MEETING ADJOURNED**

**APPROVED:** \_\_\_\_\_  
Mayor S. Jackson

**ATTEST:** \_\_\_\_\_  
Kathy LeBlanc- City Clerk

# CITY OF LOYALTON

## CITY COUNCIL STAFF REPORT

MEETING OF: November 16, 2020

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**Subject:** Preliminary Environmental Hazard Assessment

**From:** Kathy LeBlanc, City Clerk



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**Recommended Action:** Approve Assessment

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**BACKGROUND:** In November, 2020, the City was awarded a \$65,000 Local Early Action Planning (LEAP) Grants from the California Department of Housing and Community Development. This grant has been used to pay for the recently adopted Housing Element and Zoning Code updates. Also, a portion of this funding was allocated to prepare a Preliminary Environmental Hazard Assessment focusing on several vacant residentially zoned properties in Loyalton to address housing production needs from the Housing Element. The City contacted with Farr West Engineering to prepare this assessment. As part of the grant commitments, the City Council needs to approve the assessment. Attached is a draft of the assessment for Council review and approval. Jessica Dugan, Farr West Engineering, who authored the report, and Gary Price, the City's Housing Element Consultant, who has reviewed the report, will be attending the meeting, via Zoom to answer questions.

The assessment identifies existing environmental resources and possible constraints on housing development within the City of Loyalton. The report provides potential policies, recommendations and example mitigation actions regarding flood hazards and flood management that could be used to address flood-related constraints to housing development on existing, vacant, residentially zoned parcels within the City. Flood mitigation and flood control options for the City of Loyalton range widely and include flood studies and flood modeling of Smithneck Creek, conducting environmental reviews for proposed development areas, code updates, floodplain administration and FEMA approved flooding mitigation measures.

**RECOMMENDATION:** The City Council should review the Preliminary Environmental Hazard Assessment, offer any comments to the staff/consultant team, and approved it. With Council approval, staff will be able to complete funding and close out the LEAP Grant.

**ATTACHMENTS:** Preliminary Environmental Hazard Assessment

**PRELIMINARY ENVIRONMENTAL HAZARD ASSESSMENT  
REPORT**

**October 2021**

**Owner:  
City of Loyalton**

**ENGINEER:**

**FARR WEST**  
ENGINEERING

Farr West Engineering  
5510 Longley Lane  
Reno, NV 89511  
(775) 851-4788  
(775) 851-0766 Fax



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## **1.0 BACKGROUND**

### **1.1 PURPOSE**

The purpose of this report is to provide a Preliminary Environmental Hazard Assessment, including floodplain mitigation options for development of specific vacant residentially zoned parcels within the 100-year floodplain. This report will enable the City to develop appropriate standards for mitigation and thus remove constraints and facilitate potential development of residential housing opportunities. This Report is being completed under a LEAP grant awarded to the City by the California Department of Housing and Community Development (HCD).

A Housing Element, one of seven state-mandated elements of a General Plan, addresses Loyalton's plans for housing needs. The Housing Element was updated to fulfill the 6th Cycle Regional Housing Needs Allocation (RHNA) and must include: (1) an identification and analysis of existing and projected local housing needs; (2) an identification of resources and constraints; and (3) goals, policies and implementation programs for the rehabilitation, maintenance, improvement and development of housing for all economic segments of the population. The Housing Element's identification of resources and constraints included a Flood Mitigation Program (Program 3-3-5) includes the preparation of this Preliminary Environmental Hazard Assessment with evaluation of select parcels the 100-year floodplain within the City of Loyalton and floodplain mitigation options. This Report provides recommendations for appropriate potential mitigation actions for development of housing within Loyalton to help reduce constraints to housing development.

Environmental constraints such as flooding, sensitive biological resources, and seismicity can affect the costs associated with the maintenance, improvement, and development of housing. Pursuant to California Assembly Bill (AB) 162 the City is required to amend the Safety Element of the General Plan to include analysis and policies regarding flood hazards and flood management to address flood-related constraints to housing development in the City. (California State Legislature, 2007) This Preliminary Environmental Hazard Assessment is intended to identify existing environmental resources and possible constraints to potential development within the City of Loyalton and to provide preliminary analysis and potential policies regarding flood hazards and flood management that could be used to address flood-related constraints to housing development in the City.

### **1.2 LOCATION**

The City of Loyalton is located in the eastern portion of Sierra County, in the northeast quadrant of the State of California. The City covers approximately 225 acres, with an east-west width of approximately 0.66 miles and a north-south width approximately of 0.5 miles. Loyalton can be accessed year-round via California State Highways 49 and 89. Loyalton is the only incorporated City in Sierra County and is the most populous municipality, with a recent population count of 699 residents.

The semi-arid climate in Loyalton is characteristic of the eastern slope of the Sierra Nevada. Summers are commonly dry, with moderate to high daytime temperatures and cool nights. Winters are typically wet, with an average annual rainfall of approximately 25-30 inches per year. Almost all precipitation falls between November and May, most in the form of snow. Winter temperatures often fall below 32°F. Moderate to high winds occur during the summer months and strong down slope winds are not uncommon. Thunderstorms are also common during the summer.

Smithneck Creek is a central feature within the City. The Creek runs south to north dividing the City. The Creek provides essential recreational opportunities, but has also been the source of recurring flooding.

Agricultural lands surrounding the City are important both locally and have statewide significance. Conserving these lands is important in supporting continued economic development and maintaining the rural character and desirability of the City.

### 1.3 VACANT RESIDENTIAL PARCELS

Vacant parcels zoned for residential development within the City of Loyalton were identified in the 6th Cycle Regional Housing Needs Allocation (RHNA) Housing Element update, covering the period of 2019 to 2024. The Housing Element identified 7 vacant, residentially zoned parcels within the City of Loyalton for potential residential development. The parcels are listed below in Table 1 and shown on Figure 1.

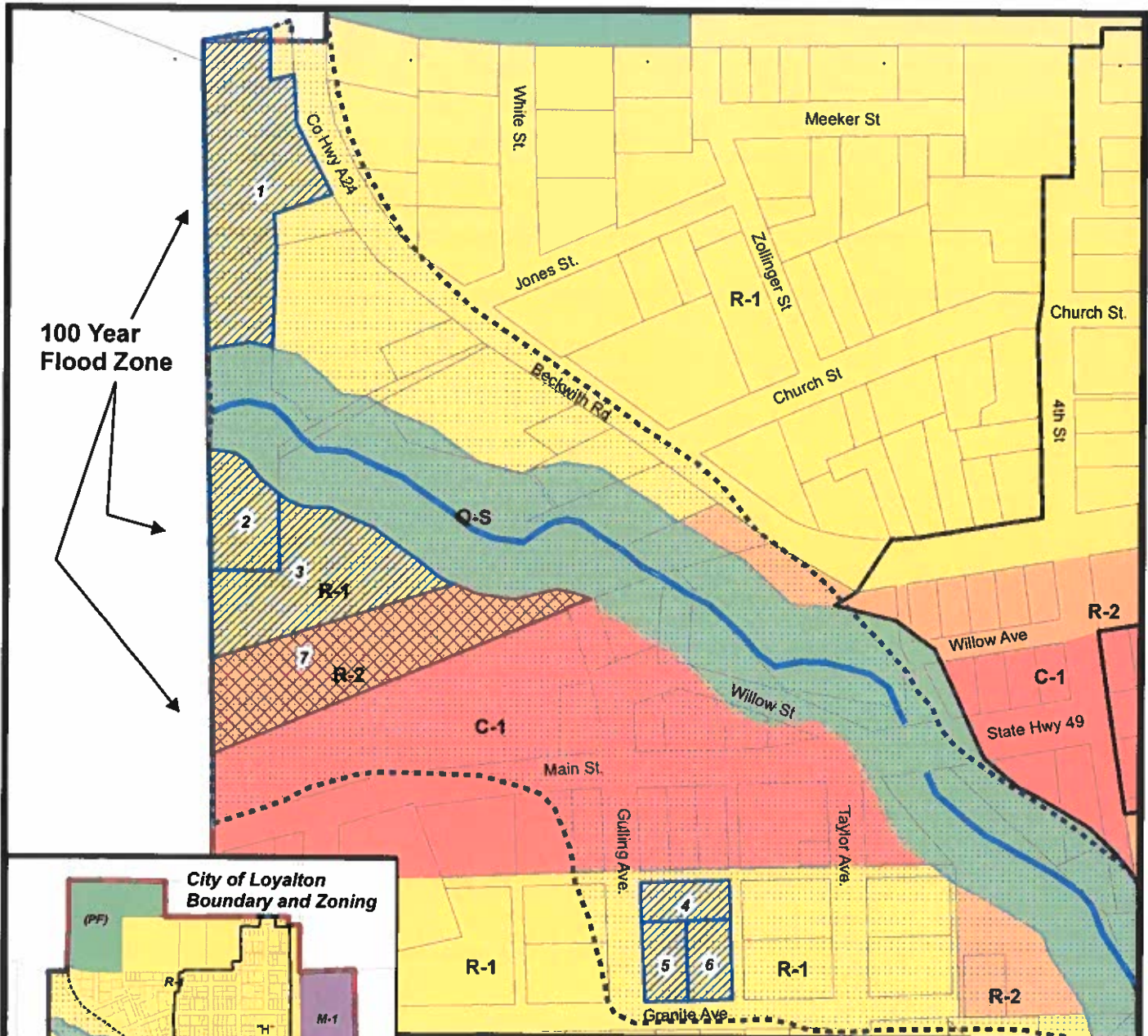
The City of Loyalton is making updates and amendments to the City’s Municipal Code for Zoning. Changes are anticipated to be approved and take effect in July 2021. Additional discussion of the Zoning code is in Sections 3.0 and 4.0 of this document.

The City of Loyalton Municipal Code Zoning includes several residential development zones. The R-1 zone applies to areas of the City designated for low density residential single-family uses identified in the General Plan. Any new development in the R1 zone is subject to development review. Permitted uses in the R1 zone include single family residential and accessory dwellings units, small residential care facilities, employee housing foster care homes and transitional housing. The R-2 zone is the multiple family residential zone district. Medium Density Residential single-family uses in the General Plan are allowed in this zone and are subject to development review. Permitted uses in the R-2 zone also include single family homes, manufactured homes, multiple family dwellings including but not limited to duplex, triplex, fourplex or townhouse housing, and accessory and junior accessory dwelling units. (City of Loyalton, 2021)

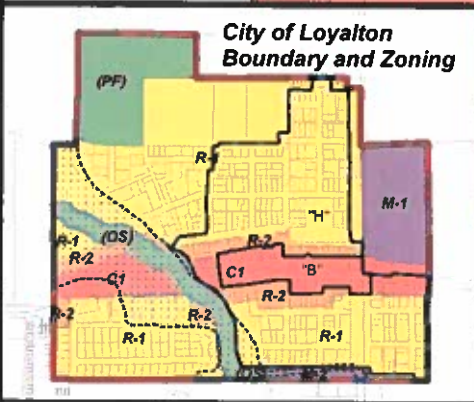
**Table 1 Vacant Residentially Zoned parcels within the City of Loyalton**

ID in Housing element	APN	Zoning
1	017-011-017	R-1
2	017-011-017	R-1
3	017-050-001	R-1
4	017-064-010	R-1
5	017-064-011	R-1
6	017-064-012	R-1
7	017-050-001	R-2

# City of Loyalton Vacant R1 and R2 in 100 Year Flood Plain



100 Year Flood Zone



Vacant Properties containing R1 and R2 Zoning In Flood Plain

ID	APN	Acreage	Zoning	ID	APN	Acreage	Zoning
1*	017-011-017	1.69	R-1	5	017-064-011	0.23	R-1
2*	017-011-017	0.48	R-1	6	017-064-012	0.23	R-1
3*	017-050-001	1.26	R-1	7*	017-050-001	1.61	R-2
4	017-064-010	0.23	R-1				

- ZONING**
- (O-S) Open Space
  - (P-F) Public Facilities
  - C-1 Commercial
  - M-1 Light Industrial
  - M-2 Heavy Industrial
  - R-1 Residential Single Family
  - R-2 Residential Multiple Family
  - Combining District "B"
  - 100 Year Flood Zone
  - Historic Combining District "H"
  - Vacant R1 Zoning
  - Vacant R2 Zoning

\* The sites identified with an (\*) in the tables are only a portion of a larger parcel.

**Legend**

- City Boundary
- Parcels
- Smithneck Creek

Map Created 1/22/2021

## **2.0 ENVIRONMENTAL RESOURCES AND CONSTRAINTS**

Environmental constraints to development of the identified vacant residentially zoned parcels in Loyalton are posed by the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), and other federal, state, county local ordinances. A broad array of environmental resources must be evaluated and potential impacts must be determined for proposed projects. When CEQA or NEPA apply, they require evaluation of the potential impacts of a project on wetlands, floodplains, water resources, threatened and endangered species, wildlife resources, land uses, air quality, noise, environmental justice and health and human safety and more.

This Preliminary Environmental Hazards Assessment identifies potential constraints to development of the identified vacant residential zoned parcels within the City of Loyalton. Constraints identified in this report will require further additional site-specific analysis. Additional project information would be necessary for project specific determination of effects. Early identification of potential environmental constraints for a project can help streamline environmental clearances for development. Some housing development projects fall under CEQA exemptions so long as there are no unusual circumstances, and the project is shown to have no reasonable possibility of having a significant effect on the environment.

Preliminary assessments identifying potential biological and aquatic resources in the Loyalton area were conducted for this report. An assessment of natural hazards that may affect the Loyalton area was also completed. Existing studies were reviewed to identify other hazards in the Loyalton areas that have the potential to impact residential development projects. The results of these assessment and reviews are presented in this report, as well as possible constraints and recommendations for future actions.

### **2.1 ENDANGERED SPECIES**

Under NEPA and CEQA, identification of a project's potential impacts to endangered or threatened species and, their associated critical habitats, is required. Research completed through the United States Fish and Wildlife Service (USFWS) Information for Planning And Consultation (IPAC) tool was used to identify endangered species, migratory birds, and wetlands within the City of Loyalton.

The USFWS IPAC tool identified 3 threatened species in the Loyalton area. One bird, the yellow-billed Cuckoo, and 2 fish species, Delta Smelt and Lahontan Cutthroat trout, were identified to potentially exist within the area. No critical habitat for these species was identified within the City. No endangered species were identified within the City of Loyalton. A copy of the IPAC report is included in Appendix A.

Migratory birds identified by IPAC that may exist within the area include the Bald Eagle, Brewer's Sparrow, Golden Eagle, Green-tailed Towhee, Lewis's Woodpecker, Long-billed curlew, Olive-sided Flycatcher, Sage Thrasher, Tricolored Blackbird, White Headed Woodpecker, Willet *Tringa semipalmata*, Williamson's Sapsucker, and Willow Flycatcher. The probability of presence of these migratory birds within a specific project area can be affected by the project location, time of year, breeding season of the species, and project conservation measures. A qualified biologist should conduct a preconstruction nesting survey to identify any migratory birds that may nest in the project area.

IPCA identified no wildlife refuges land or fish hatcheries located within the City of Loyalton.

#### **2.1.1 Constraints**

Constraints on residential development due to the existence of endangered species within the area are not likely for the identified vacant parcels. Neither endangered species nor critical habitat were identified within the study area. The presence of migratory birds, particularly Bald Eagles would need to be evaluated for a specific project location. If Bald Eagles are identified within the vicinity of a proposed project area, and the potential to disturb or kill an Eagle exists, a permit may be necessary to avoid violations of the Eagle Act.

## 2.2 WETLANDS AND AQUATIC RESOURCES

Smithneck Creek is a central feature within the City of Loyalton. The Creek runs south to north dividing the City. The Creek provides essential recreational opportunities, but has also been the source of recurring flooding, mainly due to general rainstorms. Smithneck creek runs adjacent to study parcels #1, #2 (APN 017-011-017), #3 (APN 017-050-001) and #7 (APN 017-050-001). See Figure 1.

According to the Federal Emergency Management Agency (FEMA), the most recent significant flooding in the area occurred in 1955, 1963, 1986, and 1995. (FEMA, 2019) In the upper 2 miles of FEMA’s detailed study area of Smithneck Creek, the floodplain uniformly parallels Smithneck Creek in a steep “U”-shaped valley. In 1986, a berm failure allowed flood waters from Smithneck Creek to flow down old channels toward the junction of West Sierra Brooks and Long Horn Drives. After that flood, the Natural Resources Conservation Service (NRCS) rebuilt the west bank of Smithneck Creek to repair the berm failure. This Berm is located southeast of the City and not within the study area for this report. (FEMA, 2019)

As Smithneck Creek approaches the City of Loyalton from the southeast, the channel slope diminishes and flood waters spread across the broad floodplain in the vicinity of the City of Loyalton. (FEMA, 2019) This area corresponds to the vicinity of vacant parcels #3, #4, and #5 in the Housing Element shown on Figure 1 Northwest and downstream of the City of Loyalton, the flood waters spread into a broad agricultural area. This area generally corresponds to parcels # 2, 3, and 7 of the study area for this report. See Figure 1

The National Wetlands Inventory (NWI) database was accessed to identify wetlands within the City of Loyalton. Freshwater Emergent Wetlands, Freshwater Forested/Shrub Wetland, and Riverine wetlands were identified within the City. The parcels identified for study in this report are located near Freshwater Forested/Shrub Wetland and Riverine wetlands. Mapping of the wetland areas is included in Appendix A.

Within the City of Loyalton 1.243 acres of Freshwater Forested/Shrub Wetland have been identified. The classification of these wetlands by NWI as type “PSSC” is described in Table 2.

**Table 2 Freshwater Forested/Shrub Wetland Characteristics**

<b>P</b>	System Palustrine: The Palustrine System includes all nontidal wetlands dominated by trees, shrubs, persistent emergents, emergent mosses or lichens, and all such wetlands that occur in tidal areas where salinity due to ocean-derived salts is below 0.5 ppt. It also includes wetlands lacking such vegetation, but with all of the following four characteristics: (1) area less than 8 ha (20 acres); (2) active wave-formed or bedrock shoreline features lacking; (3) water depth in the deepest part of basin less than 2.5 m (8.2 ft) at low water; and (4) salinity due to ocean-derived salts less than 0.5 ppt.
<b>SS</b>	Class Scrub-Shrub: Includes areas dominated by woody vegetation less than 6 m (20 feet) tall. The species include true shrubs, young trees (saplings), and trees or shrubs that are small or stunted because of environmental conditions.
<b>C</b>	Class Seasonally Flooded: Surface water is present for extended periods especially early in the growing season, but is absent by the end of the growing season in most years. The water table after flooding ceases is variable, extending from saturated to the surface to a water table well below the ground surface.



Within the City of Loyalton 8.332 acres of Riverine Wetland have been identified. The classification of these wetlands by NWI as type “R2UBH” is described in Table 3.

**Table 3 Riverine Wetland Characteristics**

<b>R</b>	System Riverine: The Riverine System includes all wetlands and deepwater habitats contained within a channel, with two exceptions: (1) wetlands dominated by trees, shrubs, persistent emergents, emergent mosses, or lichens, and (2) habitats with water containing ocean-derived salts of 0.5 ppt or greater. A channel is an open conduit either naturally or artificially created which periodically or continuously contains moving water, or which forms a connecting link between two bodies of standing water.
<b>2</b>	Subsystem Lower Perennial: This Subsystem is characterized by a low gradient. There is no tidal influence, and some water flows all year, except during years of extreme drought. The substrate consists mainly of sand and mud. Oxygen deficits may sometimes occur. The fauna is composed mostly of species that reach their maximum abundance in still water, and true planktonic organisms are common. The gradient is lower than that of the Upper Perennial Subsystem and the floodplain is well developed.
<b>UB</b>	Class Unconsolidated Bottom: Includes all wetlands and deepwater habitats with at least 25% cover of particles smaller than stones (less than 6-7 cm), and a vegetative cover less than 30%.
<b>H</b>	Class Permanently Flooded: Water covers the substrate throughout the year in all years.

There are no Sole Source Aquifers for drinking water sources in the Loyalton area. (US EPA, 2021)

**2.2.1 Constraints**

The location of Wetlands and Smithneck Creek to the identified vacant parcels pose constraints to residential development on those parcels. Project specific evaluation would be necessary to determine the potential impacts to wetlands and aquatic resources and to ensure compliance with CEQA, NEPA, and State, County and City code requirements. Permitting through the US Army Corps of Engineers (USACE) under Section 404 of the Clean Water Act and through the California EPA for Clean Water Act Section 401 Certification for work in wetlands may be required. Construction could occur within portions of the parcels as long as there are no anticipated impacts to wetlands.

Flooding and Special Flood Hazard Area (SFHA) within the project area impose significant constraints on development. All 7 parcels identified in the Housing Element are within the SFHA designated by FEMA and any construction must meet special standards for flood mitigation. Flood related constraints and standards are discussed further in Section 3.6.

**2.3 SOILS**

A custom soil report was generated for the Loyalton area using the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) soil mapper web tool. This report is included in Appendix A. Two main soil types were identified in the area of the vacant residential parcels. The soil types are listed in Table 4.

**Table 4 Soil Types**

Soil Type	Characteristics
JcA: James Canyon silt loam	Prime farmland if irrigated and drained
CnA: Coolbirth silt loam	Prime farmland if irrigated

### **2.3.1 Constraints**

The Prime Farmland capability of the soils in the project are important to the rural and agricultural setting in Loyalton. Development of the soils in the project area are consistent with the existing City of Loyalton Zoning the Housing Element and the General Plan. No zoning or land use changes would be necessary to develop the vacant residentially zoned properties in the Housing Element, therefore constraints on residential development due to existing soil resources are not anticipated.

### 3.0 HAZARD IDENTIFICATION AND CONSTRAINTS

The California Governor's Office of Emergency Services (Cal OES) MyHazards tool was used for preliminary identification of natural hazards in the Loyalton area. MyHazards is a tool for the general public to discover hazards in their area (earthquake, flood, fire, and tsunami) and learn steps to reduce personal risk. The tool presents information on the risks identified within the search radius, and recommended actions. (myhazards.caloes.ca.gov). The MyHazards report is included in Appendix A.

Hazard risks most closely associated with the Loyalton area are fire, earthquake, and flood. Based on the MyHazards mapping tool, the greatest hazard risk in the City of Loyalton is due to flooding. Although MyHazards identifies the area as low hazard for flooding, the location of the vacant parcels identified in the Housing Element are all within the FEMA 100 year flood zone. This poses the most significant constraint on residential development on the vacant parcels.

### 3.1 EARTHQUAKE

Based on the Sierra County Hazard Mitigation Plan (HMP), the probability of occurrence of earthquakes in Sierra County is "occasional" to "likely" due to the seismically active nature of the region. There is an 80% or larger probability of a 6.0 or greater earthquake occurring. The probability approaches 90% within a 20-year time frame. Larger, 7.0 plus, earthquakes are also possible, but, in the Sierra Complex, tend to have long recurrence intervals between events. The probability of a 7.0 or greater earthquake in this area is 25% over the next 20 years, according to the USGS Report referenced in the HMP. (Sierra County, 2012)

#### 3.1.1 Constraints And Mitigation

The MyHazards tool includes recommended actions to mitigate the risks to life and personal property posed by earthquakes and seismic activity. Recommendations include:

1. Secure water heaters
2. Secure tall furniture and bookcases, cabinets, wall mounted objects
3. Secure natural gas appliances
4. Secure garage storage
5. Secure unreinforced masonry chimneys and buildings
6. Secure propane tanks
7. Secure kitchen appliances
8. Secure shop or gym equipment

New residential construction should meet or exceed construction recommendations related to seismic activity in Sierra County and the City of Loyalton development codes.

### 3.2 FIRE

The Sierra Nevada Mountain Range bisects Sierra County creating two distinct geographic areas with some topographic differences. These areas are referred to as the 'Westside' and the 'Eastside'. Both areas boast heavily forested and mountainous landscape. Loyalton is located within the Eastside Fire Protection District.

The MyHazards tool does not identify the Loyalton area as a high fire risk. However, that determination is made based on State Responsibility Areas (SRA), which do not include lands within city boundaries. Therefore, Loyalton is not included in the fire hazard risk through the MyHazards tool. Loyalton is surrounded by forested mountainous areas and cleared agricultural lands near the town boundaries. The My Hazards tool shows very high, high and moderate fire risk surrounding the City of Loyalton.

### 3.2.1 Constraints And Mitigation

Mitigation for wildfire risks should be considered in future planning for the City of Loyalton. Mitigation measures may include defensible space requirements for existing and new construction and building permits and improvements to water storage and flow available for firefighting.

### 3.3 FLOODING

The MyHazards tool identifies the Loyalton area as being “in or near an area of a low hazard flooding.” The Sierra County Hazard Mitigation Plan (HMP) identifies flooding as a potential natural hazard in Sierra County. The primary types of flood events in Sierra County are riverine. Flooding could also occur as a result of dam failure. The cause of flooding is often the result of severe weather and excessive rainfall, either in the flood area, upstream, or from winter snowmelt. The HMP provides extensive background on flood hazards in Sierra County. An excerpt from the HMP describing flood hazards in Sierra County is below.

Riverine flooding is the most common type of flood event and occurs when a watercourse exceeds its storage capacity. Riverine flooding generally occurs as a result of prolonged rainfall, or rainfall that is combined with already saturated soils from previous rain events. The duration of riverine floods may vary from a few hours (flash flood) to many days (slow-rise flooding). Factors that directly affect the amount of flood runoff include precipitation amount, intensity and distribution, the amount of soil moisture, seasonal variation in vegetation, snow depth, and the water resistance of the surface due to urbanization. The warning time associated with slow-rise floods assists with life and property protection.

As the slope of the river flattens, the velocity slows and the material is deposited. As a result, the lower reaches of many streams pass through the sandy alluvial plains that they have formed. Flood flows can cause these streams to migrate, resulting in a higher and wider floodplain. Developed areas on land originally outside the defined floodplain can later flood.

The area adjacent to a river channel is the floodplain. Floodplains are illustrated on inundation maps, which show areas of potential flooding and water depths. In its common usage, the floodplain most often refers to that area that is inundated by the 100-year flood, the flood that has a one percent chance in any given year of being equaled or exceeded. The 100-year flood is the national minimum standard to which communities regulate their floodplains through the National Flood Insurance Program (NFIP).

Urban flooding can occur in any terrain. It is particularly aggravated where natural cover has been removed to construct buildings, roads, and parking lots. Streets become rivers, inundating vehicles and causing damage to residential and industrial properties situated along stream channels.

The potential for flooding can change and increase through various land use changes and changes to land surface, which result in changes to the floodplain. Environmental changes can create localized flooding problems in and outside of natural floodplains by altering or confining natural drainage channels. These changes are most often created by human activity.

Sierra Valley is an irregularly shaped, complexly faulted valley in eastern Plumas and Sierra Counties. The basin is bounded to the north by Miocene pyroclastic rocks of

Reconnaissance Peak, to the west by Miocene andesite of Beckwourth Peak, to the south and east by Tertiary andesite, and to the east by Mesozoic granitic rocks (Saucedo 1992). The Middle Fork Feather River heads in Sierra Valley is formed by the confluence of several streams draining the surrounding mountains. Most of the smaller tributaries flow north and northwest to join the Middle Fork Feather before it exits the valley at the northwest corner of the basin. Annual Precipitation ranges from 13 inches in the valley to 29 inches in the upland areas to the south and west. This basin with less than 5 feet of slope per mile behaves very differently to flood events than the western parts of the county.

With the flood history of Sierra County, annual probability of flooding is 20% or likely in any given year. The factors that consistently lead to flooding are heavier than normal rainfall, greater concentration of rainfall events, greater intensity of individual storms and late season warm storms that melt the expansive snowpack. Any combination of three or more of these factors will lead to flooding. (Sierra County, 2012) at pg. 58-59)

Sierra County's Initial Countywide Flood Insurance Study (FIS) Effective Date was September 1, 1988 which included the unincorporated areas in Sierra County and the City of Loyalton. FEMA flood mapping for Loyalton was updated in 2019. A revised countywide Flood Insurance Study (FIS) was issued with an effective date of April 19, 2019. The FIS includes a description of flooding that has occurred from Smithneck Creek near the City of Loyalton.

As Smithneck Creek approaches the City of Loyalton from the southeast, the channel slope diminishes and flood waters spread across the broad floodplain in the vicinity of the City of Loyalton. Flows divide east and west around the lumber mill, then rejoin at the southeast edge of the City's residential development. Overbank flooding is most significant upstream of the State Highway 49 bridge. The channel capacity through the City upstream of State Highway 49 is diminished due to a flattening channel slope, dense alders growing in the channel, a narrowing of the channel, and decreased depth of the channel. Northwest and downstream of the City of Loyalton, the flood waters spread into a broad agricultural area. (FEMA, 2019) at pg, 4)

Per the FEMA FIS study "No major flood-control structures exist within the County. There is a low-level berm along both sides of Smithneck Creek in the vicinity of the Sierra Brooks subdivision, which provides some protection. The berm, however, does not meet the protection guidelines stated in FEMA Procedure Memorandum No. 43 - Guidelines for Identifying Provisionally Accredited Levees issued on March 16, 2007. The berm along Smithneck Creek does not show compliance with 44 CFR Section 65.10 to provide protection against the 1-percent-annual-chance flood." (FEMA, 2019)

No changes were made to the FIRM for Smithneck Creek in the 2019 FIS. Smithneck Creek and the 100-year, or 1%, annual chance, flood area is identified on Flood Insurance Rate Maps (FIRM) as Zone AE. Zone AE is the flood insurance rate zone that corresponds to the 1-percent-annual-chance floodplains that are determined in the FIS by detailed methods. In most instances, whole-foot base flood elevations derived from the detailed hydraulic analyses are shown at selected intervals within this zone. Because Zone AE has been identified but the regulatory floodway has not been determined by detailed methods, additional federal floodway standards are applicable. FEMA FIRMS are included in Appendix A.

A floodway fringe district, identified in the Loyalton Zoning Code runs through a portion of the City of Loyalton. (City of Loyalton, 2015) FEMA FIRMS for the area do not differentiate the Smithneck Creek floodway from the floodway fringe through the City of Loyalton. The FEMA FIS study explains that encroachment on floodplains, including structures and fill, reduces flood-carrying capacity, increases flood

heights and velocities, and increases flood hazards in areas beyond the encroachment itself. “Under this concept, the area of the 1-percent-annual-chance floodplain is divided into a floodway and a floodway fringe. The floodway is the channel of a stream, plus any adjacent floodplain areas, that must be kept free of encroachment so that the 1-percent-annual-chance flood can be carried without substantial increases in flood heights. Minimum Federal standards limit such increases to 1.0 foot, provided that hazardous velocities are not produced. (FEMA, 2019)

Along streams where floodways have not been computed, such as Smithneck Creek, the community must ensure that the cumulative effect of development in the floodplains will not cause more than a 1.0-foot increase in the Base Flood Elevation (BFE) at any point within the county. The area between the floodway and 1-percent-annual-chance floodplain boundaries is termed the floodway fringe. The floodway fringe encompasses the portion of the floodplain that could be completely obstructed without increasing the water-surface elevation of the 1-percent-annual-chance flood by more than 1.0 foot at any point. (FEMA, 2019)

In addition to FEMA reports, there is local evidence of flooding near Smithneck Creek. During the public review of the Housing Element, a local resident, and property owner, provided information regarding one of the vacant parcels that is partially zoned for residential purposes. The resident and property owner provided background information indicating frequent flooding that impacts the agricultural use of the property and an existing residence. The owner also indicated this property may have a high groundwater table. Photographs provided by the resident are included in Appendix A. Information provided by the public has not been verified by a flood study at this time of this report.

### **3.3.1 Constraints**

Because flooding is the most likely hazard event to impact residential development in Loyalton, recommendations and mitigation options are presented in their own section of this report. Constraints to residential development within the floodplain include FEMA National Flood Insurance Program (NFIP) requirements, Sierra County and City of Loyalton Flood Administration regulations and City of Loyalton Municipal Code Zoning requirements.

All 7 of the vacant residentially zoned parcels identified in the Housing Element lie within the 100-year floodplain and are within the Special Flood Hazard Area (SFHA) identified by FEMA flood mapping. An area of Special Flood Hazard is the land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year. (44 CFR §59.1 et al.) See Appendix A for FEMA flood maps for the area.

Federal, county and local criteria and recommendations are in place for development within SFHAs and floodplains. National Floodplain Insurance Program (NFIP) requirements include meeting FEMA standards for development in those areas. The NFIP broadly defines the term development to include new construction (buildings and structures), substantial improvement of existing construction (buildings and structures), and repair of existing construction (buildings and structures) that sustain substantial damage during flooding events. (FEMA, 2019) Federal regulations also include criteria for floodplain management. (44 CFR §60.3) An excerpt of the relevant regulations is in Appendix A.

NFIP’s Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS: (1) Reduce flood damage to insurable property; (2) Strengthen and support the insurance aspects of the NFIP, and (3) Encourage a comprehensive approach to floodplain management.

Sierra County participates in the National Floodplain Insurance Program in order to promote public health, safety, and the general welfare of its citizens. The County Board of Supervisors adopted a resolution

outlining the rules, regulations, and guidelines to implement Part 32 of the Sierra County Code -Floodplain Management.

The Sierra County Floodplain Management ordinance includes the following methods and provisions:

- a) Restrict or prohibit uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion, flood heights or velocities;
- b) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- c) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;
- d) Control filling, grading, dredging, and other development which may increase flood damage; and
- e) Prevent or regulate the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards in other areas.

Floodplain management in the City of Loyalton is governed by the regulations of the City of Loyalton Ordinance No. 414 Chapter 14.01 – Floodplain Management (City of Loyalton, 2015) Ordinance 414 contains similar provisions to Sierra County Code Part 32.

Section 14.01.13 of City of Loyalton Ordinance 414 requires a development permit be obtained before any construction or other development begins within any area of special flood hazard. Farr West reviewed the Federal Emergency Management Agency (FEMA) FIRM 06091C0236C effective 2/2/2012 and concluded that all seven parcels identified in the Housing Element for residential development are within the Special Flood Hazard Area (SFHA). (FEMA, 2012)

Section 14.01.15.001 of Ordinance 414 gives the Floodplain Administrator the power to “Review all development permits to determine that:

- (a) the permit requirements of this ordinance [Ordinance 414] have been satisfied; [...]
- (c) the site is reasonably safe from flooding; [and]
- (d) the proposed development [...] will not increase the water surface elevation of the base flood more than one foot at any point within Sierra County...”

(City of Loyalton, 2015)

The administrative review process for development within the floodplain described in Ordinance 414 is a constraint on the development of vacant residentially zoned parcels within the City of Loyalton. Ministerial review of development in the SFHA is not sufficient to evaluate the potential impacts of development in special flood hazard areas. This is considered a constraint on new development because administrative reviews and approvals fall outside of several CEQA exemptions carved out to streamline housing development, particularly lower income infill housing such as proposed in the Housing Element.

Section 14.01.14 of Ordinance 414 appoints the Sierra County Director of Planning and Public Works as the Floodplain Administrator for the City. Farr West previously reviewed this ordinance and collaborated with the Sierra County Assistant Planning Director, Brandon Pangman with respect to other floodplain issues. (Farr West Engineering, 2020) Based on these previous discussions with the Sierra County Planning Dept., the delegation of Sierra County authority as Floodplain Administrator was subject to a contract between the City and County that was rescinded in 2013. Currently, the Floodplain Administration program is not administered in the City of Loyalton. The City of Loyalton is in the process of updating Chapter 14 to comply with more recent FEMA mapping and regulations such as the updated FIS.

In addition to requirements for review of proposed development projects with the SFHA, there are requirements for development in the floodway. Loyalton FIRMS show the stream elevation and the 100-year flood zone. The floodway and floodway fringe is not differentiated on FEMA mapping for Smithneck Creek. ( FEMA, 2012)

The Loyalton Zoning Code also imposes constraints on development of the vacant residentially zoned parcels identified in the Housing Element. The Zoning Code includes requirements that development within the Floodway Fringe Overlay Zone District conform with the Floodplain Administration Ordinance 414 and Zoning Code Chapter 12.08.17. As referenced in the Zoning and Parcel Map in Figure 1, the vacant residentially zoned properties identified in the Housing Element are located within the Floodway Fringe, FF, Overlay District. (City of Loyalton, 2015). All projects located in this district are subject to administrative review by the City Council to assure compliance with Chapter 14.01 of the Municipal Code regarding Floodplain Management. If the project complies with Chapter 14.01, then the administrative review is not required. As noted herein, the administrative process was not used during the 2014-2019 Housing Element Planning Cycle. If the administrative review process is required, it has been designed to take no more than 30 days to complete. Although the City of Loyalton Code was recently updated to include provisions to streamline housing development, including ministerial project review and limited environmental review, that will not be applicable to lands within the FEMA flood zones, or the City's Floodway Fringe District.

The City of Loyalton's Zoning Code also identifies development guidelines for areas of Open Space (O-S zone). (City of Loyalton, 2015) This zone classification is intended to be applied to properties which are found most properly to be preserved in a natural state and/or to provide open space buffer areas in which uses are restricted to recreational, conservation or light agricultural types, and including accessory and public service uses. Principal permitted uses in the O-S zone are as follows:

- A. Measures to promote conservation or natural terrain and vegetation, and to reduce fire and erosion hazards;
- B. Riding and hiking trails, picnic sites;
- C. Public and private nonprofit riding stables, parks, golf courses, and tennis and swimming clubs;
- D. Farming and grazing;
- E. Uses which the City Council determines, by written findings, are similar to the above.

(City of Loyalton, 2015)

A designated O-S zone runs adjacent to vacant Parcels #1, #2 (APN 017-011-017), #3 (APN 017-050-001) and #7 (APN 017-050-001) identified in the Housing Element. See Figure 1. Residential development of these parcels is limited by the O-S zoning on a portion of the parcel. Under the current code there are conditional uses allowed requiring conditional use permits. Those conditional uses include farm dwellings on 10 acres or more and living quarters for caretakers or watchmen. Neither of these uses are consistent with RHNA of the Housing Element.



## 4.0 RECOMMENDATIONS

This section provides recommendations for potential mitigation measures to reduce constraints and streamline development of housing on existing, vacant, residentially zoned parcels within the City of Loyalton. Flood mitigation and flood control options for the City of Loyalton may range widely. Recommendations include flood studies and flood modeling of Smithneck Creek, conducting environmental review for the proposed areas, code updates, floodplain administration and FEMA approved mitigation measures for flooding. Ultimately, appropriate recommendations for mitigation for a housing project would be project and location specific.

### 4.1 ENVIRONMENTAL RESOURCES

Preliminary biological and environmental resources were identified and constraints on potential development due to the presence of resources were identified in this report. The most significant constraint to development of the identified parcels is the California Environmental Quality Act (CEQA). CEQA requires disclosure and mitigation of a wide range of environmental impacts for proposed projects. A project under CEQA is an action by a public agency that is subject to discretionary approval and has the potential to impact the environment. Approval of a development or construction permit by the City of Loyalton may fall under CEQA if the decision is discretionary and not ministerial. Development review by the floodplain administrator is required for development within the floodplain, and is also discretionary in nature.

Various exemptions and streamlining opportunities have been developed by the State of California to ease barriers to construction of low income and infill housing projects. However, because the vacant parcels identified in the Housing Element are all within the floodplain, streamlining development review and eliminating environmental reviews under CEQA are not applicable because the City must complete an administrative review of a project proposed to be constructed within the floodplain.

Additional study to determine any aesthetic impacts, identify any historical or cultural resources that may exist within a project area, or that may be impacted by a development in the area, will be required. No California scenic highways bisect the City of Loyalton. Other aesthetic considerations under CEQA are not addressed in this report and would need to be addressed in project specific reviews.

Recommendations for further action include a community level environmental review, or an preliminary study to determine whether an exemption to CEQA would apply for low-income housing development on the identified vacant, residentially zoned parcels. Completing one of these actions would streamline development of housing should any low income or infill housing projects be presented to the City for development consistent with the General Plan and Housing Element.

#### 4.1.1 Community-Level Environmental Review

A community-level environmental review could allow for streamlined environmental review of housing projects. California Public Code (CPC), Public Resources Code (PRC) allows that if a previous Environmental Impact Report (EIR) has been completed on a community level, and a negative declaration or a mitigated negative declaration has been made, environmental review of a specified housing project included under that review is streamlined under the CEQA process.

California Public Code, Public Resources Code (PRC) Section 21159.20 defines Community-level environmental review as an environmental impact report certified on any of the following:

1. A general plan.
2. A revision or update to the general plan that includes at least the land use and circulation elements.
3. An applicable community plan.

4. An applicable specific plan.
5. A housing element of the general plan, if the environmental impact report analyzed the environmental effects of the density of the proposed project.

A negative declaration or mitigated negative declaration must be adopted as a subsequent environmental review document, following and based upon an Environmental Impact Report (EIR) on any of the projects listed above. Community level review under the City of Loyalton General Plan or an environmental report prepared with the next housing element that analyzes the environmental effects of the density of the proposed project may satisfy a CEQA requirements under PRC 21159.25 streamlining. The legislation has specific requirements for evaluating the impacts of housing density and is due to expire in January of 2025.

A Community level environmental review has not been completed and no EIR has been prepared at this time. Although the General Plan Update for the 2019-2025 Housing Element was adopted with a CEQA Exemption, that exemption covered policies and code changes to adhere to state law requirements for supportive, transitional, employee housing and other housing programs necessary to bring the General Plan into conformance to state law.

#### **4.1.2 Preliminary Environmental Review**

If a proposed development is brought to the City of Loyalton for development review it is recommended that the developer supply a full environmental impact study for the project. To encourage residential infill development the City of Loyalton may consider securing funding to complete a preliminary environmental study for development of identified vacant residentially zoned parcels that would fulfill the requirements for documentation under a CEQA exemption, if one is applicable. The preliminary environmental review would also inform potential developers of constraints to residential projects and assist in planning for development.

One example of an exemption that may apply, but that requires additional review is Senate Bill 35 Streamlining Provisions. (California State Legislature, 2017) The City of Loyalton and Sierra County at large fall under the streamlining provisions of SB 35 which apply “When jurisdictions have insufficient progress toward their Above Moderate income RHNA and/or have not submitted the latest Housing Element Annual Progress Report (2018), these jurisdictions are subject to the streamlined ministerial approval process for proposed developments with at least 10% affordability.” (California State Legislature, 2017) SB 35 allows for streamlining housing and other affordable housing development in accordance with state law, which typically consists of multiple family housing is generally subject to ministerial review. The City of Loyalton Code which was recently amended, and is expected to be approved, allows for ministerial review, including no environmental review, on housing projects. (City of Loyalton, 2021) However, because the currently identified vacant residentially zoned parcels are within the floodplain for Smithneck Creek, development on those parcels is likely excluded from the exemption. Additional preliminary environmental review for CEQA is necessary to determine if this, or other exemptions, may apply.

#### **4.2 FLOOD**

General strategies to mitigate flood hazards are discussed in this section. The sub-sections that follow include program and agency specific recommendations for flood mitigation strategies. General strategies to mitigate flood hazards include:

1. Protecting the natural Floodplain function and values
2. Set higher regulatory standards
3. Collect flood data information and maintenance
4. Balance channel migration and bank erosion monitoring
5. Increase floodplain and flood hazard outreach and education

6. Reduce infrastructure impact
7. Minimize stormwater impacts

Several of these strategies are included in the recommendations below. Collecting additional flood data is recommended through flood modeling or a flood study for the City of Loyalton. Reducing impacts are addressed for existing structures within the floodplain. Updating regulatory standards and establishing an active Floodplain Administration Program is also recommended.

#### 4.2.1 MYHazards Mitigation Measures

The California Governor's Office of Emergency Services (Cal OES) My Hazards tool identifies flood as a low hazard risk for many areas of Loyalton. MYHazards recommendations for flood mitigation measures for existing properties within the floodplain in City of Loyalton are listed below.

- Protecting wells from contamination by flooding
- Install sewer backflow valves
- Anchor Fuel tanks
- Raise electrical system components
- Raise floodproof/HVAC equipment
- Add waterproof veneer to exterior walls

#### 4.2.2 FEMA Mitigation Measures

Farr West recommends the City of Loyalton follow all guidance and regulations issued by FEMA for construction with the floodplain and on lands under the NFIP. FEMA provides recommended flood mitigation measures for single family and multifamily residential buildings. The Housing Element identifies a maximum for low density housing of 45 feet and a maximum for high density housing of 30 feet in height. FEMA guidance identifies this size of building as low-rise Multi-Family Housing (MFH) which is "a building with less than four stories containing at least five dwelling units." (National Flood Insurance Program, 2019) All the vacant R1 and R2 parcels identified in the Housing Element lie within the 100-year flood zone, or special flood hazard area (SFHA). FEMA's National Flood Insurance Program (NFIP) provides design and construction standards for new construction within the SFHA, some of which is listed below.

- Perimeter floodwalls
- Wet floodproofing (parking access, above-grade storage areas)
- Wet floodproofing above the required elevation
- Dry proofing above the required elevation

(National Flood Insurance Program, 2019)

In addition to primary mitigation, secondary measures help improve resiliency of buildings and may help improve the performance of the primary measures. NFIP's secondary mitigation measures for MFH projects include:

- Isolating utilities to separate protected areas from the remainder of the building if the area is inundated with floodwaters. Automatic shutoff valves can be used for natural gas and water sensors can be used to turn off electricity. Circuits powering emergency sump pumps should not be shut off.
- Installing backflow prevention valves to help prevent water flowing from the exterior to the interior of a building through the sanitary sewer or water drainage systems.
- Installing ejector pumps can allow buildings with staff that are not required to evacuate to maintain operations, while sanitary sewer systems are pressurized by floodwater that would prevent normal gravity flow building drains to operate properly.

- Installing sump pumps with dedicated emergency power supply to handle seepage and dewater internal drainage systems and below-grade areas. In dry floodproofing applications, sump pumps are used to prevent accumulated water from causing damage to the building and handle the inevitable small leaks that occur around shields, sealed openings, or through adhered barrier-type waterproofing systems.
- Using flood damage-resistant materials below the Flood protection level.
- Identifying, evaluating, and addressing openings below the FPL, including louvers, window wells, utility connections, and all other openings such as pipe penetrations through walls.
- Implementing mitigation measures for conveyances—elevators and lifts—in accordance with NFIP Technical Bulletin 4, Elevator Installation for Buildings Located in Special Flood Hazard Areas in accordance with the National Flood Insurance Program (FEMA 2010c).
- Installing backup power systems to provide power during power loss. Generators should be sized in accordance with the appropriate energy load (operational load plus peak load) required for emergencies and may include power for elevator, emergency lighting, security systems, and plug-in load.
- Combining inspections of flood mitigation measures with routine inspections that are performed to assess and mitigate potential fire and life safety hazards in buildings. All flood shields and gaskets on shields and doors and all installed dry floodproofing measures, such as a barrier-type membrane system and/or a cavity drainage system, should be inspected and maintenance and repairs should be performed on a regular basis.
- Conducting at least annual training and exercising of the proper installation of flood shields and other measures that require human intervention.

(National Flood Insurance Program, 2019)

#### **4.2.3 Floodplain Administration**

Farr West recommends the City establish a formal Floodplain Administrator position qualified to oversee the duties as outlined in Section 14.01.15 of Ordinance 414. If possible, a renewed partnership with the County to provide the service to Loyalton is recommended. Farr West recommends that the City work with Sierra County to potentially reassign the Floodplain Administrator position to the County. This reissuance of responsibilities would remove the burden from the City to enforce Floodplain Administrator duties in the future.

Alternately, funding for a part time planner or administrative position that includes floodplain management for the City is recommended, potential funding sources are discussed in Section 5.0 of this document.

#### **4.2.4 City of Loyalton Zoning Code Updates**

Farr West recommends the Municipal Zoning Code be updated after such time that Chapter 14 of the Code, Floodplain Management, is updated to reflect new methods or administrative processes to review development and design standards for development within the floodplain. Updating of the Loyalton floodplain ordinance and Code may also include criteria for landscaping, berms and fencing within the SFHA.

Low impact development could be considered in relation to the floodplain. Low Impact Development (LID) refers to systems and practices that use or mimic natural processes that result in the infiltration, evapotranspiration or use of stormwater in order to protect water quality and associated aquatic habitat. (EPA.gov, 2021) The term green stormwater infrastructure is often used and is largely synonymous with LID as to the techniques used to manage water flows and development. LID practices are designed to capture, filter and infiltrate runoff onsite using soils, vegetation and other media. However, LID barriers often exist in local development codes for landscaping, open space, perimeter screening, street, parking and lot setback requirements. A comprehensive review of Loyalton's codes, including the zoning code, to

remove barriers to LID and encourage LID practices could allow for potentially more economical development of stormwater impacted parcels than otherwise would occur under conventional development practices.

These potential ordinance changes may pose additional constraints on development within the floodplain in the future. Modifications to the municipal code to allow ministerial permitting for development plans within the floodplain that meet the criteria of the Floodplain Administration Program is also a possible way to streamline approvals for certain housing projects.

Additional recommendations related to the zoning code include requiring housing development plans that address actions to meet open space goals and incorporate permitted uses into the development design.

#### **4.2.5 Engineering floodplain study and flood modeling**

Floodplain studies of Smithneck Creek have not been conducted since the original one-dimensional FEMA flood study conducted in 1976. The FIRM effective data for this study was September 1, 1988. Detailed methods were used to study Smithneck Creek and were discussed in the 2012 FIS report. However, the regulatory floodway and floodway fringe district has not been identified for Smithneck Creek through the City of Loyalton. Therefore, it cannot be determined with certainty the effects of any current or proposed development on raising the base flood elevation water surface level by more than one foot. An engineering flood study, including flood modeling, is recommended for the entire floodway running through the City of Loyalton to determine potential impacts of flooding on improvement at existing developed parcels and on proposed new construction within the floodplain.

The existing berm that runs parallel with Smithneck Creek should also be included in the floodplain analysis. Although the Smithneck creek berm has not been identified as a protection levee by FEMA, improving the berm may provide additional flood protection for the City of Loyalton. Repairing the berm to meet FEMA standards as outlined in FEMA Procedure Memorandum No. 43 - Guidelines for Identifying Provisionally Accredited Levees, is recommended. The improved berm would allow for additional flood protection of the area and may include possible changes to the currently identified special flood hazard zone.

Flood modeling to support the Housing Element and next RHNA cycle should include Sierra County Assessor's Parcel No. 017-050-001, specifically the 1.61-acre portion recommended for residential development in the Housing Element. This parcel is located within the 100-year flood zone, and information was provided by a local resident and property owner regarding frequent flooding on the parcel and the potential for a high ground water table. The approved 2019-2025 Housing Element includes development assumptions for this parcel:

Development potential for low-income units based on realistic development capacity is 19 units relating to a 1.61-acre portion of Assessor's Parcel No. 017-050-001 (less than 20 units potential due to environmental constraints). This site is generally flat with street access and has excellent access to City water and sewer. However, this property is located within the 100-year flood zone and it is part of a larger parcel that has mixed zoning that includes R-1. Also, the R-2 zoned portion of the site does not have direct public street access. Therefore, this site has some potential development constraints that could impact the full development potential of 16 units per acre. So, actual development capacity of this site has been projected to be about 12 units per acre.

A flood study, including flood modeling, to better understand the hydrology of the area and determine the effectiveness of flood mitigation on this parcel is recommended. Additional information on the nature of Smithneck Creek and the extent of flooding in the area may provide insight on mitigation strategies that would allow for potential residential development on the parcel.

FEMA recently issued new guidance for Flood Risk Analysis and Mapping for 2-Dimensional Analysis. (FEMA, 2020). A flood study and 2D modeling can provide more specific flood zones and a better defined SFHA through Loyalton. More complex 2D modeling can provide better defined areas appropriate for development of for flood hazard mitigation that may allow for in-fill development in the City of Loyalton.

Updated modeling may require a revised Letter of Map Revision (LOMR) for the Smithneck Creek. APN 017-050-001 is identified in the Housing Element for possible development which would satisfy the RHNA, and is located within the SFHA and the floodway fringe district. 2D modeling may provide indications for whether a LOMR would be appropriate for Smithneck Creek or other areas within the City of Loyalton.

Modeling may provide more accurate delineation of the floodway fringe area. The floodways in the FIS study are presented to local agencies as a minimum standard that can be adopted directly or that can be used as a basis for additional floodway studies. If areas identified for residential development are outside a flood hazard area or flood zone, ministerial permitting for housing projects is applicable under the proposed Municipal Code revisions as well as CEQA streamlining for some types of residential development within City of Loyalton boundaries.

Flood modeling may also be able to provide insight on other potentially developable parcels that may be less impacted by flooding. Conceptual engineering design alternatives for mitigation actions could be formulated based on modeling results. Conceptual designs would allow cost estimates and other evaluation of flood mitigation alternatives.

## 5.0 POTENTIAL FUNDING SOURCES

Potential funding sources for hazard planning, flood mitigation measures and housing planning are included in this section. Funding opportunities are often updated annually, and many have specific windows for application. Funding sources should be confirmed and researched before relying on the funding opportunity listed herein.

Funding opportunities available through FEMA including pre-disaster funding and flood mitigation assistance grants. FEMA funding in the State of California is administered by the California Governor's Office of Emergency Services (Cal OES). FEMA's pre-disaster funding, Building Resilient Infrastructure and Communities (BRIC) program, flood mitigation assistance and Cal OES mitigation planning is outlined in this section. Additional funding opportunities offered through various State agencies are also mentioned.

### 5.1 BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES (BRIC)

Building Resilient Infrastructure and Communities (BRIC), authorized by Section 203 of the Stafford Act, supports states, local communities, tribes and territories' hazard mitigation projects, to help reduce the risks from disasters and natural hazards. BRIC is a new FEMA pre-disaster hazard mitigation program that replaces the existing Pre-Disaster Mitigation (PDM) program.

The Building Resilient Infrastructure and Communities (BRIC) program aims to provide proactive investment in community resilience. The BRIC program's guiding principles are supporting communities through capability- and capacity-building; encouraging and enabling innovation; promoting partnerships; enabling large projects; maintaining flexibility; and providing consistency. Building Resilient Infrastructure and Communities (BRIC) funds may be used for:

- Capability- and Capacity-Building (C&CB) Activities
- Mitigation Projects
- Management Costs

Capability- and Capacity-Building (C&CB) activities are meant to enhance the knowledge, skills, and expertise of the current workforce to expand or improve the administration of mitigation assistance. This includes activities in the following sub-categories:

- Building codes activities are a sub-category of C&CB activities, and applicants can apply their entire \$600,000 allocation for C&CB activities to building code activities under the State/Territory Allocation and Tribal Set-Aside.
- Project scoping (previously known as Advanced Assistance) is a sub-category of C&CB activities, and applicants can apply their entire \$600,000 allocation for C&CB activities to project scoping under the State/Territory Allocation and Tribal Set-Aside.
- Mitigation planning activities are a sub-category of C&CB activities and can be submitted under the State/Territory Allocation and Tribal Set-Aside. Under the allocation, only up to \$300,000 may be used for mitigation planning and planning-related activities. The Tribal Set-Aside includes \$20 million under which all Tribal governments (federally recognized) may apply. Under the Tribal Set-Aside, up to \$300,000 of the C&CB activities cap (federal share) may be used for mitigation planning and planning-related activities per Applicant.

Existing project types detailed in the Hazard Mitigation Assistance Guidance for the previous Pre-Disaster Mitigation grant program are still eligible under BRIC. The Notice of Funding Opportunity (NOFO) for BRIC/FEMA is expected in August 2021. (ca.gov, 2021) (Hazard Mitigation Pre Disaster Flood Mitigation)

### 5.2 FLOOD MITIGATION ASSISTANCE (FMA)

FMA is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended (NFIA), 42 U.S.C. 4104c, with the goal of reducing or eliminating claims under the National Flood Insurance Program

(NFIP). FMA was created as part of the National Flood Insurance Reform Act (NFIRA) of 1994. The Biggert-Waters Flood Insurance Act of 2012 (Public Law 112-141) consolidated the Repetitive Flood Loss and Severe Repetitive Loss grant programs into FMA. FMA funding is available through the National Flood Insurance Fund (NFIF) for flood hazard mitigation projects as well as plan development and is appropriated by Congress. The Flood Mitigation Assistance Program is a competitive grant program that provides funding to states, local communities, federally recognized tribes and territories. Funds can be used for projects that reduce or eliminate the risk of repetitive flood damage to buildings insured by the NFIP.

FEMA chooses recipients based on the applicant's ranking of the project and the eligibility and cost-effectiveness of the project. FEMA requires state, local, tribal and territorial governments to develop and adopt hazard mitigation plans as a condition for receiving certain types of non-emergency disaster assistance, including funding for hazard mitigation assistance projects.

Based on local information provided by residents of Loyalton, there is repetitive flooding in some of the flood areas in Loyalton. Additional research would be needed to understand if these areas are insured under NFIP, if the repetitive losses have occurred on any of the properties, and if so, what mitigation options are available for possible funding.

### **5.3 MITIGATION PLANNING**

Cal OES has two departments focused on mitigation planning: State Mitigation Planning and Local Mitigation Planning. Funding under these programs requires a current Hazard Mitigation Plan. The Hazard Mitigation Grant Program (HMGP) funds plans and projects that reduce the effects of future natural disasters. Eligible sub-applicants include state agencies, local governments, special districts, and some private non-profits. (ca.gov, 2021) (Hazard Mitigation Hazard Mitigation Planning)

Sierra County's Hazard Mitigation Plan, completed in 2012, includes the City of Loyalton. The plan is due for updating. Grant funding can be obtained to pay for some or all of the cost to prepare or update an HMP. Planning funds may also be available for flood mitigation planning activities.

### **5.4 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC)**

The State of California's AHSC Program is administered by the California Strategic Growth Council. The program provides grants and/or loans for projects that achieve greenhouse gas emission reductions and benefit Disadvantaged Communities, Low-Income Communities, and Low-Income Households through increasing accessibility of affordable housing, employment centers and key destinations. Three Project Area types have been identified to implement this strategy: 1) Transit-Oriented Development (TOD) Project Areas, 2) Integrated Connectivity Project (ICP) Project Areas, or 3) Rural Innovation Project Areas (RIPA). The City of Loyalton projects may be eligible under the RIPA project type. These funds mainly support capital projects, not planning projects, the funding disbursement requires all environmental clearances including CEQA and NEPA, if necessary. For more information on the next funding cycle visit <https://www.sgc.ca.gov>.

### **5.5 CALIFORNIA STATE REVOLVING FUND (SRF)**

The Infrastructure SRF (ISRF) Program provides financing to public agencies and non-profit corporations, sponsored by public agencies, for a wide variety of infrastructure and economic development projects excluding housing. ISRF Program funding is available in amounts ranging from \$50,000 to \$25 million with loan terms for the useful life of the project up to a maximum of 30 years. Eligible Applicants include, but are not limited to any subdivision of a local government, including cities, counties, special districts, assessment districts, joint powers authorities and non-profit corporations (as deemed eligible). Projects may include flood control.

Eligible Costs for financing include:



- All or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property.
- Rights, rights of way, franchises, licenses, easements, and interests acquired or used for a project.
- The cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved.
- The cost of machinery, and equipment.
- Provisions for working capital.
- Other expenses necessary or incidental to determining the feasibility of any project or incidental to the construction, acquisition, or financing of any project.
- The cost of architectural, engineering, financial and legal services, plans, specifications, estimates, and administrative expenses.
- Interest prior to, during, and for a period after, completion of construction, renovation, or acquisition, as determined by the IBank.
- Reserves for principal and interest and for extensions, enlargements, additions, replacement, renovations, and improvements.

## **5.6 FLOODPLAIN MANAGEMENT, PROTECTION AND RISK AWARENESS GRANT PROGRAM**

The Floodplain Management, Protection and Risk Awareness Grant Program is administered by the Department of Water Resources and supports local agency efforts to prepare for flooding events by providing financial assistance for flood risk reduction activities related to stormwater flooding, mudslides, and other flash flood related protections. This Program will incorporate an increased focus on economically disadvantaged community assistance and multi-benefit project features. The Grant Program was established in the Budget Act of 2019 (Assembly Bill [AB] 74, Item 3860-101-6088) and funded by the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Fund Act of 2018 (Proposition 68; Wat. Code, § 80000 et seq.).

Planning projects eligible for funding under this Program must include the planning and monitoring necessary for the successful selection and design of an implementation project authorized under these Guidelines. Examples of planning projects include, but are not limited to the following:

- Purchase and installation of data collection gages, i.e. precipitation and stream.
- Flood risk reduction mapping, alluvial fans or other landforms, burned areas, severity of burns and simulating burn severities, vegetation mapping.
- Evaluation of risks based on mapping and data collection efforts.
- Decision support tools that evaluate the benefits and costs of multi-benefit stormwater projects.
- Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with section 10560) of Division 6 of the Water Code.
- Community Rating System (CRS) class advancement or application letter of interest submittal.
- Development and update of LHMPs in coordination with the California Governor's Office of Emergency Services (CalOES).
- Early warning notification systems. Design and/or construction of selected planning projects is not fundable under this subsection.

Implementation projects eligible for funding under this Program must address flood risk reduction with stormwater, mudslide, and flash flood-related protection, promote wise use of floodplains, and include multiple benefit features when applicable. Examples of stormwater flood risk reduction projects include, but are not limited to the construction or repair of:

- Structural projects like retention or detention basins,

- Stormwater management system upgrades,
- Floodwalls,
- Channel widening,
- Nature-based projects like runoff reduction / stormwater infiltration basins and bioswales,
- Administrative projects such as acquisition and relocation programs.

Funding is anticipated to open in summer of 2021 with award in fall of 2021 more information is available at <https://www.grants.ca.gov/> and <https://water.ca.gov/>

## 6.0 EXAMPLES

Development of the specific parcels identified in the Housing Element may be made more feasible with appropriate flood mitigation improvements in areas where previous flooding events have occurred. Mitigation projects may allow for development to meet the Regional Housing Needs Allocation. Successful collaborative efforts between public agencies and private interests have occurred in the region and are provided here as examples of possible future action by landowners, developers or the City of Loyalton. Example flood hazard reduction mitigation actions include detention basins, channelization, conveyance structures, and culvert design. These strategies could be combined in various ways to potentially reduce flood hazards at specific locations and potential project sites.

A regional example of successful flood hazard reduction collaboration in northern Nevada is the work of the Carson Watershed Subconservancy District (CWSD). ([www.cwsd.org](http://www.cwsd.org)) CWSD became a Cooperative Technical Partner with FEMA. CWSD entered into a Risk Map Charter Agreement allowing the agency to work on a watershed basis with the many counties along the Carson River on flood hazard mitigation projects. CWSD has produced Watershed Floodplain management Plan for Carson River and Drainage Mater Plans for the Dayton Valley and North Carson City areas. Extensive modeling efforts, flood mapping and flood studies have been conducted as part of CWSD's work. Work in the Carson watershed so far has included Dayton Valley, South Dayton Valley, Lahontan Reservoir, Smelter Creek, North Carson City as well as Countywide Floodplain ordinance review.

A regional project example from northern California the is Petaluma River Flood Management and Enhancement Project in Sonoma County. The project was implemented by the Sonoma County Water Agency and included feasibility studies, preliminary project concept identification, flood modeling, project development and construction.

### **Dayton Valley and South Dayton Valley Drainage Master Plan**

Southern Dayton Valley is in the Carson River watershed in Lyon County, Nevada. CWSD partnered with Lyon County to host planning sessions with community groups, landowners local governments and stakeholders regarding flooding in Dayton Valley. During the planning process initial mitigation concepts were discussed and project alternatives were identified for further study. Preliminary project alternatives included sediment detention basins, new collector and conveyance channels, and improvements to existing drainage infrastructure to safely detain and convey storm runoff. Categories of flood hazards were identified and included hazards to pedestrians, passenger vehicles and structures.

Comprehensive hydraulic modeling of culverts was completed including parameters related to inlet control, sediment blockage, shape, and clogging factors. Storm drains were evaluated and buildings that could act as potential flow obstructions were identified. Modeling results included floodplain cross-sections, depth and discharge parameters. Historical flooding locations were documented as well.

Conceptual 15% engineering designs were developed for 25 and 100-year flood mitigation structures identified as possible project alternatives. An engineering report was completed for these alternatives. In order to provide detailed examples for this report, the technical engineering report is an appendix to the Master Plan. Due to the length of these reports there are not replicated in this report but are available for download on the CWSD website: [Flood Hazard Reduction Plans and Documents – Carson Water Subconservancy District \(cwsd.org\)](http://www.cwsd.org). Concept designs outline costs and general characteristics of the proposed alternatives. A benefits summary was also created showing the benefits of flood protection for existing structures within the 25 and 100-year storm areas. The mitigation examples do not consider all final design and construction considerations. Upstream topography, channel and inlet locations, sediment delivery. Any mitigation system would require careful evaluation and design to ensure that adverse impacts do not occur during larger events. (Lyon County , 2020)

**North Carson Area Drainage Plan**

The North Carson Drainage Plan, completed in partnership between CWSD and the City of Carson City, expanded existing hydraulic and hydrologic modeling and used new and existing flood hazard data to identify improvement projects to mitigate flooding in the areas of Goni Canyon Creek Floodplain and Eagle Valley Golf Course Floodplain. Floodplain re-delineation projects were completed in 2020 for both areas. Additional modeling efforts were completed for two more areas to provide additional flood data for flood prone areas.

Based on the flood hazard analysis effort, Areas of Mitigation Interest were identified. Carson City Public Works staff were able to identify and quantify flood hazard areas outside FEMA designated floodplains. Modeling and a Benefit Cost Analysis were completed, and a public participation meeting was held. Ultimately, four alternatives were identified that met project goals including FEMA project funding requirements. Conceptual design (~15%) and engineer’s opinion of probable cost were developed for the four projects. Projects included storm drain improvements, drainage channel improvements and extensions and establishing various detention basins.

Three of the four projects identified for detailed analysis provided 100-year flood protection, and one provided 10 -year flood protection. Initial costs ranged from \$1M-\$2.7M. The number of structures protected ranged from 19-166. See Table 5 for a summary chart. (Carson Water Subconservancy District , 2020) Due to the length of the engineering report it is not included in the appendix to this report but is available for download on the CWSD website: [Flood Hazard Reduction Plans and Documents – Carson Water Subconservancy District \(cwsd.org\)](http://www.cwsd.org).

**Table 5 North Carson Area Possible Mitigation projects**

Project Type	Level of flood protection	Number of structures protected	Initial Cost
Basin	100-year	19	\$1,000,000
Basin	100-year	22	\$1,000,000
Tiered Basins	100-year	59	\$6,600,000
Storm Drain and Basins	10-year	166	\$2,700,000

**Smelter Creek Regional Flood Control Project**

The Smelter Creek project, in south Carson Valley, Douglas County, Nevada included a feasibility study conducted by engineering firm R.O. Anderson, in partnership with CWSD. The study included collecting USGS data, performing a field study and topographic survey, and modeling of storm and flooding events in the area.

Smelter Creek wash is usually dry, but can, and does, fill rapidly during storm events. During these storm events roadways have filled with water and sediment, cutting off access to or from resident’s homes. The area was found to lack an adequate conveyance system which resulted in an unstable flow path, overflowing of the streambed and shallow flooding of private properties downslope. FIRM maps indicate approximately 166 parcels and homeowners within this area are required to carry flood insurance.

The Smelter Creek flood mitigation project, sought to remove about 117 structures from the SFHA. Estimated peak flood flows were reviewed and four alternate flood control basin locations were considered. The feasibility analysis was performed and resulted in the selection of two potential locations for a regional flood control basin. An Engineer’s Preliminary Estimate of Probable Costs for the two alternatives were

developed. Costs were estimated at \$2,550,00 and \$3,170,000 which included allowances for construction contingencies, land acquisition, engineering design, permitting and construction services.

During the feasibility study, Representatives of Nevada Division of Water Resources, Bureau of Dam Safety were contacted to confirm design parameters to safely mitigate and control flood discharges from the watershed. The proposed structure was determined likely to be characterized as a High Hazard Dam. For the development of alternatives, the dam and reservoir were sized to detain the inflow from a 1%-annual chance (100-year) hydrologic event. Downstream floodplain impacts were evaluated. The detention basin and dam were designed to maximize the number of downstream structures reasonably protected from flooding. Ultimately, the project was found to be feasible, and further planning was recommended. (Douglas County , 2015) Due to the length of the engineering report it is not included in the Appendix to this report but is available for download on the CWSD website: [Flood Hazard Reduction Plans and Documents – Carson Water Subconservancy District \(cwsd.org\)](#).

### **Stephanie Way Flood Control Project**

Stephanie Way is a road located in rural Douglas County in the Carson Valley near the town of Minden. The project area is in a relatively small, unmapped watershed that has an area of approximately 0.65 square miles. The effective Flood Insurance Rate Maps (FIRMs) issued by FEMA, dated 2010, designate portions of the project area as being within a 0.2-percent annual chance flood zone. Revised maps were issued in 2016 and flooding potential in this area was still expected to be in the low to moderate range. However, the neighborhood has experienced repetitive flooding including heavy sediment deposition. Douglas County incurred more than \$2.31 million in cleanup costs resulting from flood-related damages to the area in 2015 alone.

A feasibility study was conducted by engineering firm R.O. Anderson, in partnership with CWSD, which explored the possible construction of a flood control facility on nearby BLM property with the intent to alleviate flood-induced recurring damages in the neighborhood. The feasibility study included collecting USGS data, performing a field study and creating a watershed map for the area based on hydrologic modeling. Preliminary design calculations, a FEMA Benefit-Cost Analysis and an engineer's estimate of probable construction costs were completed.

The area had no existing stormwater conveyance infrastructure. Representatives of Nevada Division of Water Resources, Bureau of Dam Safety were contacted to confirm the design parameters to safely mitigate and control flood discharges from this watershed. It was determined that the proposed flood control structure would likely be characterized as a High Hazard Dam by NDWR. The proposed flood control structure was recommended to be designed to limit the outflow from the structure to a maximum 10-year peak flow in current conditions. The outlet works and the dam were sized to detain the inflow for up to 4-percent annual chance (25-year) events. Outlet works constructed of reinforced concrete pipe connected to a concrete structure with an aluminum grate were designed. The conveyance structure was designed to be connected to a flood control reservoir. The identified potential location of the proposed flood control reservoir was on property managed by the United State Department of the Interior, Bureau of Land Management (BLM). The preliminary estimate of probable costs for construction of the proposed flood control structures was estimated to be \$1,337,600. (Carson Water Subconservancy District, 2016) Due to the length of the engineering report it is not include in the Appendix to this report but is available for download on the CWSD website: [Flood Hazard Reduction Plans and Documents – Carson Water Subconservancy District \(cwsd.org\)](#).

#### **Petaluma River Flood Management Project Denman Reach Phase 4**

The Petaluma River Flood Management and Enhancement Project is in Sonoma County, California. The project was implemented by the Sonoma County Water Agency and was comprised of two components: the Denman Reach Enhancement and the Payran Reach Flood Reduction Improvements. The project began with scoping and feasibility studies. The objectives of the project were to manage stormwater runoff to reduce flood damage and, where feasible, provide other benefits including providing additional floodwater storage, restoring flow-carrying capacity, constructing a floodwall and other improvements.

Preliminary project alternatives were identified and evaluated. Flood mitigation project concepts included off-stream detention sites, in-stream detention of flood waters, floodplain and/or channel modification, floodwalls, bypass channels, bridge improvements, and low impact development. Other elements in this project included creation of a public access trail and acquisition of a flood prone parcel of land to create flood storage. Project goals also included creation of additional wetland and riparian habitat. Flood mitigation project concepts were prioritized, and top prioritized concepts were further evaluated. (Sonoma County Water Agency, 2012)

The project included calibrating and refining a hydrologic model using US Army Corps HEC-RAS software of the Upper Petaluma River Watershed. The model was used to identify tributaries and compare and contrast mitigation concepts. Model runs identified which potential mitigation concepts would be most effective at flood reduction in the project area. (City of Petaluma, 2019) The extensive modeling efforts provided the basis for identification of project alternatives. The Denman reach portion of the project included acquisition of a flood prone parcel, increased flood storage on that parcel, creation of a wetland and sediment removal and protection of a bridge.

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**APPENDIX A—REPORTS AND REFERENCES**

1. My Hazard Report
2. FIS report
3. NRCS Soils Report
4. USFWS IPAC report
5. National Wetlands Inventory
6. California Scenic Highways
7. FEMA flood maps
8. FEMA Hazard Mitigation Assistance Funding Opportunities
9. FEMA floodplain management Administration guidelines, FEMA policy FP 201-079-01
10. Photographs of local flooding

MEMORANDUM

DATE: NOVEMBER 8, 2021

TO: KATHY LEBLANC, CITY CLERK

REGARDING: AN IDEA OFFERED FOR "COUNCIL AND CURRENT WATER AND SEWER OPERATOR(S) CONSIDERATION. AS PER MAYOR'S DIRECTIVE AT 10/19/21 COUNCIL MEETING.

ATTACHMENTS FOR NOVEMBER 16, 2021,  
FOR THE TIMED 6:30 P.M. AGENDA DISCUSSION

TOPIC 1 :

PURPOSE: USDA GRANT DEVELOPMENT POTENTIAL INCLUSION OF:

DISCUSSION ITEM 1:

THE AGENDA ITEM TITLE:

"A DISCUSSION WITH CALIFORNIA RURAL WATER ASSOCIATION CIRCUIT RIDERS' DARIN MCCORSKER AND MIKE BUSSE REGARDING LOYALTON'S WATER AND SEWER SYSTEMS."

THE ATTACHMENTS ARE :

1. OIT INFORMATION FROM MIKE BUSSE, 11/3/2021 EMAIL
2. THE CRWA COMPLETE APPRENTICESHIP BROCHURE

**RATIONALE:**

**BILL AND JACKIE MERTTON ARE OFFERING FOR CONSIDERATION SUGGESTING USDA GRANT INCLUSION OF :**

**\*A PERMANENT WWTP TRAINING FACILITY WITH AN AT&T 911CELL TOWER AND**

**\*TRAINING LIBRARY BUILDING WITH**

**ALL THE CURRENT AND**

**PAST WATER AND SEWER SYSTEM AND LARGE EQUIPMENT DOCUMENTS AND**

**OPERATIONS/MAINTENANCE MANUALS, BLUE PRINTS ETC. AND, LARGE EQUIPMENT**

**OPERATION AND MAINTENANCE MANUALS,**

**BE INDEXED AND HOUSED ON THE WWTP PROPERTY.**

**INCLUSIONS INCLUDE BUT ARE NOT LIMITED TO A COMMERCIAL COPY**

**MACHINE, BLUE PRINT COPY MACHINE,**

**CHAIRS, REFRIDGERATOR, LABORATORY BENCH, TABLES AND IPADS FOR ZOOM**

**TRAINING OF OITS AND PROXY TESTING.**

**OTHER INCLUSIONS TO BE DISCUSSED.**

**THIS FACILITY ALLOWS THE CPO TO OVERSEE TRAINING OF OITS, VOLUNTEERS,**

**CURRENT AND NEW COUNCIL MEMBERS, CONDUCT BUDGET OVERSIGHT, AND**

**MAINTENANCE OF OPERATIONS , WITHOUT LEAVING THE**

**WWTP PROPERTY AND TRAINEES TO CONDUCT TRAINING AND TESTING IN LOYALTON**

**CA.**

**THIS IDEA IS VITAL TO THE CITY OF LOYALTON OWNERSHIP OF THE WATER AND SEWER UTILITIES.**

From: Michael Busse [mbusse@calruralwater.org](mailto:mbusse@calruralwater.org)  
Subject: OIT information  
Date: Nov 3, 2021 at 5:19:14 PM  
To: William Merttons [wmertton@gmail.com](mailto:wmertton@gmail.com)  
Cc: Darin McCosker  
[dmccosker@calruralwater.org](mailto:dmccosker@calruralwater.org)

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Hello Jackie,

Here is the information I spoke of. If you're interested, you may want to direct any questions about the exemption application to:

[\(916\) 341-5909](tel:9163415909) or [wwopcertprogram@waterboards.ca.gov](mailto:wwopcertprogram@waterboards.ca.gov)

On the OIT qualifying experience form( second pdf), it is helpful for small systems to see the item #3:

(3)OIT worked for one calendar year, but did not necessarily work 1800 hours

This is addressed on the 3<sup>rd</sup> pdf in the highlighted section.

Hope this is helpful,

**Mike Busse**  
***Wastewater Specialist***  
**California Rural Water Association**  
**1234 N Market Blvd.**  
**Sacramento, CA 95834**

(530) 362-0092  
[mbusse@calruralwater.org](mailto:mbusse@calruralwater.org)  
[www.calruralwater.org](http://www.calruralwater.org)

**NATIONAL  
RURAL WATER  
ASSOCIATION**  
**NRWA** *America's Largest Utility Membership*



# 2022

## CRWA EXPO

### APRIL 25-28



**OFFICE USE ONLY**

Check \$ \_\_\_\_\_

Money Order \$ \_\_\_\_\_

ACHS \_\_\_\_\_



### State Water Resources Control Board

#### APPLICATION FOR AN EXEMPTION FOR A CLASS I WASTEWATER TREATMENT PLANT

**I. THIS IS AN APPLICATION FOR.** (Check appropriate box)

Initial Exemption \$800

Exemption Renewal \$300

#### II. WASTEWATER TREATMENT OWNER INFORMATION

Name of Owner: \_\_\_\_\_

Owner Mailing Address \_\_\_\_\_  
(Street) (City)

(County) (State) (Zip Code)

Owner Business Address \_\_\_\_\_  
(Street) (City)

\_\_\_\_\_  
(County) (State) (Zip Code)

Owner Telephone Number: (\_\_\_\_\_) Owner Email Address: \_\_\_\_\_

**III. WASTEWATER TREATMENT PLANT INFORMATION**

Name of Wastewater Treatment Plant (WWTP): \_\_\_\_\_

WWTP Business Address: \_\_\_\_\_

\_\_\_\_\_  
(Street) (City)

\_\_\_\_\_  
(County) (State) (Zip Code)

WWTP Telephone Number: (\_\_\_\_\_) \_\_\_\_\_

Regional Water Quality Control Board (Regional Water Board): \_\_\_\_\_

You must provide a copy of this exemption application to the Regional Water Board.

**IV. ATTACH THE FOLLOWING DOCUMENTATION:**

- An employee organization chart;
- A copy of the current waste discharge requirements issued by the State Water Resources Control Board or Regional Water Board;
- A description and schematic of the wastewater treatment plant showing all wastewater treatment and solids handling processes including a flow diagram showing design flows and present flows for all wastewater treatment processes and a solids balance diagram for the solids handling processes; and
- An evaluation of the operations of the wastewater treatment plant signed and stamped by a California registered professional chemical, civil, or mechanical engineer. The engineer shall identify potential operator errors, evaluate the potential effects of the identified operator errors on the operation of the wastewater treatment plant, and determine whether the operator errors could cause the wastewater treatment plant to violate water quality objectives.

**IV. SIGNATURE OF WASTEWATER TREATMENT PLANT OWNER OR AUTHORIZED REPRESENTATIVE**

I, the undersigned, certify that all statements made and information contained in this exemption application are true and correct to the best of my knowledge. I have read and understand that if the State Water Resources Control Board issues a Notice of Exemption for the above-named wastewater treatment plant, I must comply with the requirement in section 3677.3 of chapter 28 of division 3 of title 23 California Code of Regulations to notify the State Water Resources Control Board's Office of Operator Certification in writing at least 60 days before implementing any changes to the operation of the wastewater treatment plant. I understand that the State Water Resources Control Board may conduct an inspection before approving or denying my request for an exemption. I acknowledge that exemption application fees are non-refundable.

Print Name: \_\_\_\_\_ Original Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Direct any questions concerning this application to: (916) 341-6909 or [www.opcertprogram@waterboards.ca.gov](http://www.opcertprogram@waterboards.ca.gov)

**\*PLEASE SIGN IN BLUE INK.**

**Mailing Address.**  
State Water Resources Control Board  
Wastewater Operator Certification  
P.O. Box 944212  
Sacramento, CA 94244-2120

**Overnight Mailing Address.**  
State Water Resources Control Board  
Wastewater Operator Certification  
1001 I Street, 17<sup>th</sup> Floor  
Sacramento, CA 95814

Rev. 1/19



**State Water Resources Control Board**

**WASTEWATER TREATMENT PLANT (WWTP)  
OPERATOR-IN-TRAINING (OIT) QUALIFYING EXPERIENCE FORM**

According to the California Code of Regulations, title 23, division 3, chapter 26, section 3682:

Operator-in-training certificates are valid only while the OIT is in training at the wastewater treatment plant for which the certificate was issued. When the OIT either obtains one year of full time qualifying experience, (1,800 hours of wastewater operational experience) or when the OIT stops working at the plant, the chief plant operator shall return the certificate to the Office of Operator Certification within 30 days with a \_\_\_\_\_

statement as to the amount of qualifying experience the operator-in-training acquired before training stopped.

<b>OIT Name:</b> _____	
<b>OIT Issuance Date:</b> _____	<b>Last Date OIT Worked in Wastewater Operations:</b> _____
<b>Total hours accrued in Wastewater Operations:</b> _____	
<b>Name of the Wastewater Treatment Plant:</b> _____	
<b>CPO's Telephone Number:</b> ( _____ ) _____ ext. _____	
<input type="checkbox"/> Check box if all apply: (1) there were only two wastewater operators working at the WWTP (the CPO and the OIT) who were solely responsible for the operation of the WWTP (2) OIT was directly supervised by the CPO (3) OIT worked for one calendar year, but did not necessarily work 1800 hours	

**SIGNATURE OF CHIEF PLANT OPERATOR:**

*I, the undersigned, certify that I am the chief plant operator of the above-named wastewater treatment plant. I have read and understand the definition of "chief plant operator" set forth in section 36711 of title 23 of division 3 of chapter 26 of California Code of Regulations and I acknowledge and accept the responsibilities of "chief plant operator" of the above-named wastewater treatment plant.*

**Print Name:** \_\_\_\_\_ **Grade:** \_\_\_\_\_

**Certification Number:** \_\_\_\_\_

**Original Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\*PLEASE SIGN IN BLUE INK



## EXAMPLES OF OPERATIONAL DUTIES

- ❖ adjusting gauges
- ❖ adjusting dials and valves
- ❖ adding chemicals
- ❖ monitoring SCADA
- ❖ reading and monitoring gauges
- ❖ visual inspections of operational equipment

## EXAMPLES OF NON-OPERATIONAL DUTIES

- ❖ laboratory testing
- ❖ landscaping
- ❖ engineering
- ❖ maintenance\*

\*A maximum of 15% of OIT experience will be allowed for wastewater maintenance.

## WASTEWATER TREATMENT PLANT PROCESSES

**Class I - Primary, Conventional Treatment Pond**  
**Class II - Primary, Biofiltration, Modified Treatment Pond**

**Class III - Primary, Biofiltration, Activated Sludge, Sequencing Batch Reactor, Tertiary**

**Class IV - Primary, Biofiltration, Activated Sludge, Sequencing Batch Reactor, Tertiary**

**Class V - Biofiltration, Activated Sludge, Sequencing Batch Reactor, Tertiary**

## WHAT IS CONSIDERED A WASTEWATER TREATMENT PLANT?

To be considered a WWTP, the plant must meet all of the following criteria:

- ✓ Classified by the State Water Resources Control Board
- ✓ Publically or privately owned
- ✓ Used in the treatment or reclamation of sewage or industrial waste

*Note: All water recycling treatment plants are WWTPs.*

## OIT APPLICATION AND ADDITIONAL INFORMATION

For more information and program updates, visit the Wastewater Operator Certification's website at: [http://www.waterboards.ca.gov/water\\_issues/program/s/operator\\_certification/operator\\_certification.shtml](http://www.waterboards.ca.gov/water_issues/program/s/operator_certification/operator_certification.shtml)

- ❖ The *OIT application* and additional information is located under the **Certifications** tab > **Operator-In-Training** or at [http://www.waterboards.ca.gov/water\\_issues/programs/s/operator\\_certification/oit\\_info.shtml](http://www.waterboards.ca.gov/water_issues/programs/s/operator_certification/oit_info.shtml)
- ❖ The *Training Directory* and *FAQ's* is located under the **General Information** tab or at [http://www.waterboards.ca.gov/water\\_issues/programs/s/operator\\_certification/docs/trngdir.pdf](http://www.waterboards.ca.gov/water_issues/programs/s/operator_certification/docs/trngdir.pdf)

## CONTACT INFORMATION

State Water Resources Control Board  
Wastewater Operator Certification

P. O. Box 944212  
Sacramento, CA 94244-2120

Phone: (916) 341-5639 Fax: (916) 341-5734

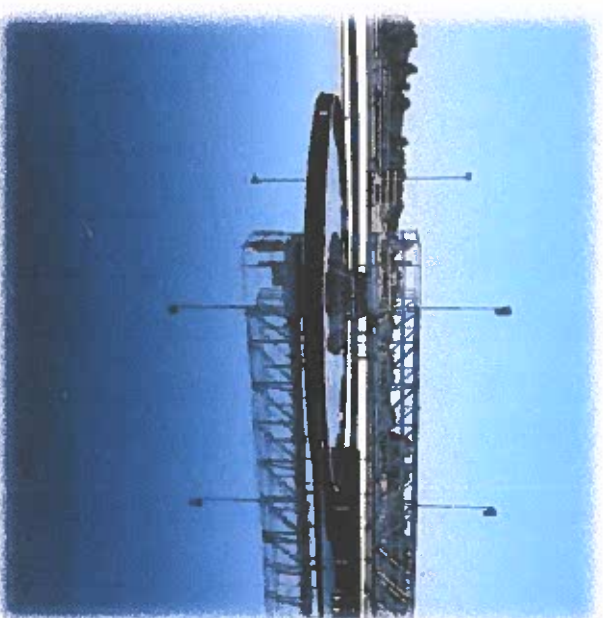
Email: [wwopcertprogram@waterboards.ca.gov](mailto:wwopcertprogram@waterboards.ca.gov)



**Office of  
Operator  
Certification**

Wastewater Treatment Plant Certification Program

## OPERATOR-IN-TRAINING INFORMATION



Effective January 1, 2017



**Water Boards**  
CALIFORNIA  
STATE WATER RESOURCES CONTROL BOARD  
REGIONAL WATER QUALITY CONTROL BOARDS



## WHAT IS AN OPERATOR-IN-TRAINING?

An Operator-In-Training (OIT) is a person working at a wastewater treatment plant (WWTP) who is gaining the experience necessary to become a certified operator. OITs must complete at least 1,800 hours in wastewater operations to become certified.

## HOW TO BECOME AN OIT

a) Meet the educational requirements based on the requirements table in Title 23, Chapter 26. For example, a Grade I OIT must submit a copy of a high school diploma or equivalent (such as a GED) and six educational points (a three unit college semester math or science course is equal to eight educational points; ten classroom hours are equal to one educational point).

For more detailed information refer to the Training Directory which can be found at:

[http://www.waterboards.ca.gov/water\\_issues/pr ograms/operator\\_certification/docs/Atmtdir.pdf](http://www.waterboards.ca.gov/water_issues/pr ograms/operator_certification/docs/Atmtdir.pdf)

b) Secure a position (either paid or volunteer) at a wastewater treatment plant working in wastewater operations.

c) Complete and submit an OIT application:

- ✓ The chief plant operator (CPO) must sign the OIT application.
- ✓ The applicant must sign the OIT application.
- ✓ Complete all sections of the application, including section IV, with the proposed duties that will be performed as an OIT.
- ✓ Attach a copy of the current duty statement on the wastewater treatment plant's official letterhead or it must be signed by the CPO.
- ✓ Submit a check, money order, or online payment with the appropriate application fee.

## WHAT COUNTS AS 1 YEAR OF FULL-TIME QUALIFYING EXPERIENCE?

Eighteen hundred (1,800) hours of "qualifying" experience in operations at a WWTP counts as one year of full-time qualifying experience.

- Volunteer, part-time, full-time and overtime hours qualify.
- OIT hours (Grade I to V) count as qualifying experience hours. OIT hours are not grade level specific.
- If less than an average of 40 hours per week is worked, an OIT will be considered working full-time if he/she works as the only OIT under the direct supervision of an operator who is the only operator and solely responsible for the operation of the WWTP.
- OIT experience does NOT expire.

## OIT CERTIFICATION RENEWAL

- As of January 1, 2017, OIT certificates are good for three years from the date of issuance and can be renewed.
- In order to renew an OIT certificate an applicant must have taken and passed a Wastewater Exam within the last four years.

## CAN AN OIT WORK AT MULTIPLE PLANTS?

Yes, an OIT can work at multiple WWTPs if he/she submits a complete application including additional pages completing sections IV and V for each WWTP that the OIT is applying for. The CPO for each plant must sign the OIT application.

Note: OITs must have a current certificate for each WWTP that the OIT works in wastewater operations.

The OIT must work at WWTPs that are within the same geographical area of the State of California, otherwise the applicant must complete an additional OIT application including a new fee.

## HOW MUCH SUPERVISION DOES AN OIT NEED?

- According to the State Water Board regulation Section 3682, an OIT is required to work under the direct supervision of an operator with a certificate of equal or higher grade.
- "Direct supervision" means the supervising operator oversees and inspects the work performed by the OIT and provides training to ensure the safe and proper execution of the OIT's duties.
- The supervising operator must be present at the WWTP or otherwise available to consult with; and provide assistance to the OIT in order to ensure the safe and proper execution of the OIT's duties.
- An OIT cannot work as the only operator at a WWTP. It is illegal for an OIT to operate without the direct supervision of a certified operator.
- An OIT cannot supervise other OIT's.
- An OIT cannot work a shift alone under any circumstance.





# Apprenticeship Program

Designed to enhance and prepare the apprentice to be fully qualified in multiple aspects of water and/or wastewater operations.





**DESIGNED TO ENHANCE AND  
PREPARE THE APPRENTICE TO BE  
FULLY QUALIFIED IN MULTIPLE  
ASPECTS OF WATER AND/OR  
WASTEWATER OPERATIONS.**

# History

It takes more than 380,000 highly skilled water and wastewater personnel to ensure the public supply of safe drinking water and to protect our lakes, streams and groundwater. Advancements in water treatment and supply technology have increased the skills and training required of this workforce. Water professionals are ultimately responsible for meeting stringent regulatory standards, replacing aging infrastructure, recruiting and training new operations specialists, and responding to and recovering from disasters.

In addition to increasing professional demands, utilities will soon be forced to replace many of their most experienced employees. Over the next decade, the water sector is expected to lose between 30 and 50 percent of the workforce to retirement. Many of these employees have worked at the same utility for the majority of their careers, and they will depart with decades of valuable institutional knowledge.

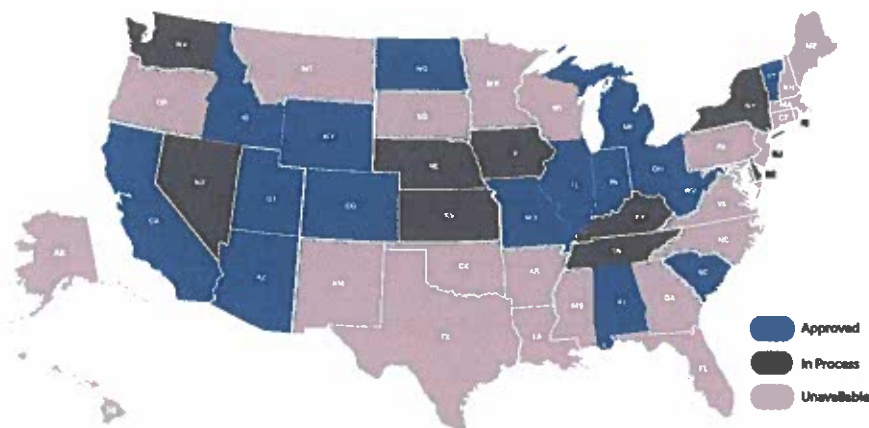
NRWA and State Affiliates currently provide training on operator certification, financial sustainability, environmental compliance, utility management and governance to 80,000 water professionals annually in all 50 states. Last year, over 55,000 on-site consultations were delivered by NRWA's technical experts for water quality, energy efficiency, source water protection, technical assistance and emergency response.

The WaterPro Apprenticeship program will initially be tailored to water system operations specialists and wastewater system operations specialists. Additional apprenticeships programs are in the works for water utility system customer service personnel and technical assistance specialists.

On November 14, 2017 National Rural Water Association held a formal signing ceremony in recognition of the National Apprenticeship Week 2017. Twelve States signed initially, California Rural Water Association included. The Department of Labor will support NRWA and associates as the Waterpro Apprenticeship Program becomes a nationally recognized standard.



*Picture, from Left Matt Holmes, Deputy CEO National Rural Water Association Sam Wade, CEO NRWA Steve Fletcher, President NRWA and Washington County Water Company Ondre Harris, Senior Policy Advisor for Employment and Training Administration in the Department of Labor Arne Hazlett, USDA Assistant Secretary for Rural Development John Ladd, Administrator at USDOL, Employment and Training Administration, Office of Apprenticeship Chris Shaffner, CoBank Sector Vice President of Water and Community Facilities*



# Program Overview

California Rural Water Association has two apprenticeship programs that started in the fall of 2018. The programs are in response to the growing demand for skilled operators as more operators reach retirement age. Both the water and wastewater operations specialist programs are two years long. Applications are accepted year-round and apprentices can enter the program at any point.

## EMPLOYER RESPONSIBILITIES & BENEFITS

- Provide onsite supervision for the On the Job Learning (OJL) portion of the program.
- Maintain employment and OJL records.
- Must pay \$1,500 apprenticeship tuition at the beginning of each year.
- Eligible for salary assistance through the county workforce board.

## WHO CAN APPLY?

Applicants must comply with the following criteria:

- Applicants must be currently employed by a water or wastewater system
- 18 years old or older
- Have a high school diploma or GED
- Physically capable to perform the essential functions of the apprenticeship program
- Apprentices will be required to take and pass drug screening
- Apprentices must pass a background check (pursuant to federal guidance for employees of a water system)
- Applicants must be able to attend all formal trainings

The curriculums are designed to enhance and prepare the apprentice to be fully qualified in multiple aspects of water and wastewater operations. There will be a total of 288 formal training hours for each program.

## BENEFITS

### • Earn While You Learn

A portion of apprentice wages may be applicable for reimbursement through WIOA. Rates vary based upon local Workforce Development Boards. Please contact us for more information.

### • Continuous Enrollment & Credit For Previous Classes

Water systems can enroll apprentices at any point in the program. Up to 36 hours can be credited for classes that have been previously taken by the apprentice.

### • Veteran's Training Benefits

CRWA's apprenticeship program is listed on the Eligible Training Provider List (ETPL) and qualifies for VA benefits as a federally Registered Apprenticeship program. Education assistance and other benefits are available through the local county workforce development centers.

### • Earn College Credits



In-classroom training hours can be converted into college credits towards a Water or Wastewater Treatment Plant Operator certificate from California State University, Sacramento.

## WATER OPERATIONS SPECIALIST:

- Eligible to take the Water Treatment Grade 2 Exam
- Eligible to take the Water Distribution Grade 2 Exam
- Eligible to take the Water Treatment Grade 3 Exam (upon completion of 1-year experience as a T2)
- Eligible to take the Water Distribution Grade 3 Exam (upon completion of 1-year experience as a D2)
- Backflow Tester Certification through AWWA, NCBPA, or ABPA
- Utility Management Certification
- Sampling Certification
- Trenching and Shoring Safety Certification

## WASTEWATER OPERATIONS SPECIALIST:

- Wastewater Treatment Grades 1-3:  
*The state certification program mandates minimum of 1 year's experience for the Grade 1 level certification and the experience requirements increase for the Grades 2 and 3. The education requirements are all met and/or exceeded when you complete the Apprenticeship's formal training courses.*
- Confined Space Entry Certification
- Trenching and Shoring Certification
- Utility Management Certification

# Water System Operations Specialist

CRWA APPRENTICESHIP PROGRAM

## PROGRAM GUIDELINES

- A letter of understanding and commitment needs to be signed by both the sponsoring system and the apprentice.
- Courses will be provided monthly in 12-hour blocks or two days per month on a regular schedule.
- The cross-connection tester course will be one week as usual.
- All sponsoring agencies will receive course updates and progress reports.
- Tracking on formal classroom time will be done internally.
- All apprentices will receive course updates and completion schedules monthly.
- Training fees will be assessed annually at the beginning of each year at the cost of \$1,500 per year. This includes all instruction and textbooks. There is an opportunity for utility apprentice's sponsors to have a portion of the apprenticeship salary and benefits paid for up to one year. This will be determined on a system by system basis.



# Water System Operations Specialist

## FORMAL TRAINING – 288 HOURS TOTAL OVER A 2-YEAR PERIOD

YEAR 1 CURRICULUM		
Course	CEUs	Course Material
Orientation		Program overview
Introduction to Mathematics	6 hours	CRWA Basic Math course
Water Distribution System Construction	36 hours	ACR course
Regulatory Updates	12 hours	CRWA State approved update
Security/Emergency Response	12 hours	State approved ERP and Security
Water Distribution O&M	36 hours	Water Distribution System O&M, Volume 1 (Sac State)
Advanced Mathematics	6 hours	CRWA Advanced Math course
Backflow Tester Certification	36 hours	CRWA course USC manual 10th Edition
<b>Total Formal Training Hours</b>	<b>144 hours</b>	

YEAR 2 CURRICULUM		
Course	CEUs	Course Material
Trenching and Shoring	12 hours	OSHA approved training materials United Rentals training
Water Treatment O&M Volume 1	36 hours	Water Treatment Plant Operation, Volume 1 (Sac State)
Confined Space Entry and Gas Chlorination Safety	24 hours	CRWA course (United Rentals coursework)
Sanitary Survey Prep Course	6 hours	CRWA course
Water Treatment O&M Volume 2	36 hours	Water Treatment Plant Operations, Volume 2 (Sac State)
Chlorine Disinfection	6 hours	CRWA course
Utility Management Certification	24 hours	NRWA course and certification
<b>Total Formal Training Hours</b>	<b>144 hours</b>	

### CERTIFICATION QUALIFICATIONS

This course will provide the following certifications or the qualifications to test for a certification:

#### Water Treatment Grade Level 2

Upon completion of the Water Treatment O&M Volume 1; 36-hour course. (State Exam)

#### Water Treatment Grade Level 3

Upon completion of two 36-hour courses and one year on the job experience at a Grade 2 facility or higher. (State Exam)

#### Water Distribution Grade Level 2

Upon completion of the Water Distribution 36-hour course. (State Exam)

#### Water Distribution Grade Level 3

Upon completion of two 36-hour courses and one year on the job experience at a Grade 2 level facility or higher. (State Exam)

#### AWWA, ABPA, or NCBPA Backflow Tester Certification

The 36-hour course allows you to sit for the tester exam. AWWA and NCBPA certification exams and hands-on testing will be given at the completion of the course.

#### Utility Management Certification

The UMC course is a national certification for utility management. The course work and one year of experience will make you eligible for the testing that will be given at the end of the course.

#### Sampling Certification

The course work completed in this area will allow you to take the short exam to obtain a sampling certification.

#### Trenching & Shoring Safety Certification Cards

# Water System Operations Specialist

## YEAR 1 CURRICULUM

### Introduction to Mathematics

This session will cover water terms & definitions, water measurements, formulas (area and volume), and conversions. This course is appropriate for operators preparing for the Grade 1 exam or anyone wanting basic water math skills.

### Water Distribution System Construction

This course is an in-depth look at preparing, planning, and implementing a distribution system project/repair from the operations level. This course is done in a pre-test/post-test format covering blue-print reading, construction and repair safety, traffic control planning, trenching techniques and safety, pipe laying procedures, hydrant and valve installation, and final project completion procedures.

### Regulatory Update

This drinking water regulation update will focus on recent EPA regulatory actions including the Unregulated Contaminant Monitoring Rule 3rd cycle, the Airline Drinking Water Rule, and other recent federal SDWA action/inaction.

### Security/Emergency Response

This course will review the requirements for updating and maintaining your ERP and VA plans for compliance and liability reasons. Students will learn how to effectively create emergency response procedures for a variety of potential situations and how to effectively create emergency response procedures for a variety of potential situations and how to effectively address the concerns that your VA will identify in your emergency response planning.

### Water Distribution O&M

This course prepares students to take the Grade 1 or Grade 2 Water Distribution Operator exam. It also satisfies the 36 hour (3-unit) specialized training requirement for the Grade 2 Water Distribution Operator exam. There are no prerequisites for this course. Upon successful completion of this class, students will be able to define/identify topics such as pipe maintenance and pipe features, reducing agents, trihalomethanes, breakpoint chlorination, and distribution system construction and design.

### Advanced Mathematics

This class enhances water math skills for those who already have developed knowledge of using basic math formulas. Mathematical equations include CT calculations, filtration, sedimentation, and solution mixing. Time is provided to review math problems and allow the participant to find the solution.

### Backflow Tester Certification

This course is designed for individuals who would like to receive their Backflow Certification. This course focuses on: cross-connection control program regulations, plumbing codes, hydraulics and hazards of backflow, presentation of backflow incidents, tester safety training (including personal and work area protection and confined space entry procedures), approved test procedures and diagnosis of possible failures when testing various backflow assemblies, and use of a test simulator to create a variety of failure conditions to help testers recognize and diagnose problems in the field. A hands-on practical exam and short quiz are conducted on the last day of class.

## YEAR 2 CURRICULUM

### Trenching and Shoring Safety Certification

This course covers the OSHA mandated safety regulations for trenching and shoring, this course reviews the required equipment and conditions that require shoring your trenches. This course will also cover traffic safety, how to assess soil conditions and safe installation of shoring equipment. This course will provide a certification in trenching and shoring safety.

### Water Treatment O&M Volume 1

This course prepares students to take the Grade 1 or Grade 2 Water Treatment Operator exam. It also satisfies the 36 hour (3-unit) specialized training requirement for the Grade 2 Water Treatment exam. There are no prerequisites for this course. Students will be able to define/identify water treatment concepts. For example, a student will be able to calculate square feet, cubic feet, volume, conversion of flows, pounds formula, mg/L, flow and head, explain the difference between coagulation and flocculation, and explain the purpose of disinfection and the factors that influence disinfection.

### Confined Space Entry and Gas Chlorination Safety

This course is specific to the confined space entry certification and will also include gas chlorination safety as an additional segment to ensure the safety issues are covered. Student will review the confined space entry requirements and test for safety certification for confined space entry. Students will learn to recognize the difference between permitted and non-permitted confined space areas and will know what precautions and documentation is required before and after entry.

### Sanitary Survey Prep Course

This class is to assist or prepare the water system for a sanitary survey. The main objective is to provide awareness to the system owner/operator regarding sanitary defects.

### Water Treatment O&M Volume 2

This course, a continuation of Volume 1, is designed to train operators to safely and effectively operate and maintain drinking water treatment plants.

### Chlorine Disinfection

This course will cover chlorine disinfection as it relates to utilization of sodium hypochlorite. This course will cover trouble shooting basic chlorine taste and odor problems, residual kmk retention, and basic chlorine chemistry as it relates to the development of TTHMs in the distribution system and storage.

### Utility Management Certification

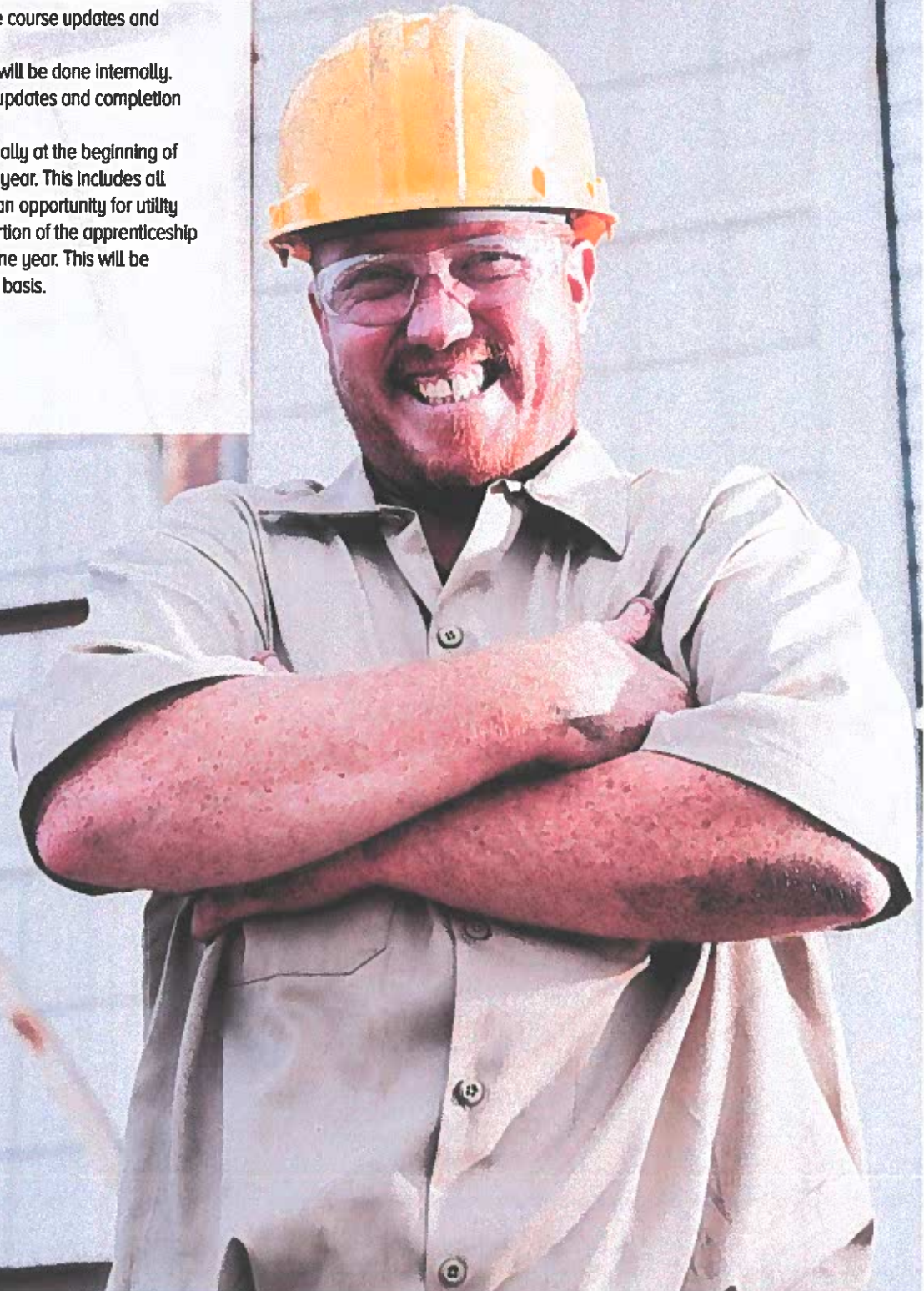
Our field-experienced instructors know the ins and outs of being a utility manager and bring their practical knowledge to the classroom. Our approach is unique and takes the learning experience from theoretical to practical. The Utility Management Certification course is designed to prepare the student for the National Utility Management Certification exam. This course will utilize the study manual provided and produced by NRW's Water University. CRWA is a state affiliate of NRW, which is currently the largest utility organization in the country with over 31,000 utility members nationwide.



# Wastewater System Operations Specialist

## PROGRAM GUIDELINES

- A letter of understanding and commitment needs to be signed by both the sponsoring system and the apprentice.
- Courses will be provided monthly in 12-hour blocks or two days per month on a regular schedule.
- The cross-connection tester course will be one week as usual.
- All sponsoring agencies will receive course updates and progress reports.
- Tracking on formal classroom time will be done internally.
- All apprentices will receive course updates and completion schedules monthly.
- Training fees will be assessed annually at the beginning of each year at the cost of \$1,500 per year. This includes all instruction and textbooks. There is an opportunity for utility apprentice's sponsors to have a portion of the apprenticeship salary and benefits paid for up to one year. This will be determined on a system by system basis.



# Wastewater System Operations Specialist

## FORMAL TRAINING – 288 HOURS TOTAL OVER A 2-YEAR PERIOD

Year 1 Curriculum		
Course	CEUs	Course Material
Orientation		Program overview
Introduction to Mathematics	6 hours	CRWA Basic Wastewater Math course
Beginning Wastewater Collections Systems	36 hours	Operation and Maintenance of Wastewater Collection Systems, Volume 1 (Sac State)
CMOM and SSMP Regulations	12 hours	CRWA overview of required collection system reporting
Security/Emergency Response	12 hours	State approved ERP and Security training class material
Beginning Wastewater Treatment	36 hours	Operation of Wastewater Treatment Plants, Volume 1 (Sac State)
Advanced Mathematics	6 hours	CRWA Advanced Math course
Backflow Tester Certification	36 hours	CRWA course USC version 10 manual
<b>Total Formal Training Hours</b>	<b>144 hours</b>	

Year 2 Curriculum		
Course	CEUs	Course Material
Advanced Wastewater Collections	36 hours	Operation and Maintenance of Wastewater Collection Systems, Volume 2 (Sac State)
Trenching and Shoring Safety Certification	12 hours	OSHA approved training materials United Rentals training
Understanding Wastewater Discharge Permits	6 hours	State materials and system examples
Advanced Wastewater Treatment	36 hours	Operation of Wastewater Treatment Plants, Volume 2 (Sac State)
Confined Space Entry and Gas Chlorination Safety	30 hours	CRWA course (United Rentals coursework)
Utility Management Certification	24 hours	NRWA course and certification
<b>Total Formal Training Hours</b>	<b>144 hours</b>	

### CERTIFICATION QUALIFICATIONS

This course will provide the following certifications or the qualifications to test for a certification:

#### Wastewater Treatment Grades 1-3

The state certification program mandates a minimum of one year's experience to test for the Grade 1 level certification and the experience requirements increase as you test for Grades 2 and 3. The education requirements are all met and/or exceeded by completing the apprenticeships formal training courses.

#### Confined Space Entry Certification

#### Backflow Tester Certification

#### Utility Management Certification

#### Trenching & Shoring Safety Certification Cards

# Wastewater System Operations Specialist

## YEAR 1 CURRICULUM

### Introduction to Mathematics

This session will cover wastewater terms & definitions, measurements, formulas (area and volume), and conversions. This course is appropriate for operators preparing for the Grades 1 or 2 exams or anyone wanting basic wastewater math skills.

### Beginning Wastewater Collections

This course is a collection system operation and maintenance course from the operations level. This course is done in a pre-test/post-test format covering collection system maintenance, safety procedures and inspection and testing of collection systems, including repair procedures and safety.

### CMOM & SSMP Regulations

This regulation update will focus on recent regulatory actions that require capacity, management, operations and maintenance evaluations or programs set up for your collection systems with specific attention to the SSMP requirements for measuring and reporting spills.

### Security/Emergency Response

This course will review the requirements for updating and maintaining your ERP and VA plans for compliance and liability reasons. Students will learn how to effectively create Emergency Response Procedures (ERP) for a variety of potential situations and how to create Emergency Response Plans that address the concerns that your VA will identify in your evaluations.

### Beginning Wastewater Treatment

This course will prepare operators to address routine operations and maintenance requirements associated with various lagoon/pond operations, trickling filter, and RBC treatment facilities along with a compressive look at the disinfection requirements for wastewater.

### Advanced Mathematics

This class enhances wastewater math skills for those who already have developed knowledge of using basic math formulas. Mathematical equations include FM ratios, BOD pounds and removal efficiency, and MLSS calculations. Time is provided to review math problems and allow the participant to find the solution.

### Backflow Tester Certification

This course is designed for individuals who would like to receive their Backflow Certification. This course focuses on: Cross-Connection Control program regulations, plumbing codes, hydraulics and hazards of backflow, presentation of backflow incidents, tester safety training (including personal and work area protection and confined space entry procedures), approved test procedures and diagnosis of possible failures when testing various backflow assemblies, and use of a test simulator to create a variety of failure conditions to help testers recognize and diagnose problems in the field. A hands-on practical exam and short quiz are conducted on the last day of class.

## YEAR 2 CURRICULUM

### Advanced Wastewater Collections

This course prepares students working in more advanced collections system and covers lift station operations, equipment maintenance, collection system rehabilitation and collection system administration.

### Trenching and Shoring Safety Certification

This course covers the OSHA mandated safety regulations for trenching and shoring, this course reviews the required equipment and conditions that require shoring your trenches. This course will also cover traffic safety, how to assess soil conditions and safe installation of shoring equipment. This course will provide a certification in trenching and shoring safety.

### Understanding Wastewater Discharge Permits

This course instructs and familiarizes the students with discharge permitting requirements, NPDES and WDR language and terminology, mandatory testing and how that is performed including reporting requirements based on treatment type and enforces the need for operations specialist to be sure they understand their own discharge permits.

### Advanced Wastewater Treatment

This course will cover the operations of a conventional activated sludge plant, review lab procedures, plant maintenance, safety sludge digestions, solids handling, applications of computers for plant operations and treatment plant management.

### Confined Space Entry and Gas Chlorination Safety

This course is specific to the confined space entry certification and will also include gas chlorination safety as an additional segment to ensure the safety issues are covered. Student will review the confined space entry requirements and test for safety certification for confined space entry. Students will learn to recognize the difference between permitted and non-permitted confined space areas and will know what precautions and documentation is required before and after entry.

### Utility Management Certification

Our field-experienced instructors know the ins and outs of being a utility manager and bring their practical knowledge to the classroom. Our approach is unique and takes the learning experience from theoretical to practical. The Utility Management Certification course is designed to prepare the student for the National Utility Management Certification exam. This course will utilize the study manual provided and produced by NRW's Water University. CRWA is a state affiliate of NRW, which is currently the largest utility organization in the country with over 31,000 utility members nationwide.



# CRWA Apprenticeship Program

I request to be provided with and given an opportunity to complete an apprenticeship application for the **California Rural Water Association** Apprenticeship Program and voluntarily provide the following information in consideration of this request.

Name:		
Date of Birth:		
Address:		
City:	State:	Zip:
Phone:		
Email:		
Sex:		
<input type="checkbox"/> Male <input type="checkbox"/> Female		
Race: (check one or more)		
<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian		
<input type="checkbox"/> Black or African American <input type="checkbox"/> White		
<input type="checkbox"/> Native Hawaiian or other Pacific Islander		
Ethnic Group: (check one)		
<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Non-Hispanic or Latino		
Signature		
Upon receipt of completed form by any applicant, employer will immediately forward this form to:		
<b>California Rural Water Association</b> 1234 North Market Blvd., Sacramento, CA 95834 Fax: (916) 553-4904 or Email: <a href="mailto:info@calruralwater.org">info@calruralwater.org</a> If you have any questions, please contact this office at (916) 553-4900.		

**California Rural Water Association**  
1234 North Market Blvd.  
Sacramento, CA 95834



## **Apprenticeship Program**

Designed to enhance and prepare the apprentice to be fully qualified in multiple aspects of water and/or wastewater operations.



### Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed reconciled Plumas Bank Accounts

General Account (1956)	10/30/2021	(\$88,944.01)	Reconciled	11/08/2021
CDBG Account (0059)	10/20/2021	(\$11,643.44)	Reconciled	11/08/2021
F.D. Reserve (7243)	10/30/2021	(\$162,049.56)	Reconciled	11/08/2021
General Savings (0322)	10/20/2021	(\$29,430.15)	Reconciled	11/08/2021
Enterprise-W&S (0559)	10/30/2021	(\$283,244.51)	Reconciled	11/08/2021
WWTP Settle. (4387)	10/30/2021	(\$195,466.75)	Reconciled	11/09/2021
Cares Act (0998)	10/30/2021	(\$0.00)	Reconciled	11/08/2021
LAIF Account (496)	10/30/2021	(\$2,032,115.02)	Reconciled	11/08/2021
CalTrust (29130)	10/30/2021	(\$81,424.29)	Reconciled	11/08/2021

This authorization took place at the council meeting held on 11/16/21 and will be further reflected in the council minutes of this meeting.

\_\_\_\_\_  
Authorized Signature Sarah Jackson, Mayor, Dated 11/16/21

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11/09/21

Cash Basis

City of Loyalton

Bills Paid

As of October 31, 2021

Type	Date	Num	Name	Memo	Paid Amount
Transfer	10/29/2021			Funds Transfer	-1,500.00
Transfer	10/29/2021			Funds Transfer	-4,500.00
Check	10/01/2021	7158	Patsy Jardin Retiree	October Retiree Payment	-1,946.75
Check	10/01/2021	7159	John Cussins Retiree	October Retiree Payment	-1,171.76
Check	10/01/2021	7160	Orville McGarity Retiree	October Retiree Payment	-268.36
Check	10/01/2021	7161	Donald Yegge Retiree	October Retiree Payment	-513.55
Check	10/01/2021	7162	Sarah Jackson	City Council October 2021	-150.00
Check	10/01/2021	7163	Joy Markum	City Council October 2021	-150.00
Check	10/01/2021	7164	Jerry Gerow	City Council October 2021	-150.00
Check	10/01/2021	7165	Darlene Riede	City Council October 2021	-150.00
Check	10/01/2021	7166	Kathy LeBlanc	City Council October 2021	-150.00
Paycheck	10/01/2021	7167	LeBlanc, Katherine L	City Clerk October 2021	-570.23
Paycheck	10/01/2021	7168	Stockdale, Jamie		-1,180.82
Bill Pmt -Ch...	10/06/2021	7170	Alpine Fire Services, Inc.		-553.28
Bill Pmt -Ch...	10/06/2021	7171	JW Harris Plumbing & Rooter	Water Line Repair on Taylor Rd	-1,200.00
Bill Pmt -Ch...	10/06/2021	7172	Kelly Champion		-2,100.00
Bill Pmt -Ch...	10/06/2021	7173	L. N. Curtis & Sons		-289.41
Bill Pmt -Ch...	10/06/2021	7174	Liberty Utilities		-7,499.05
Bill Pmt -Ch...	10/06/2021	7175	Plumas-Sierra Telecomm.		-218.00
Bill Pmt -Ch...	10/06/2021	7176	Plumas Sierra Rural Electric		-5,790.33
Bill Pmt -Ch...	10/06/2021	7177	Sierra Booster		-715.28
Bill Pmt -Ch...	10/06/2021	7178	Sierra Valley Home Center	1100	-178.43
Bill Pmt -Ch...	10/06/2021	7179	Silver State Analytical Labo...		-1,859.00
Bill Pmt -Ch...	10/06/2021	7180	Verizon Wireless	370745244-000001	-98.95
Bill Pmt -Ch...	10/06/2021	7181	Xerox Corporation	951429299	-250.89
Bill Pmt -Ch...	10/06/2021	7182	Sierra County Auditor	Police Contract for October 2021	-1,250.00
Bill Pmt -Ch...	10/06/2021	7183	S.C.O.R.E.		-10,310.90
Paycheck	10/15/2021	7184	LeBlanc, Katherine L		-639.95
Paycheck	10/15/2021	7185	Stockdale, Jamie		-1,104.70
Check	10/13/2021	7186	Robert DeMartini	South Fire - 8/20/2020	-304.83
Check	10/13/2021	7187	Megan Andaluz	South Fire - 8/20/2020	-304.83
Check	10/13/2021	7188	Keith Jordan	South Fire - 8/20/2020	-304.83

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11/09/21

Cash Basis

City of Loyaltyon

Bills Paid

As of October 31, 2021

Type	Date	Num	Name	Memo	Paid Amount
Check	10/13/2021	7189	Colby Russell	South Fire - 8/20/2020	-237.09
Bill Pmt -Ch...	10/13/2021	7190	City of Portola		-112.00
Bill Pmt -Ch...	10/13/2021	7191	Farr West Engineering	Work done on Dodge Durango a...	-2,845.00
Bill Pmt -Ch...	10/13/2021	7192	FERNANDO A FLORES	Water Treatment Plant	-875.00
Bill Pmt -Ch...	10/13/2021	7193	High Sierra Gas LLC		-215.15
Bill Pmt -Ch...	10/13/2021	7194	Intermountain Disposal, Inc.		-158.50
Bill Pmt -Ch...	10/13/2021	7195	L. N. Curtis & Sons		-42.79
Bill Pmt -Ch...	10/13/2021	7196	Porter Simon Professional ...	92132-13200M	-975.00
Bill Pmt -Ch...	10/13/2021	7197	Silver State Analytical Labo...		-189.00
Check	10/18/2021	7198	Petty Cash (Jamie Stockdale)	Petty Cash	-103.87
Bill Pmt -Ch...	10/20/2021	7199	FERNANDO A FLORES	Works completed on Chevy 1500	-665.00
Paycheck	10/29/2021	7200	LeBlanc, Katherine L		-676.12
Paycheck	10/29/2021	7201	Stockdale, Jamie		-1,094.40
Check	10/27/2021	7213	US Treasury-941	Notice CP134B EIN 94-6000364...	-109.33
Bill Pmt -Ch...	10/27/2021	7214	AT&T CALNET 3		-100.15
Bill Pmt -Ch...	10/27/2021	7215	Brian Devlin		-120.00
Bill Pmt -Ch...	10/27/2021	7216	L. N. Curtis & Sons		-1,600.85
Bill Pmt -Ch...	10/27/2021	7217	Liberty Utilities		-6,209.85
Bill Pmt -Ch...	10/27/2021	7220	Sierra County Tax Collector		-3,559.27
Bill Pmt -Ch...	10/27/2021	7221	Silver State Analytical Labo...	Effluent Weir Vault	-63.00

Total General Checking 1956- NEW

General Contingency Saving 0322

Total General Contingency Saving 0322

Total General Funds

-93,721.25

Designated Funds

WWTP Settlement MM 4321

Total WWTP Settlement MM 4321



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11/09/21

Cash Basis

City of Loyaltyon

# Bills Paid

As of October 31, 2021

Type	Date	Num	Name	Memo	Paid Amount
<b>Enterprise Loan MM 0559</b>					
Transfer	10/01/2021			Funds Transfer	1,500.00
Transfer	10/01/2021			Funds Transfer	4,500.00
Transfer	10/08/2021			Funds Transfer	1,500.00
Transfer	10/08/2021			Funds Transfer	4,500.00
Transfer	10/15/2021			Funds Transfer	1,500.00
Transfer	10/15/2021			Funds Transfer	4,500.00
Transfer	10/22/2021			Funds Transfer	1,500.00
Transfer	10/22/2021			Funds Transfer	4,500.00
Transfer	10/29/2021			Funds Transfer	1,500.00
Transfer	10/29/2021			Funds Transfer	4,500.00
Check	10/31/2021			Service Charge	-2.00
Total Enterprise Loan MM 0559					29,998.00
<b>General Funds</b>					
<b>General Checking 1956- NEW</b>					
Liability Che...	10/01/2021		US Treasury-941	94-6000364	-381.90
Liability Che...	10/01/2021		Employment Development ...	69817369	-26.36
Liability Che...	10/15/2021		US Treasury-941	94-6000364	-377.88
Liability Che...	10/15/2021		Employment Development ...	69817369	-22.62
Check	10/20/2021		Bank of America	5472064000010235	-1,180.02
Liability Che...	10/29/2021		US Treasury-941	94-6000364	-384.48
Liability Che...	10/29/2021		Employment Development ...	69817369	-22.49
Transfer	10/01/2021			Funds Transfer	-1,500.00
Transfer	10/01/2021			Funds Transfer	-4,500.00
Transfer	10/08/2021			Funds Transfer	-1,500.00
Transfer	10/08/2021			Funds Transfer	-4,500.00
Transfer	10/15/2021			Funds Transfer	-1,500.00
Transfer	10/15/2021			Funds Transfer	-4,500.00
Transfer	10/22/2021			Funds Transfer	-1,500.00
Transfer	10/22/2021			Funds Transfer	-4,500.00

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11/09/21

Cash Basis

City of Loyaltyon  
Bills Paid

As of October 31, 2021

Type	Date	Num	Name	Memo	Paid Amount
<b>WWTP Construction 1990</b>					
Total WWTP Construction 1990					
<b>Community Dev Block Grant 0059</b>					
Total Community Dev Block Grant 0059					
Total Designated Funds					
<b>TOTAL</b>					<b>-63,723.25</b>

General Fund	July 1 2021 - September 30 2021	Budget 2021/2022
		<b>General Fund</b>
<b>Income</b>		
Transfer In		\$ -
Building Permits		\$ 2,000.00
Taxes & License Revenue		
Property Taxes	\$ 5,090.96	\$ 46,400.00
Sales & Use	\$ 23,532.72	\$ 70,000.00
Franchise		\$ 7,347.00
License & Permits	\$ 1,356.00	\$ 4,500.00
<b>Total Taxes &amp; License Revenue</b>	<b>\$ 29,979.68</b>	<b>\$ 128,247.00</b>
Intergovernmental		
Federal	\$ 83,965.00	\$ -
State	\$ 18,999.50	\$ -
<b>Total Intergovernmental - Federal</b>	<b>\$ 102,964.50</b>	<b>\$ -</b>
Charges for Current Services		
Cemetary Plots	\$ 250.00	\$ 150.00
Copies & Faxes	\$ 109.60	\$ 250.00
Rent Income	\$ 5,035.00	\$ 10,800.00
Service Area Revenue		\$ -
<b>Total Charges for Current Service</b>	<b>\$ 5,394.60</b>	<b>\$ 11,200.00</b>
Revenue Use of Money		
Interest Income- LAIF		
Interest Income- Cal Trust		
Interest Income- Savings	\$ 5.03	\$ -
<b>Total Revenue Use of Money</b>	<b>\$ 5.03</b>	<b>\$ -</b>
Misc Revenue	\$ 62.23	
<b>Total Income</b>	<b>\$ 138,406.04</b>	<b>\$ 141,447.00</b>
<b>Expense</b>		
Finance Charge		\$ -
Small Tools & Equipment		\$ -
Small Tools & Equipment	\$ 67.69	\$ -
Safety	\$ 24.66	\$ -
<b>Total Small Tools &amp; Equipment</b>	<b>\$ 92.35</b>	<b>\$ -</b>
Repairs & Maintenance	\$ 441.06	
Building Repairs		
Utilities		
Security	\$ 72.00	
Internet - Broadband	\$ 49.05	
Propane	\$ 1,044.17	
Electric	\$ 1,080.91	
Disposal	\$ 284.19	
<b>Total Utilities</b>	<b>\$ 2,530.32</b>	<b>\$ -</b>
Equipment Repair & Maintenance	\$ 383.28	

		General Fund
Taxes/Solid Waste Fee	\$ 2,354.05	
Payroll Expense	\$ 139.33	
Workers Comp.	\$ 704.53	
Payroll Tax Expense	\$ 1,122.29	
Wages Expense		
Part Time Wages	\$ 5,358.43	
Full Time Wages	\$ 8,085.23	
Total Wages Expense	\$ 13,443.66	\$ -
Total Payroll Expense	\$ 15,409.81	\$ -
Employee Benefits		
Retirement	\$ 4,966.96	\$ -
Health Insurance		\$ -
Total Employee Benefits	\$ 4,966.96	\$ -
Services and Supplies		
Postage		
Advertising	\$ 202.40	
Automobile Expense		
Fuel	\$ 234.14	\$ -
Automobile Expense - Other		
Total Automobile Expense	\$ 234.14	\$ -
Bank Service Charges	\$ 25.00	\$ -
Chemicals		\$ -
Contracted Services	\$ 5,112.00	
Council Expense	\$ 3,300.00	
Annual Street Report		
FEMA		
Health/Drug Screening	\$ 18.66	
Professional Fees	\$ 8,508.38	
Accounting & Financial		
Legal Fees	\$ 3,275.00	
Auditing Expense		
Testing		
Law Enforcement	\$ 5,000.00	
Total Contracted Services	\$ 25,214.04	\$ -
Dues and Subscriptions		
Insurance		
Liability Insurance	\$ 2,682.68	
Travel for SCORE		
Property Insurance	\$ 3,677.65	
Total Insurance	\$ 6,360.33	
Licenses and Permits		
Meals		
Office Expense	\$ 360.75	
Operating Supplies	\$ 329.92	
Telephone	\$ 72.90	

		General Fund	
Training			
Travel	\$ 238.53		
Total Services and Supplies	\$ 33,038.01	\$ -	
Total Expense	\$ 59,215.84	\$ -	
Other Expense			
Transfer Out to Fire Dept			
Capital Outlay			
Total Other Expense	\$ -	\$ -	
Total Combined Expense	\$ 59,215.84	\$ -	
NET Profit / Loss	\$ 79,190.20	\$ 141,447.00	
		General	

<b>Water Fund</b>	<b>July 1, 2021 - October 31, 2021</b>	<b>Budget Water</b>
<b>Income</b>		
<b>Transfer In</b>		
<b>Enterprise Income</b>		
<b>Sewer Service Income</b>		
<b>Water Service Income</b>	\$ 110,049.36	\$ 255,000.00
<b>Total Enterprise Income</b>	\$ 110,049.36	\$ 255,000.00
<b>Revenue Use of Money</b>		
<b>Interest Income- LAIF</b>		
<b>Interest Income- Cal Trust</b>		\$ -
<b>Interest Income- Savings</b>	\$ 56.07	\$ -
<b>Total Revenue Use of Money</b>	\$ 56.07	\$ -
<b>Total Income</b>	<b>\$ 110,105.43</b>	<b>\$ 255,000.00</b>
<b>Expense</b>		
<b>Finance Charge</b>		\$ -
<b>Small Tools &amp; Equipment</b>		\$ -
<b>Small Tools &amp; Equipment</b>	\$ 33.85	\$ 2,600.00
<b>Safety</b>		\$ 200.00
<b>Total Small Tools &amp; Equipment</b>		\$ 2,800.00
<b>Repairs &amp; Maintenance</b>	\$ 23,035.93	\$ 8,974.00
<b>Building Repairs</b>		
<b>Utilities</b>		
<b>Security</b>	\$ 24.00	\$ 200.00
<b>Internet - Broadband</b>	\$ 130.80	\$ 1,308.00
<b>Propane</b>		\$ 1,200.00
<b>Electric</b>	\$ 24,940.12	\$ 7,350.00
<b>Disposal</b>	\$ 29.26	\$ 1,856.00
<b>Total Utilities</b>	\$ 25,124.18	\$ 11,914.00
<b>Equipment Repair &amp; Maintenance</b>	\$ 166.85	\$ 8,000.00
<b>Taxes/Solid Waste Fee</b>	\$ 127.38	\$ 250.00
<b>Payroll Expense</b>		
<b>Workers Comp.</b>	\$ 5,636.22	\$ 8,979.00
<b>Payroll Tax Expense</b>	\$ 1,109.41	\$ 6,294.00
<b>Wages Expense</b>		
<b>Part Time Wages</b>	\$ 5,664.44	\$ 10,117.00
<b>Full Time Wages</b>	\$ 7,859.67	\$ 66,494.00
<b>Total Wages Expense</b>	\$ 13,524.11	\$ 76,611.00
<b>Total Payroll Expense</b>	\$ 20,269.74	\$ 91,884.00
<b>Employee Benefits</b>		
<b>Retirement</b>	\$ 5,317.40	\$ 23,431.00
<b>Health Insurance</b>	\$ 477.36	\$ 446.00
<b>Total Employee Benefits</b>	\$ 5,794.76	\$ 23,877.00
<b>Services and Supplies</b>		
<b>Postage</b>	\$ 474.08	\$ 1,000.00
<b>Advertising</b>		\$ 300.00

		<b>Water</b>
	<b>Automobile Expense</b>	
	Fuel	\$ 289.03
	Automobile Expense - Other	\$ 625.00
	<b>Total Automobile Expense</b>	<b>\$ 1,300.00</b>
	<b>Bank Service Charges</b>	<b>\$ 289.03</b>
	<b>Chemicals</b>	<b>\$ 92.67</b>
	<b>Contracted Services</b>	<b>\$ 1,577.39</b>
	Council Expense	\$ 948.00
	Annual Street Report	\$ 85.80
	FEMA	\$ -
	Health/Drug Screening	\$ 18.67
	Professional Fees	\$ 350.00
	Accounting & Financial	\$ 500.00
	Legal Fees	\$ 4,000.00
	Auditing Expense	\$ 500.00
	Testing	\$ 2,525.00
	Law Enforcement	\$ 5,200.00
	<b>Total Contracted Services</b>	<b>\$ 4,500.00</b>
	<b>Dues and Subscriptions</b>	<b>\$ 3,837.47</b>
	<b>Insurance</b>	<b>\$ 200.00</b>
	Liability Insurance	\$ 6,263.20
	Travel for SCORE	\$ 6,642.00
	Property Insurance	\$ 7,968.25
	<b>Total Insurance</b>	<b>\$ 14,231.45</b>
	<b>Licenses and Permits</b>	<b>\$ 676.00</b>
	<b>Meals</b>	<b>\$ 4,500.00</b>
	<b>Office Expense</b>	<b>\$ 155.66</b>
	<b>Operating Supplies</b>	<b>\$ 1,000.00</b>
	<b>Telephone</b>	<b>\$ 896.42</b>
	<b>Training</b>	<b>\$ 1,550.00</b>
	<b>Travel</b>	<b>\$ 351.29</b>
	<b>Total Services and Supplies</b>	<b>\$ 22,587.03</b>
	<b>Total Expense</b>	<b>\$ 35,501.00</b>
	<b>Other Expense</b>	
	Transfer Out to Fire Dept	
	Debt Service - principal	\$ 19,800.00
	Interest Expense	
	Interest 91-05 Water	\$ 41,901.75
	Interest 92-01 Sewer	\$ 42,000.00
	Interest 92-03 Sewer	
	Interest 92-07 Sewer	
	<b>Total Interest Expense</b>	<b>\$ 41,901.75</b>
	<b>Total Debt Service</b>	<b>\$ 42,000.00</b>
	<b>Capital Outlay</b>	<b>\$ 61,800.00</b>
	<b>Total Other Expense</b>	<b>\$ 10,000.00</b>
	<b>Total Combined Expense</b>	<b>\$ 41,901.75</b>
		<b>\$ 71,800.00</b>
		<b>\$ 139,007.62</b>
		<b>\$ 255,000.00</b>

				<b>Water</b>
		<b>NET Profit / Loss</b>	<b>\$ (28,902.19)</b>	<b>\$ -</b>
				<b>Water</b>



<b>Sewer Fund</b>		<b>July 1, 2021 - October 31, 2021</b>	<b>Budget</b>
			<b>Sewer</b>
<b>Income</b>			
<b>Transfer In</b>			
<b>Enterprise Income</b>			
Sewer Service Income	\$ 141,834.43	\$ 355,000.00	
Water Service Income			
<b>Total Enterprise Income</b>	<b>\$ 141,834.43</b>	<b>\$ 355,000.00</b>	
<b>Charges for Current Services</b>			
Cemetery Plots			
Copies & Faxes			
Rent Income			
Service Area Revenue			
<b>Total Charges for Current Services</b>		\$ -	
<b>Revenue Use of Money</b>			
Interest Income- LAIF	\$ 1,656.80	\$ 6,052.00	
Interest Income- Cal Trust	\$ 36.68	\$ -	
Interest Income- Savings	\$ 95.48	\$ -	
<b>Total Revenue Use of Money</b>	<b>\$ 1,788.96</b>	<b>\$ 6,052.00</b>	
<b>Total Income</b>	<b>\$ 143,623.39</b>	<b>\$ 361,052.00</b>	
<b>Expense</b>			
<b>Finance Charge</b>			
		\$ -	
<b>Small Tools &amp; Equipment</b>			
		\$ -	
Small Tools & Equipment	\$ 47.78	\$ 800.00	
Safety		\$ 200.00	
<b>Total Small Tools &amp; Equipment</b>	<b>\$ 47.78</b>	<b>\$ 1,000.00</b>	
Repairs & Maintenance	\$ 860.00	\$ 2,000.00	
<b>Building Repairs</b>			
<b>Utilities</b>			
Security	\$ 24.00	\$ 75.00	
Internet - Broadband	\$ 130.80	\$ 540.00	
Propane	\$ 233.83	\$ 3,613.00	
Electric	\$ 11,564.02	\$ 30,000.00	
Disposal	\$ 196.93	\$ 650.00	
<b>Total Utilities</b>	<b>\$ 12,149.58</b>	<b>\$ 34,878.00</b>	
Equipment Repair & Maintenance	\$ 334.85	\$ 6,000.00	
Taxes/Solid Waste Fee	\$ 482.06	\$ 860.00	
<b>Payroll Expense</b>			
Workers Comp.	\$ 5,636.22	\$ 8,779.00	
Payroll Tax Expense	\$ 1,263.21	\$ 6,094.00	
<b>Wages Expense</b>			
Part Time Wages	\$ 5,657.98	\$ 8,280.00	
Full Time Wages	\$ 10,549.14	\$ 54,404.00	
<b>Total Wages Expense</b>	<b>\$ 16,207.12</b>	<b>\$ 62,684.00</b>	
<b>Total Payroll Expense</b>	<b>\$ 23,106.55</b>	<b>\$ 77,557.00</b>	
<b>Employee Benefits</b>			

		<b>Sewer</b>
Retirement	\$ 5,317.32	\$ 23,431.00
Health Insurance	\$ 477.34	\$ 446.00
<b>Total Employee Benefits</b>	<b>\$ 5,794.66</b>	<b>\$ 23,877.00</b>
<b>Services and Supplies</b>		
Postage	\$ 474.07	\$ 1,000.00
Advertising	\$ 269.50	\$ 300.00
<b>Automobile Expense</b>		
Fuel	\$ 604.70	\$ 2,456.00
Automobile Expense - Other		\$ 1,000.00
<b>Total Automobile Expense</b>	<b>\$ 604.70</b>	<b>\$ 3,456.00</b>
Bank Service Charges	\$ 179.33	\$ 200.00
Chemicals		\$ 2,000.00
<b>Contracted Services</b>	<b>\$ 2,243.00</b>	
Council Expense		\$ -
Annual Street Report		
FEMA		
Health/Drug Screening	\$ 18.67	
Professional Fees	\$ 393.75	\$ 1,770.00
Accounting & Financial		\$ 4,000.00
Legal Fees	\$ 1,650.00	\$ 500.00
Auditing Expense		\$ 5,200.00
Testing	\$ 2,890.00	\$ 7,250.00
Law Enforcement		
<b>Total Contracted Services</b>	<b>\$ 7,195.42</b>	<b>\$ 18,720.00</b>
Dues and Subscriptions	\$ 5.57	\$ 800.00
<b>Insurance</b>		
Liability Insurance	\$ 6,263.20	\$ 6,115.00
Travel for SCORE		
Property Insurance	\$ 7,968.25	
<b>Total Insurance</b>	<b>\$ 14,231.45</b>	<b>\$ 6,115.00</b>
Licenses and Permits		\$ 20,000.00
Meals		
Office Expense	\$ 155.66	\$ 500.00
Operating Supplies	\$ 548.51	\$ 3,605.00
Telephone	\$ 538.18	\$ 1,134.00
Training		
Travel		
<b>Total Services and Supplies</b>	<b>\$ 24,202.39</b>	<b>\$ 57,830.00</b>
<b>Total Expense</b>	<b>\$ 66,977.87</b>	<b>\$ 204,002.00</b>
<b>Other Expense</b>		
Transfer Out to Fire Dept		
Debt Service - principal	\$ 113,800.00	\$ 106,540.00
Interest Expense		
Interest 91-05 Water		
Interest 92-01 Sewer	\$ 15,811.59	\$ 34,025.00
Interest 92-03 Sewer	\$ 2,380.29	\$ 5,098.00
Interest 92-07 Sewer	\$ 36,912.50	\$ 76,387.00
<b>Total Interest Expense</b>	<b>\$ 55,104.38</b>	<b>\$ 115,510.00</b>



# Streets Fund

July 1, 2021 -  
October 31,  
2021

Budget  
Streets

Streets Fund		July 1, 2021 - October 31, 2021	Budget Streets
<b>Income</b>			
<b>Transfer In</b>			\$ -
<b>Intergovernmental - Streets</b>			
Road Maintenance & Rehab	\$ 5,388.08	\$ 13,256.00	
VLF Swap		\$ 31,999.00	
Motor Vehicle			
Traffic Congestion Relief		\$ 560.00	
<b>Highway Users Tax</b>			
2103 Gass Tax	\$ 2,174.11	\$ 5,200.00	
2105	\$ 1,160.25	\$ 4,000.00	
2106	\$ 1,590.60	\$ 6,000.00	
2107	\$ 1,132.88	\$ 5,400.00	
2107.5	\$ 1,000.00	\$ 1,000.00	
<b>Total Highway Users Tax</b>	<b>\$ 7,057.84</b>	<b>\$ 16,400.00</b>	
<b>Total Intergovernmental - Streets</b>	<b>\$ 12,445.92</b>	<b>\$ 62,215.00</b>	
<b>Revenue Use of Money</b>			
Interest Income- LAIF		\$ -	
Interest Income- Cal Trust		\$ -	
Interest Income- Savings	\$ 1.20	\$ -	
<b>Total Revenue Use of Money</b>	<b>\$ 1.20</b>	<b>\$ -</b>	
<b>Total Income</b>	<b>\$ 12,447.12</b>	<b>\$ 62,215.00</b>	
<b>Expense</b>			
<b>Finance Charge</b>			\$ -
<b>Small Tools &amp; Equipment</b>			\$ -
Small Tools & Equipment		\$ 1,000.00	
Safety		\$ 500.00	
<b>Total Small Tools &amp; Equipment</b>		<b>\$ 1,500.00</b>	
<b>Repairs &amp; Maintenance</b>	<b>\$ 2,523.09</b>	<b>\$ 8,500.00</b>	
<b>Building Repairs</b>			
<b>Utilities</b>			
Security			
Internet - Broadband	\$ 16.35	\$ 75.00	
Propane		\$ 600.00	
Electric	\$ 7,978.88	\$ 26,758.00	
Disposal		\$ 31.00	
<b>Total Utilities</b>	<b>\$ 7,995.23</b>	<b>\$ 27,464.00</b>	
<b>Equipment Repair &amp; Maintenance</b>	<b>\$ 207.13</b>	<b>\$ 2,730.00</b>	
<b>Taxes/Solid Waste Fee</b>	<b>\$ 68.58</b>		
<b>Payroll Expense</b>			
Workers Comp.	\$ 704.53	\$ 1,218.00	
Payroll Tax Expense	\$ 172.33	\$ 843.00	
<b>Wages Expense</b>			
Part Time Wages		\$ 760.00	
Full Time Wages	\$ 1,908.62	\$ 8,700.00	

		<b>Streets</b>
<b>Total Wages Expense</b>	\$ 1,908.62	\$ 9,460.00
<b>Total Payroll Expense</b>	\$ 2,785.48	\$ 11,521.00
<b>Employee Benefits</b>		
Retirement		\$ -
Health Insurance		\$ -
<b>Total Employee Benefits</b>		\$ -
<b>Services and Supplies</b>		
Postage		\$ 60.00
Advertising		\$ -
<b>Automobile Expense</b>		
Fuel	\$ 580.37	\$ 800.00
Automobile Expense - Other		\$ -
<b>Total Automobile Expense</b>	\$ 580.37	\$ 800.00
<b>Bank Service Charges</b>		\$ -
<b>Chemicals</b>		\$ -
<b>Contracted Services</b>		
Council Expense		\$ -
Annual Street Report		\$ 1,000.00
FEMA		
Health/Drug Screening		
Professional Fees		
Accounting & Financial		\$ 1,000.00
Legal Fees		
Auditing Expense		\$ 2,300.00
Testing		
Law Enforcement		
<b>Total Contracted Services</b>		\$ 4,300.00
<b>Dues and Subscriptions</b>		\$ 50.00
<b>Insurance</b>		
Liability Insurance	\$ 1,555.68	\$ 2,000.00
Travel for SCORE		
Property Insurance	\$ 2,451.78	\$ 2,000.00
<b>Total Insurance</b>	\$ 4,007.46	\$ 4,000.00
<b>Licenses and Permits</b>		
<b>Meals</b>		
<b>Office Expense</b>	\$ 16.46	
<b>Operating Supplies</b>		\$ 350.00
<b>Telephone</b>	\$ 9.72	\$ 40.00
<b>Training</b>		
<b>Travel</b>		
<b>Total Services and Supplies</b>	\$ 4,614.01	\$ 9,600.00
<b>Total Expense</b>	\$ 18,193.52	\$ 61,315.00
<b>Other Expense</b>		
Transfer Out to Fire Dept		
Debt Service - principal		
Capital Outlay		
<b>Total Other Expense</b>		



<b>Fire Fund</b>		<b>July 1, 2021 - October 31, 2021</b>	
			<b>Fire</b>
<b>Income</b>			
<b>Transfer In</b>	\$ 10,000.00		\$ 10,000.00
<b>Charges for Current Services</b>			
Cemetary Plots			
Copies & Faxes			
Rent Income			
Service Area Revenue			\$ 40,800.00
Miscellaneous Revenue	\$ 1,275.00		
<b>Total Charges for Current Services</b>	\$ 1,275.00		\$ 40,800.00
<b>Revenue Use of Money</b>			
Interest Income- LAIF			\$ -
Interest Income- Cal Trust			\$ -
Interest Income- Savings	\$ 41.12		\$ 120.00
<b>Total Revenue Use of Money</b>	\$ 41.12		\$ 120.00
<b>Fire Fighting Revenue</b>			
Travel Fee/ Travel Admin	\$ 311.43		
Fire Fighting Revenue - Admin	\$ 1,432.99		
Fire Fighting Revenue - Engine	\$ 3,795.00		
Fire Fighting Revenue - Personnel	\$ 17,444.24		
<b>Total Fire Fighting Revenue</b>	\$ 22,983.66		
<b>Total Income</b>	\$ 34,299.78		\$ 50,920.00
<b>Expense</b>			
<b>Fire Fighting Expenses</b>			
Fire Fighting Wages	\$ 18,595.82		
Fire Fighting Expenses	\$ 2,353.51		
<b>Total Fire Fighting Expenses</b>	\$ 20,949.33		
<b>Finance Charge</b>			\$ -
<b>Small Tools &amp; Equipment</b>			
Small Tools & Equipment			\$ 8,500.00
Safety			\$ -
<b>Total Small Tools &amp; Equipment</b>	\$ 5,309.60		\$ 8,500.00
<b>Repairs &amp; Maintenance</b>			
Building Repairs	\$ 360.04		\$ 3,500.00
<b>Utilities</b>			
<b>Security</b>			
Internet - Broadband	\$ 327.00		\$ 1,308.00
Propane	\$ 410.18		\$ 1,643.00
Electric	\$ 1,523.35		\$ 4,457.00
Disposal	\$ 119.74		\$ 371.00
<b>Total Utilities</b>	\$ 2,380.27		\$ 7,779.00
<b>Equipment Repair &amp; Maintenance</b>			\$ 6,930.00
<b>Taxes/Solid Waste Fee</b>			\$ 500.00
<b>Payroll Expense</b>			
Workers Comp.	\$ 1,409.06		\$ 2,550.00

		<b>Fire</b>
Payroll Tax Expense	\$ 4.43	
Wages Expense		
Part Time Wages	\$ 57.87	
Full Time Wages		
<b>Total Wages Expense</b>	<b>\$ 57.87</b>	
<b>Total Payroll Expense</b>	<b>\$ 1,471.36</b>	<b>\$ 2,550.00</b>
Employee Benefits		
Retirement		\$ -
Health Insurance		\$ -
<b>Total Employee Benefits</b>		<b>\$ -</b>
Services and Supplies		
Postage		\$ 35.00
Advertising		\$ 200.00
Automobile Expense		
Fuel	\$ 896.61	\$ 3,724.00
Automobile Expense - Other		\$ 500.00
<b>Total Automobile Expense</b>		<b>\$ 4,224.00</b>
Bank Service Charges		\$ -
Chemicals		
Contracted Services		
Council Expense		\$ -
Annual Street Report		
FEMA		
Health/Drug Screening		\$ 1,560.00
Professional Fees		\$ 2,400.00
Accounting & Financial		\$ 280.00
Legal Fees		\$ 500.00
Auditing Expense		\$ 1,850.00
Testing		\$ 1,600.00
Law Enforcement		
<b>Total Contracted Services</b>		<b>\$ 8,190.00</b>
Dues and Subscriptions		\$ 202.00
Insurance		
Liability Insurance		\$ 1,540.00
Travel for SCORE		
Property Insurance	\$ 2,478.78	\$ 1,000.00
<b>Total Insurance</b>	<b>\$ 2,478.78</b>	<b>\$ 2,540.00</b>
Licenses and Permits		
Meals		\$ 500.00
Office Expense		
Operating Supplies	\$ 823.97	\$ 2,600.00
Telephone	\$ 214.02	\$ 660.00
Training		\$ 1,410.00
Travel		\$ 600.00
<b>Total Services and Supplies</b>	<b>\$ 3,516.77</b>	<b>\$ 21,161.00</b>
<b>Total Expense</b>	<b>\$ 43,138.90</b>	<b>\$ 50,920.00</b>
Other Expense		
Transfer Out to Fire Dept		





### Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Fund	Enterprise Loan MM 0559	12/03/2021	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	12/10/2021	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	12/17/2021	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	12/24/2021	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	12/31/2021	
	Water		1,500.00
	Sewer		4,500.00

**THIS TOTAL**

**\$30,000.00**

This authorization took place at the council meeting held on 11/16/2021 and will be further reflected in the council minutes of this meeting.

\_\_\_\_\_  
Authorized Signature

Sarah Jackson, Mayor, Dated 11/16/2020

**Acknowledgement of Approval, City of Loyalton**

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
Fire Dept. Reserve (7243)	General Account (1956)	11/16/2021	\$2,287.66

South Fire – 8/20/2020

**TOTAL        \$2,287.66**

This authorization took place at the council meeting held on 11/16/21 and will be further reflected in the council minutes of the meeting.

\_\_\_\_\_ Sarah Jackson, Mayor, Dated 11/16/2021

Authorized Signature

**Acknowledgement of Approval, City of Loyalton**

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Account (1956)	Fire Dept. Reserve (7243)	11/16/2021	\$17,914.79

Remaining budget transfer for FY 19/20

**TOTAL            \$17,914.79**

This authorization took place at the council meeting held on 11/16/21 and will be further reflected in the council minutes of the meeting.

\_\_\_\_\_ Sarah Jackson, Mayor, Dated 11/16/2021

Authorized Signature

**City of Loyalton**  
**Profit & Loss by Class**  
**July 2019 through June 2020**

	Fire Department 7707-1 (General Fund)	Total General Fund	TOTAL
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Transfer in from Fire Reserve	0.00	0.00	0.00
Transfer in to Fire Department	10,000.00	10,000.00	10,000.00
Charges for Current Services			
Service Area Revenue- Fire Prot	49,470.31	49,470.31	49,470.31
<b>Total Charges for Current Services</b>	<b>49,470.31</b>	<b>49,470.31</b>	<b>49,470.31</b>
Revenue Use of Money & Property			
Interest Income	300.44	300.44	300.44
<b>Total Revenue Use of Money &amp; Property</b>	<b>300.44</b>	<b>300.44</b>	<b>300.44</b>
Fire Fighting Revenue			
Travel Fee/ Travel Admin	4,038.68	4,038.68	4,038.68
Fire Fighting Revenue-Admin	3,700.55	3,700.55	3,700.55
Fire Fighting Revenue-Engine Co	9,857.18	9,857.18	9,857.18
Fire Fighting Revenue-Personnel	27,348.42	27,348.42	27,348.42
<b>Total Fire Fighting Revenue</b>	<b>44,742.81</b>	<b>44,742.81</b>	<b>44,742.81</b>
<b>Total Income</b>	<b>104,513.58</b>	<b>104,513.58</b>	<b>104,513.58</b>
<b>Gross Profit</b>	<b>104,513.58</b>	<b>104,513.58</b>	<b>104,513.58</b>
<b>Expense</b>			
Fire Fighting Expenses			
Fire Fighting Wages	26,494.83	26,494.83	26,494.83
Fire Fighting Expenses - Other	3,241.49	3,241.49	3,241.49
<b>Total Fire Fighting Expenses</b>	<b>29,736.32</b>	<b>29,736.32</b>	<b>29,736.32</b>
Late Fee	32.20	32.20	32.20
Small Tools & Equipment			
Safety Equipment	4,708.40	4,708.40	4,708.40
<b>Total Small Tools &amp; Equipment</b>	<b>4,708.40</b>	<b>4,708.40</b>	<b>4,708.40</b>
Utilities			
Propane	1,408.56	1,408.56	1,408.56
Electric	4,167.25	4,167.25	4,167.25
Garbage Disposal	357.50	357.50	357.50
<b>Total Utilities</b>	<b>5,931.31</b>	<b>5,931.31</b>	<b>5,931.31</b>
Equipment Repair & Maintenance	4,910.49	4,910.49	4,910.49
Taxes			
Solid Waste Benefit Assessment	2,438.54	2,438.54	2,438.54
<b>Total Taxes</b>	<b>2,438.54</b>	<b>2,438.54</b>	<b>2,438.54</b>
Salaries and Wages			
Part Time Wages	3,738.00	3,738.00	3,738.00
Payroll Tax Expense	362.00	362.00	362.00
<b>Total Salaries and Wages</b>	<b>4,100.00</b>	<b>4,100.00</b>	<b>4,100.00</b>
Services and Supplies			
Automobile Expense			
Fuel	1,674.64	1,674.64	1,674.64
Automobile Expense - Other	395.80	395.80	395.80
<b>Total Automobile Expense</b>	<b>2,070.44</b>	<b>2,070.44</b>	<b>2,070.44</b>
Contracted Services			
Legal Fees	280.00	280.00	280.00
<b>Total Contracted Services</b>	<b>280.00</b>	<b>280.00</b>	<b>280.00</b>
Insurance			
Workers Comp.	2,075.10	2,075.10	2,075.10
Liability Insurance	2,317.93	2,317.93	2,317.93
Property Insurance	2,048.90	2,048.90	2,048.90
Insurance - Other	24.30	24.30	24.30
<b>Total Insurance</b>	<b>6,466.23</b>	<b>6,466.23</b>	<b>6,466.23</b>
Office Expense	199.02	199.02	199.02

**City of Loyaltton**  
**Profit & Loss by Class**  
**July 2019 through June 2020**

	Fire Department 7707-1 (General Fund)	Total General Fund	TOTAL
Operating Supplies	237.16	237.16	237.16
Telephone	601.30	601.30	601.30
Training	95.00	95.00	95.00
<b>Total Services and Supplies</b>	<b>9,949.15</b>	<b>9,949.15</b>	<b>9,949.15</b>
<b>Total Expense</b>	<b>61,806.41</b>	<b>61,806.41</b>	<b>61,806.41</b>
<b>Net Ordinary Income</b>	<b>42,707.15</b>	<b>42,707.15</b>	<b>42,707.15</b>
Other Income/Expense			
Other Expense			
Capital Outlay			
Equipment	241,869.00	241,869.00	241,869.00
<b>Total Capital Outlay</b>	<b>241,869.00</b>	<b>241,869.00</b>	<b>241,869.00</b>
<b>Total Other Expense</b>	<b>241,869.00</b>	<b>241,869.00</b>	<b>241,869.00</b>
<b>Net Other Income</b>	<b>-241,869.00</b>	<b>-241,869.00</b>	<b>-241,869.00</b>
<b>Net Income</b>	<b>-199,161.85</b>	<b>-199,161.85</b>	<b>-199,161.85</b>

1/7/20 Midwest down 79,263

4/21/20 loan 70,000

6/30/20 Midwest pick up pmt 92,604

① 42,707.15 19/20 unspent

(24,792.36) less accidental transfer to reserve on 3/10/20

17,914.79 19/20 remainder

**CITY OF LOYALTON**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

# CITY OF LOYALTON

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# LARRY BAIN, CPA

An Accounting Corporation

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Loyalton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Loyalton, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

The City does not utilize an accounting system with a self-balancing set of accounts for recording transactions to each fund. As a result entries can be posted to the general ledger causing the financial statements to be out of balance by fund and entries posted to funds causing material misstatement without being detected in a timely manner by the finance staff.

The City has not reviewed and adjusted prior year allocations for the enterprise funds debt service reserve transfers. The net effect of adjustments could result in material misstatements to these financial statements, the amount of which is unknown.

## **Basis for Qualified Opinion (Continued)**

The City has not obtained an actuarial valuation and has not recorded the information in these financial statements in accordance with Governmental Accounting Board Statement No. 68 (GASB 68), for the pension commitment made to certain retirees of the City. As a result of not obtaining an actuarial valuation in accordance with GASB 68, the amount of misstatement to the net pension liability, the deferred outflow of resources, the deferred inflow of resources and pension expense is unknown.

## **Qualified Opinion**

Except for the effects of the matters described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Loyalton as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

The City of Loyalton has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

## **Other Information**

The required supplementary information other than Management Discussion and Analysis, described as the budgetary comparison schedules in the table of contents on pages 26 and 27 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



*Larry Bain, CPA,  
An Accounting Corporation  
October 25, 2021*

CITY OF LOYALTON

STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>Current Assets</b>			
Cash and investments	\$ 338,596	\$ 2,504,211	\$ 2,842,807
Prepaid expense		45,024	45,024
Accounts receivable	25,577	51,505	77,082
Grants receivable		6,890	6,890
Restricted cash and investments		350,878	350,878
Total current assets	<u>364,173</u>	<u>2,958,508</u>	<u>3,322,681</u>
<b>Non Current Assets</b>			
Loans receivable	2,764		2,764
Internal balances	427,864	(427,864)	-
<b>Capital assets:</b>			
Land	55,293	373,319	428,612
Construction in Progress		180,675	180,675
Buildings	867,070	415,920	1,282,990
Site improvements	2,363,686	11,030,870	13,394,556
Equipment	856,842	810,184	1,667,026
Less: accumulated depreciation	(1,661,801)	(5,556,716)	(7,218,517)
Total capital assets	<u>2,481,090</u>	<u>7,254,252</u>	<u>9,735,342</u>
Total non current assets	<u>2,911,718</u>	<u>6,826,388</u>	<u>9,738,106</u>
Total assets	<u>3,275,891</u>	<u>9,784,896</u>	<u>13,060,787</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	100,531	13,505	114,036
Accrued wages	4,523		4,523
Accrued interest payable		61,615	61,615
Unearned revenue-advance	88,692		88,692
Long-term liabilities-due within one year	13,034	130,800	143,834
Total current liabilities	<u>206,780</u>	<u>205,920</u>	<u>412,700</u>
<b>Liabilities-due in more than one year:</b>			
Capital lease	56,966		56,966
Note payable		849,629	849,629
Certificate of participation		3,814,200	3,814,200
Total liabilities due in more than one year	<u>56,966</u>	<u>4,663,829</u>	<u>4,720,795</u>
Total liabilities	<u>263,746</u>	<u>4,869,749</u>	<u>5,133,495</u>
<b>Net Position</b>			
Net investment in capital assets	2,468,056	2,459,623	4,927,679
Restricted for debt service		350,878	350,878
Unrestricted	544,089	2,104,646	2,648,736
Total net position	<u>\$ 3,012,145</u>	<u>\$ 4,915,147</u>	<u>\$ 7,927,292</u>

The accompanying notes are an integral part of these financial statements

**CITY OF LOYALTON**

**STATEMENT OF ACTIVITIES  
JUNE 30, 2020**

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
General government	\$ 279,923	\$ 13,172	\$ -	\$ (266,751)	\$ -	\$ (266,751)
Public safety	76,774	49,470	44,743	17,439		17,439
Public works	1,793	-		(1,793)		(1,793)
Health and welfare-cemetery	248	500		252		252
Streets and roads	62,216	21,732	14,304	(26,180)		(26,180)
Culture/recreation	49,133	240		(48,893)		(48,893)
<b>Total governmental activities</b>	<b>470,087</b>	<b>85,114</b>	<b>59,047</b>	<b>(325,926)</b>		<b>(325,926)</b>
<b>Business-type Activities:</b>						
Water	277,992	274,607			(3,385)	(3,385)
Sewer	460,523	366,850			(93,673)	(93,673)
Interest on long-term debt	151,231				(151,231)	(151,231)
<b>Total business-type activities</b>	<b>889,746</b>	<b>641,457</b>			<b>(248,289)</b>	<b>(248,289)</b>
<b>Total Government</b>	<b>\$1,359,833</b>	<b>\$ 726,571</b>	<b>\$ 59,047</b>	<b>(325,926)</b>	<b>(248,289)</b>	<b>(574,215)</b>

**General Revenues:**

**Taxes:**

Property taxes	51,939	51,939
Sales and use tax	59,683	59,683
Franchise tax	-	-
Motor vehicle in lieu tax	28,834	28,834
Other	6,973	6,973
Sale of property		1,000
Investment income	11,467	44,137
<b>Total general revenues</b>	<b>158,896</b>	<b>45,137</b>
Change in net position before extraordinary item	(167,030)	(370,182)
Extraordinary item-Beckwith road		(152,436)
Change in net position	(167,030)	(522,618)
Net position - beginning of fiscal year	3,170,557	8,441,292
Prior period adjustment	8,618	8,618
<b>Net position - end of fiscal year</b>	<b>\$ 3,012,145</b>	<b>\$4,915,147</b>

The accompanying notes are an integral part of these financial statements

**CITY OF LOYALTON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2020**

	Major Special Revenue Funds			Total Governmental Funds
	General	Gas Tax	CDBG	
<b><u>Assets</u></b>				
Cash and investments	\$ 312,721	\$ -	\$ 25,875	\$ 338,596
Receivables				
Accounts	25,577			25,577
Loans			2,764	2,764
Due from other funds	575,798	18,974	196,287	791,059
Total assets	<u>\$ 914,096</u>	<u>\$ 18,974</u>	<u>\$ 224,926</u>	<u>\$ 1,157,996</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 98,702	\$ 1,829	\$ -	\$ 100,531
Accrued payroll	4,523			4,523
Unearned revenue-advance	33,227	55,465		88,692
Due to other funds	300,512	62,683		363,195
Total liabilities	<u>436,964</u>	<u>119,977</u>		<u>556,941</u>
<b><u>Fund Balances</u></b>				
Nonspendable for loans receivable			2,764	2,764
Assigned for special revenue funds			222,162	222,162
Unassigned	477,132	(101,003)		376,129
Total fund balances	<u>477,132</u>	<u>(101,003)</u>	<u>224,926</u>	<u>601,055</u>
Total liabilities and fund balances	<u>\$ 914,096</u>	<u>\$ 18,974</u>	<u>\$ 224,926</u>	<u>\$ 1,157,996</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

Fund balances of governmental funds	\$	601,055
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.		2,481,090
Long-term debt is not payable in the current period and therefore is not reported in the funds		(70,000)
Net position of governmental activities	\$	<u>3,012,145</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major Special Revenue Funds			Total Governmental Funds
	General	Gas Tax	CDBG	
Revenues				
Taxes	\$ 140,448	\$ -	\$ -	\$ 140,448
Licenses and permits	4,926			4,926
Intergovernmental	44,743	36,036		80,779
Charges for current services	69,268			69,268
Use of money and property	411		11	422
Other	7,213			7,213
Total revenues	<u>267,009</u>	<u>36,036</u>	<u>11</u>	<u>303,056</u>
Expenditures				
Current:				
General government	204,521			204,521
Public safety	56,748			56,748
Health and sanitation	248			248
Highways and streets		62,216		62,216
Culture and recreation	14,170			14,170
Capital outlay	241,869			241,869
Total expenditures	<u>517,556</u>	<u>62,216</u>	<u>-</u>	<u>579,772</u>
Excess (deficit) of revenues over expenditures before other financing sources (uses)	<u>(250,547)</u>	<u>(26,180)</u>	<u>11</u>	<u>(276,716)</u>
Other Financing Sources (Uses)				
Proceeds of debt	70,000			70,000
Total other financing sources (uses)	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Net change in fund balances	<u>(180,547)</u>	<u>(26,180)</u>	<u>11</u>	<u>(206,716)</u>
Fund balances, beginning of fiscal year	<u>657,679</u>	<u>(83,441)</u>	<u>224,915</u>	<u>799,153</u>
Prior period adjustment		8,618		8,618
Fund balances, end of fiscal year	<u>\$ 477,132</u>	<u>\$ (101,003)</u>	<u>\$ 224,926</u>	<u>\$ 601,055</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES-GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds \$ (206,716)

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities. The costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	241,869
Depreciation expense	(132,184)

Proceeds of debt is recorded as other financing sources in the fund financial statements, however the debt is recorded as a liability in the statement of net position (70,000)

Change in net position of governmental activities \$ (167,030)



**CITY OF LOYALTON**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water	Sewer	Totals
<b>Current Assets:</b>			
Cash and investments	\$ 150,717	\$ 2,353,494	\$ 2,504,211
Restricted cash and investments	61,887	288,991	350,878
Prepaid expense		45,024	45,024
Receivables			
Accounts (net of allowance for doubtful accounts)	26,456	25,049	51,505
Interest receivable		6,890	6,890
Due from other funds	71,963	43,223	115,186
Total current assets	<u>311,023</u>	<u>2,762,671</u>	<u>3,073,694</u>
<b>Capital assets:</b>			
<b>Nondepreciable Capital Assets:</b>			
Land		373,319	373,319
Construction in progress		180,675	180,675
<b>Depreciable Capital Assets</b>			
Building		415,920	415,920
Site improvements	2,787,734	8,243,136	11,030,870
Equipment	167,153	643,031	810,184
Less accumulated depreciation	(1,283,370)	(4,273,346)	(5,556,716)
Total capital assets (net of accumulated depreciation)	<u>1,671,517</u>	<u>5,582,735</u>	<u>7,254,252</u>
Total assets	<u>1,982,540</u>	<u>8,345,406</u>	<u>10,327,946</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	8,816	4,689	13,505
Due to other funds	158,707	384,343	543,050
Current portion - long term liabilities	20,700	110,100	130,800
Interest payable	13,845	47,770	61,615
Total current liabilities	<u>202,068</u>	<u>546,902</u>	<u>748,970</u>
<b>Noncurrent Liabilities:</b>			
Bonds payable		849,629	849,629
Certificates of participation	902,300	2,911,900	3,814,200
Total noncurrent liabilities	<u>902,300</u>	<u>3,761,529</u>	<u>4,663,829</u>
Total liabilities	<u>1,104,368</u>	<u>4,308,431</u>	<u>5,412,799</u>
<b>Net Position:</b>			
Net investment in capital assets	748,517	1,711,106	2,459,623
Restricted for debt service	61,887	288,991	350,878
Unrestricted	67,768	2,036,878	2,104,646
Total net position	<u>\$ 878,172</u>	<u>\$ 4,036,975</u>	<u>\$ 4,915,147</u>

The accompanying notes are an integral part of these financial statements

**CITY OF LOYALTON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water	Sewer	Totals
Operating Revenues			
Charges for services	\$ 274,607	\$ 366,850	\$ 641,457
Total operating revenues	<u>274,607</u>	<u>366,850</u>	<u>641,457</u>
Operating Expenses			
Salaries and benefits	75,051	106,492	181,543
Services and supplies	131,172	143,679	274,851
Depreciation expense	71,769	210,352	282,121
Total operating expenses	<u>277,992</u>	<u>460,523</u>	<u>738,515</u>
Operating Income (Loss)	<u>(3,385)</u>	<u>(93,673)</u>	<u>(97,058)</u>
Non-Operating Revenues (Expenses)			
Interest income	323	43,814	44,137
Interest expense	(41,684)	(109,547)	(151,231)
Gain on sale of assets		1,000	1,000
Total non-operating revenues (expenses)	<u>(41,361)</u>	<u>(64,733)</u>	<u>(106,094)</u>
Net income before extraordinary item	<u>(44,746)</u>	<u>(158,406)</u>	<u>(203,152)</u>
Extraordinary item-Beckwith road		<u>(152,436)</u>	<u>(152,436)</u>
Decrease in net position	<u>(44,746)</u>	<u>(310,842)</u>	<u>(355,588)</u>
Net position, beginning of fiscal year	<u>922,918</u>	<u>4,347,817</u>	<u>5,270,735</u>
Net position, end of fiscal year	<u>\$ 878,172</u>	<u>\$ 4,036,975</u>	<u>\$ 4,915,147</u>

The accompanying notes are an integral part of these financial statements

**CITY OF LOYALTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	Water	Sewer	Totals
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 274,793	\$ 373,428	\$ 648,221
Cash payments to suppliers	(129,809)	(181,520)	(311,329)
Cash payments to employees	(76,618)	(109,628)	(186,246)
Net cash provided by (used for) operating activities	<u>68,366</u>	<u>82,280</u>	<u>150,646</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Interfund activity	5,119	108,379	113,498
Net cash provided by (used for) noncapital financing activities	<u>5,119</u>	<u>108,379</u>	<u>113,498</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of fixed assets		(86,378)	(86,378)
Extraordinary item-Beckwith road repair		(152,436)	(152,436)
Reductions of debt	(19,800)	(106,600)	(126,400)
Sale of assets		1,000	1,000
Interest expense	(41,981)	(115,512)	(157,493)
Net cash provided by (used for) capital and related financing activities	<u>(61,781)</u>	<u>(459,926)</u>	<u>(521,707)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest income	323	44,656	44,979
Net cash provided by investing activities	<u>323</u>	<u>44,656</u>	<u>44,979</u>
Net increase (decrease) in cash and cash equivalents	12,027	(224,611)	(212,584)
Cash and cash equivalents, beginning of fiscal year	200,577	2,867,096	3,067,673
Cash and cash equivalents, end of fiscal year	<u>\$ 212,604</u>	<u>\$ 2,642,485</u>	<u>\$ 2,855,089</u>
<b>Reconciliation of Cash and Cash Equivalents:</b>			
Cash and investments	\$ 150,717	\$ 2,353,494	\$ 2,504,211
Restricted cash and investments	61,887	288,991	350,878
Total cash and cash equivalents	<u>\$ 212,604</u>	<u>\$ 2,642,485</u>	<u>\$ 2,855,089</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (used for) operating activities</b>			
Adjustments to operating income:			
Depreciation	71,769	210,352	282,121
(Increase) decrease in accounts receivable	186	6,578	6,764
(Increase) decrease in prepaid expense		5,628	5,628
Increase (decrease) in accounts payable	1,363	(43,469)	(42,106)
Increase (decrease) in accrued payroll			-
Increase (decrease) in compensated absences	(1,567)	(3,136)	(4,703)
Net cash provided by (used for) operating activities	<u>\$ 68,366</u>	<u>\$ 82,280</u>	<u>\$ 150,646</u>

The accompanying notes are an integral part of these financial statements

# CITY OF LOYALTON

## Notes to the Financial Statements June 30, 2020

### Note 1: Summary of Significant Accounting Policies

The basic financial statements of City of Loyalton, California, (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the acceptable standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### A. Reporting Entity

The City was incorporated in 1901, as a municipal corporation operating under the general laws of the State of California. The City operates under a Council-Manager form of government and provides services including general government, public works, public safety, water, sewer, and parks and recreation. Control or dependence is determined on the basis of budget adoption, selection of governing authority and designation of management, outstanding debt secured by revenues or general obligations of the City and ability to significantly influence operations.

The financial reporting entity, as defined by the GASB, consists of the primary government, the City, organizations for which the primary government is financially accountable, and any other organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

#### B. Basis of Accounting

The government-wide, proprietary and agency fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from sales tax is recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The City considers property taxes available if they are collected within sixty-days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

When applicable, the City reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue source does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to the occurrences of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

# CITY OF LOYALTON

## Notes to the Financial Statements June 30, 2020

### Note 1: Summary of Significant Accounting Policies (Continued)

#### C. Basis of Presentation

##### Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

##### Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Gas Tax Fund – This fund is used to account the revenues and expenditures of the State Gas Tax

CDBG Fund – This is used to account for Community Development revenue and expenditures

The City reports the following major enterprise funds:

Water and Sewer Funds - account for the operation of the City's water and sewer utilities. Activities of these funds include administration, operation and maintenance of the water and sewer systems and billing and collection activities. The Funds also accumulate resources for, and payment of long-term debt principal and interest. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Funds.

CITY OF LOYALTON

Notes to the Financial Statements  
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Cash Equivalents

For the purpose of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Restricted cash and unrestricted pooled cash and investments held by the City are considered cash equivalents for purposes of the combined statement of cash flow's because the City's cash management pool and funds invested by the City possess the characteristics of demand deposit accounts.

F. Fixed Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements and equipment. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Building and improvements	40-50 years
Utility Systems	18-50 years
Equipment and machinery	5-15 years

G. Property Tax

Sierra County is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocation factor calculated by the County under the provisions of Proposition 13 plus a percentage of the increase in market value in specific areas. The City's property tax is levied each July 1 on the assessed values as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax levied is prorated.

Secured property taxes are due in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is levied on July 1 and due on July 31 and becomes delinquent on August 31.

Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the City, eliminating the need for an allowance for uncollectable. The County, in return, receives all penalties and interest on the related delinquent taxes.

# CITY OF LOYALTON

## Notes to the Financial Statements June 30, 2020

### Note 1: Summary of Significant Accounting Policies (Continued)

#### H. Balance Sheet Classifications

Certain resources are classified as restricted assets as their use is restricted for specific purposes by bond agreements, lease agreements, trust agreements, grant agreements, City Charter provisions, or other requirements. Governmental fund types' restricted assets are for grant advances. Proprietary fund types' restricted assets are for renewal and replacement of equipment and debt service reserves.

#### I. Compensated Absences

City employees are granted vacation in varying amounts based on classification and length of service. Upon termination or retirement, the City is to pay 100% of the vacation time accrued and 25-35% of the accrued sick leave depending on the length of employment with the City.

Governmental Funds – Governmental funds record expenditures for compensated absences as they are taken by employees.

Proprietary Funds – Proprietary funds record expenditures for compensated absences as they are taken by employees.

#### J. Intergovernmental Revenues

Federal and state governments reimburse the City for costs incurred on certain fixed asset construction projects under capital grant agreements. Amounts claimed under such grants are credited to intergovernmental revenues if the project is being administered by a Capital Projects fund or to contributed capital if administered by a Proprietary fund. Additionally, the City receives reimbursement from federal and state governments for other programs, such as streets, housing and rehabilitation. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with related program costs included in expenditures.

The respective grant agreements generally require the City to maintain accounting records and substantiating evidence to determine if all costs incurred and claimed are proper and that the City is in compliance with other terms of the grant agreements. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future claims or be directly recovered from the City.

#### K. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF LOYALTON

Notes to the Financial Statements  
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Concluding)

L. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are made up of the following:

- Non-spendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid, and long-term receivables.
- Restricted fund balance - includes amounts that can be spent for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed fund balance - includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- Assigned fund balance - comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or official to which City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, that fund would report a negative unassigned fund balance.

Note 2: Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments. Unless otherwise dictated by legal or contractual requirements, income earned or losses arising from the investment of pooled cash are allocated on a quarterly basis to the participating funds and component units based on their proportionate shares of the average quarterly cash balance.

The City maintains “restricted cash and investments”. Monies restricted are for debt service reserves and legal settlement funds for the wastewater treatment plant.

Cash and investments at June 30, 2020, consisted of the following:

Cash and investments	\$ 2,842,807
Restricted cash and investments	350,878
Total per statement of activities	<u>\$ 3,193,685</u>
Checking account	\$ 623,591
Imprest cash	450
Savings	528,306
LAIF	2,041,338
Total cash and investments	<u>\$ 3,193,685</u>



**CITY OF LOYALTON**

**Notes to the Financial Statements  
June 30, 2020**

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Loyalton by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of and investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>	
		<u>12 Months or Less</u>	<u>13-48 Months</u>
State Investment Pool*	\$ 2,041,338	\$ 2,041,338	\$ -
Totals	\$ 2,041,338	\$ 2,041,338	\$ -

\*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

# CITY OF LOYALTON

## Notes to the Financial Statements June 30, 2020

### Note 2: Cash and Investments (Continued)

#### D. Custodial Credit Risk (Continued)

At June 30, 2020, the City's deposits balance was \$1,166,843 and the carrying amount was \$1,151,897. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance \$250,000 was covered by the Federal Depository Insurance.

#### E. Investment in State Investment Pool

LAIF is included in the State's Pooled Money Investment Account. The total amount invested by all public agencies in the State's Pooled Money Investment Account approximates \$101.79 billion. Of the \$101.79 billion managed by the State Treasurer, 100% is invested in non-derivative financial products and 3.37% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The City reports its investments at fair value based on quoted market information obtained from fiscal agents or other sources if the change is material to the financial statements.

### Note 3: Liability, Insured Programs and Workers Compensation Protection

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986, the City joined together with other cities in the State to form Small Cities Organized Risk Effort (SCORE), a public entity risk pool currently operating as a common risk management and insurance program for member cities. The City pays an annual premium to SCORE for its insurance coverage. The Agreement for Formation of the SCORE provides that SCORE will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of self-insured levels. A Board of Directors governs the SCORE, consisting of one member appointed by each Member City. A management group employed by the SCORE handles the day-to-day business. At the termination of the joint power agreement and after all claims been settled, any excess or deficit will be divided among the cities in accordance with its governing documents. Financial statements of SCORE are available at the City.

CITY OF LOYALTON

Notes to the Financial Statements  
June 30, 2020

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Retirements/ Adjustments	Balance June 30, 2020
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 55,293	\$ -	\$ -	\$ 55,293
Capital assets, being depreciated:				
Buildings and improvements	2,363,686			2,363,686
Site improvements	867,070			867,070
Equipment	614,973	241,869		856,842
Total capital assets, being depreciated	3,845,729	241,869		4,087,598
Less accumulated depreciation for:				
Buildings and improvements	(781,812)	(77,650)		(859,462)
Site Improvements	(387,277)	(31,328)		(418,605)
Equipment	(360,529)	(23,205)		(383,734)
Total accumulated depreciation	(1,529,618)	(132,183)		(1,661,801)
Total capital assets, being depreciated, net	2,316,111	109,686		2,425,797
Governmental activities capital assets, net	<u>\$ 2,371,404</u>	<u>\$ 109,686</u>	<u>\$ -</u>	<u>\$ 2,481,090</u>
<b>Business-Type Activities</b>				
<b>Water</b>				
Capital assets, being depreciated:				
Site improvements	\$ 2,787,734	\$ -	\$ -	\$ 2,787,734
Equipment	167,153			167,153
Total capital assets, being depreciated	2,954,887			2,954,887
Less accumulated depreciation	(1,211,601)	(71,769)		(1,283,370)
Total capital assets, being depreciated, net	1,743,286	(71,769)		1,671,517
Water capital assets, net	<u>\$ 1,743,286</u>	<u>\$ (71,769)</u>	<u>\$ -</u>	<u>\$ 1,671,517</u>
<b>Sewer</b>				
Capital assets, not being depreciated:				
Land	\$ 373,319	\$ -	\$ -	\$ 373,319
Construction in progress	94,297	86,378		180,675
Capital assets, being depreciated:				
Buildings	415,920			415,920
Site improvements	8,243,136			8,243,136
Equipment	643,031			643,031
Total capital assets, being depreciated	9,302,087	-	-	9,302,087
Less accumulated depreciation	(4,062,994)	(210,352)		(4,273,346)
Total capital assets, being depreciated, net	5,239,093	(210,352)		5,028,741
Sewer capital assets, net	<u>\$ 5,706,709</u>	<u>\$ (123,974)</u>	<u>\$ -</u>	<u>\$ 5,582,735</u>

**CITY OF LOYALTON**

**Notes to the Financial Statements  
June 30, 2020**

Note 4: Capital Assets (Continued)

Depreciation

Depreciation expense was charged to functions/programs of the City as follows:

General government	\$ 75,401
Public safety	20,026
Streets and roads	1,793
Parks	<u>34,963</u>
Total	<u>\$ 132,183</u>

The City believes the estimated useful lives of some of the assets involved at the Wastewater Treatment Plant will be much less than was previously anticipated at the time the assets were completed. Depreciation expense has been increased accordingly. The ultimate useful life of these items will depend on the alternative corrective action the City selects for repair of the facility.

Note 5: Lease Income

The City of Loyaltan derives a portion of its revenue from the rental of real property based on a fixed lease amount. All leases of the City are treated as operating leases for accounting purposes. Lease terms can be terminated by lessor at any time and without cause. Because these are cancelable leases we do not present the operating revenue over the term of the lease.

Note 6: Long-term Liabilities

Governmental-Type Activities:

A summary of changes in the City's governmental-type activities long-term liabilities for the year ended June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Capital leases	\$ -	\$ 70,000	\$ -	\$ 70,000	\$ 13,034
Total	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 13,034</u>

During the 2019-20 fiscal year, the City purchased a fire tender water truck for \$241,869, paying \$171,869 cash and \$70,000 with a capital lease. The capital lease agreement was executed on April 24, 2020 with 5 annual payments of \$15,536 including interest, starting April 24, 2021 through April 24, 2025, with an interest rate of 3.574%.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2020 are as follows:

Fiscal Year End			
June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,034	\$ 2,502	\$ 143,688
2022	13,500	2,036	143,938
2023	13,983	1,553	143,150
2024	14,482	1,054	144,250
2025	<u>15,000</u>	<u>536</u>	<u>15,536</u>
Totals	<u>\$ 70,000</u>	<u>\$ 7,681</u>	<u>\$ 590,561</u>

**CITY OF LOYALTON**

**Notes to the Financial Statements  
June 30, 2020**

**Note 6: Long-term Liabilities (Continued)**

**Business-Type Activities:**

A summary of changes in the City's business-type activities long-term liabilities for the year ended June 30, 2020:

<b>Water Fund</b>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Compensated absences	\$ 1,567	\$ -	\$ (1,567)	\$ -	\$ -
2004 COP	942,800		(19,800)	923,000	20,700
<b>Total</b>	<b>\$ 944,367</b>	<b>\$ -</b>	<b>\$ (21,367)</b>	<b>\$ 923,000</b>	<b>\$ 20,700</b>

<b>Sewer Fund</b>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Compensated absences	\$ 3,136	\$ -	\$ (3,136)	\$ -	\$ -
1995A Sewer revenue bond	773,538		(34,800)	738,738	36,000
1995B Sewer revenue bond	115,691		(4,800)	110,891	5,100
2009 COP	3,089,000		(67,000)	3,022,000	69,000
<b>Total</b>	<b>\$ 3,981,365</b>	<b>\$ -</b>	<b>\$ (109,736)</b>	<b>\$ 3,871,629</b>	<b>\$ 110,100</b>

**Water Fund - 2004 Certificates of Participation**

The City of Loyalton issued \$1,144,600 in certificates of participation on March 1, 2004 through Rural USDA to provide funds for the construction of various water system improvements.

The installment payments are secured by a pledge of the net revenues of the City's water system as provided in the installment purchase contract. The interest rate is 4.5% with payment due dates of March 1 and September 1 and final payment due September 1, 2044.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2020 are as follows:

<u>Fiscal Year End June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 20,700	\$ 41,069	\$ 61,769
2022	21,600	40,118	61,718
2023	22,600	39,123	61,723
2024	23,600	38,615	62,215
2025	24,700	36,997	61,697
2026-2030	141,300	166,871	308,171
2031-2035	176,000	131,310	307,310
2036-2040	219,300	87,005	306,305
2041-2045	273,200	31,824	305,024
<b>Totals</b>	<b>\$ 923,000</b>	<b>\$612,932</b>	<b>\$ 1,535,932</b>

**CITY OF LOYALTON**

**Notes to the Financial Statements  
June 30, 2020**

Note 6: Long-term Liabilities (Continued)

Sewer Fund – Series 1995-A Revenue Bond

The City of Loyalton issued \$1,256,500 in revenue bonds on February 1, 1995 through Rural Economic and Community Development Service to provide funds for the construction of various water system improvements.

The payments are secured by a pledge of the net revenues of the City’s sewer system as provided in the installment purchase contract. The interest rate is 4.5% with payment due dates of February 1 and August 1 and final payment due August 1, 2034.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2020 are as follows:

Fiscal Year End			
June 30,	Principal	Interest	Total
2021	\$ 36,000	\$ 32,436	\$ 68,436
2022	37,500	30,782	68,282
2023	38,600	29,070	67,670
2024	40,900	27,281	68,181
2025	42,600	25,403	68,003
2026-2030	242,700	95,888	338,588
2031-2035	300,438	34,958	335,396
Totals	<u>\$ 738,738</u>	<u>\$275,819</u>	<u>\$ 1,014,557</u>

Sewer Fund – Series 1995-B Revenue Bond

The City of Loyalton issued \$186,200 in revenue bonds on February 1, 1995 through Rural Economic and Community Development Service to provide funds for the construction of various water system improvements.

The payments are secured by a pledge of the net revenues of the City’s sewer system as provided in the installment purchase contract. The interest rate is 4.5% with payment due dates of February 1 and August 1 and final payment due August 1, 2034.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2020 are as follows:

Fiscal Year End			
June 30,	Principal	Interest	Total
2021	\$ 5,100	\$ 4,876	\$ 9,976
2022	5,300	4,642	9,942
2023	5,600	4,397	9,997
2024	6,300	4,129	10,429
2025	6,600	3,839	10,439
2026-2030	37,200	14,400	51,600
2031-2035	44,791	5,189	49,980
Totals	<u>\$ 110,891</u>	<u>\$ 41,470</u>	<u>\$ 152,361</u>

**CITY OF LOYALTON**

**Notes to the Financial Statements  
June 30, 2020**

Note 6: Long-term Liabilities (Continued)

Sewer Fund – 2009 Certificate of Participation

The City of Loyalton issued \$3,569,000 in certificates of participation on February 1, 2010 through Rural USDA to provide funds for the construction of various sewer system improvements.

The installment payments are secured by a pledge of the net revenues of the City's water system as provided in the installment purchase contract. The interest rate is 2.5% with payment due dates of February 1 and August 1 and final payment due August 1, 2049.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2020 are as follows:

Fiscal Year End	Principal	Interest	Total
June 30,			
2021	\$ 69,000	\$ 74,688	\$ 143,688
2022	71,000	72,938	143,938
2023	72,000	71,150	143,150
2024	74,000	69,325	144,250
2025	76,000	67,450	143,450
2026-2030	410,000	307,375	717,375
2031-2035	463,000	252,888	715,888
2036-2040	524,000	191,250	715,250
2041-2045	592,000	121,550	713,550
2046-2050	671,000	42,738	713,738
Totals	<u>\$3,022,000</u>	<u>\$1,271,350</u>	<u>\$ 4,294,275</u>

Note 7: Defined Benefit Pension Plan

On November 16, 2016, the CalPERS Board of Administration declared the city of Loyalton in default of its obligation to CalPERS. Effective January 2018, CalPERS reduced the retirement benefits paid to City of Loyalton retirees', pursuant to Government code section 20577 to 40% of retiree' base pension benefit, as subject to cost of living adjustments as calculated by CalPERS ("Reduced Benefit Amount".)

Per a subsequent settlement agreement with three City of Loyalton retirees, beginning April 2019, and on a monthly basis thereafter, The City of Loyalton has agreed to pay an amount equal to 1.075 times the monthly Reduced Benefit Amount for the three retirees. In no event shall Loyalton's monthly payment, when combined with CalPERS' monthly payment, exceed 83% of the three retirees Base Pension or Survivor Benefit (whichever is applicable). Loyalton's obligations under this Agreement shall cease once CalPERS ceases making payments to the retirees or their designated survivors. Furthermore, per the settlement agreement, the City agreed to pay a combined \$73,946.74 to the three retirees as settlement of all potential claims related to the pension retirement benefits.

CITY OF LOYALTON

Notes to the Financial Statements  
June 30, 2020

Note 8: Interfund Transactions

Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

Receivables and Payables

Balances representing lending/borrowing transactions between funds outstanding at the fiscal year end are reported as either “due from/due to other funds” (amounts due within one year), “advances to/from other funds” (non-current portions of interfund lending/borrowing transactions), or “loans to/from other funds” (long-term lending/borrowing transactions evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. The interfund balances are not expected to be repaid within one year of the balance sheet date.

Interfund transactions for the fiscal year ended June 30, 2020 are summarized as follows:

	<u>Other Funds</u>	<u>Other Funds</u>
General Fund	\$ 300,512	\$ 575,798
Special Revenue Funds	62,683	215,261
Enterprise Funds	543,050	115,186
Totals	<u>\$ 906,245</u>	<u>\$ 906,245</u>

Note 9: Stewardship, Compliance and Accountability

A. Deficit Fund Balances

The gas tax fund had a deficit fund balance of \$101,003 at June 30, 2020. The deficit fund balance is expected to be eliminated upon receipt of future funding or transfers from the general fund.

B. Expenditures over Budgeted Appropriations

Actual general fund expenditures were over the approved appropriations budget by \$358,771. Actual gas tax fund expenditures exceeded the approved appropriations budget by \$3,410.

C. Prior Period Adjustment

A prior period adjustment was made increasing fund balance \$8,618 in the gas tax fund, to account for revenue that should have been recognized in the 2018/19 fiscal year from the FEMA/OES advance grant funding recorded as deferred revenue.

Note 10: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the City’s ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 11: Related Party Transactions

The City currently is operating without a City Manager and members of the City Council have taken on the job duties normally performed by a City Manager. The members of the City Council are not compensated for taking on these duties in excess of the approved stipend per meeting received by all City Council members.



CITY OF LOYALTON

Notes to the Financial Statements  
June 30, 2020

Note 12: Gann Limit

Proceeds subject to the limit for 2019-20	\$ 210,244
Amount of limit for 2019-20	1,174,060
Amount (under)/over the limit	<u>\$ (963,816)</u>
Per Capita Percentage Change	3.85%
Population Change	-0.27%

Note 13: Extraordinary Item

An extraordinary item was recorded in the sewer fund to account for a sewer pipeline that was damaged during the sewer pond repair work. The cost reflects the repair to the sewer line and the cost to repair the road, which had to be removed to access the pipeline.

Note 14: Commitments and Contingencies

**Grants**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**Commitments**

The City had ongoing engineering and professional service commitments as of June 30, 2020.

Note 15: Subsequent Events

**COVID 19**

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of City of Loyalton could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The District has not included any contingencies in the financial statements specific to this issue.

The City of Loyalton management has evaluated subsequent events through October 25, 2021, the date these financial statements were available to be issued.

**CITY OF LOYALTON**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 125,400	\$ 125,400	\$ 140,448	\$ 15,048
Licenses and permits	6,750	6,750	4,926	(1,824)
Intergovernmental	50,000	50,000	44,743	(5,257)
Charges for current services	3,200	3,200	69,268	66,068
Use of money and property	60,500	60,500	411	(60,089)
Other	6,500	6,500	7,213	713
Total revenue	<u>252,350</u>	<u>252,350</u>	<u>267,009</u>	<u>14,659</u>
Expenditures				
Current:				
General government	78,903	78,903	204,521	(125,618)
Public safety	53,730	53,730	56,748	(3,018)
Health and sanitation	1,700	1,700	248	1,452
Culture and recreation	24,452	24,452	14,170	10,282
Capital Outlay			<u>241,869</u>	<u>(241,869)</u>
Total expenditures	<u>158,785</u>	<u>158,785</u>	<u>517,556</u>	<u>(358,771)</u>
Excess (deficit) of revenues over expenditures before other financing sources (uses)	<u>93,565</u>	<u>93,565</u>	<u>(250,547)</u>	<u>(344,112)</u>
Other Financing Sources (Uses)				
Proceeds of debt			70,000	70,000
Operating transfers out	<u>(30,306)</u>	<u>(30,306)</u>		<u>30,306</u>
Total other financing sources (uses)	<u>(30,306)</u>	<u>(30,306)</u>	<u>70,000</u>	<u>100,306</u>
Net change in fund balance	<u>\$ 63,259</u>	<u>\$ 63,259</u>	<u>(180,547)</u>	<u>\$ (243,806)</u>
Fund balance, beginning of fiscal year			<u>657,679</u>	
Fund balance, end of fiscal year			<u>\$ 477,132</u>	

**CITY OF LOYALTON**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GAS TAX FUND**  
**JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 28,500	\$ 28,500	\$ 36,036	\$ 7,536
Total revenue	<u>28,500</u>	<u>28,500</u>	<u>36,036</u>	<u>7,536</u>
Expenditures				
Current:				
Highways and streets	58,806	58,806	62,216	(3,410)
Total expenditures	<u>58,806</u>	<u>58,806</u>	<u>62,216</u>	<u>(3,410)</u>
Excess of revenues over expenditures	<u>(30,306)</u>	<u>(30,306)</u>	<u>(26,180)</u>	<u>4,126</u>
Other Financing Sources (Uses)				
Operating transfers in	30,306	30,306		(30,306)
Total other financing sources (uses)	<u>30,306</u>	<u>30,306</u>		<u>(30,306)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(26,180)</u>	<u>\$ (26,180)</u>
Fund balance, beginning of fiscal year			(83,441)	
Prior period adjustment			<u>8,618</u>	
Fund balance, end of fiscal year			<u>\$ (101,003)</u>	

**CITY OF LOYALTON**  
**Note to Required Supplementary Information**  
**June 30, 2020**

Budgets and Budgetary Accounting

As required by State law the City prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the source of financing.

The budgets for the general fund and Gas Tax fund are adopted on the modified accrual basis of accounting. The budget for the general fund and Gas Tax fund are the only legally adopted budgets. Appropriations lapse at fiscal year-end.

The budgetary data presented in the final budgeted amount in the accompanying financial statements includes all revisions approved by the City Council.