

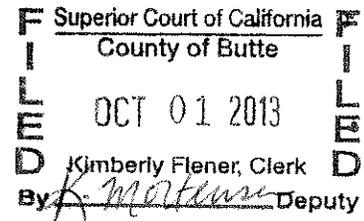


CITY OF BIGGS

465 C STREET
PO Box 307, BIGGS, CA 95917
530-868-5493

August 13, 2013

Honorable Stephen E. Benson
Presiding Judge
Butte County Superior Court
One Court Street
Oroville, CA 95965



Re: FY 2012-2013 Butte County Grand Jury Report, City of Biggs Responses

Dear Judge Benson:

The Biggs City Council has reviewed the 2012-2013 Grand Jury Report, and is providing the following responses to the findings and recommendations.

Grand Jury Findings:

F1) The City of Biggs traditionally balances its General Operating Budget by supplementing its revenue with monies from the Electric Utilities Fund.

Response: Agree

F2) Biggs wastewater treatment facility is antiquated and will need to be upgraded in the near future.

Response: Agree

The City of Biggs has designed a two phase project to upgrade its waste water treatment plant. Environmental review work is complete on Phase 1. Design work on Phase 1 is substantially complete, the state funding application process has been completed, and a new rate structure to fund the project, operations and debt service was passed in May 2013. We expect construction on Phase 1 of the project to begin by early 2014. The city expects to complete environmental review and design work on Phase 2 of the project in late 2013.

F3) Many roads need maintenance and repair.

Response: Agree

As documented in the 2013 "California Statewide Local Streets and Roads Needs Assessment" Biggs and other cities struggle with inadequate road maintenance funding. The City will continue to look for efficiencies and funding opportunities in this area.

Grand Jury Recommendations:

R1) The City of Biggs should explore all funding possibilities for upgrading its wastewater treatment facility and road maintenance.

Response: Agree

The City will continue to look for efficiencies and funding opportunities in the area of road maintenance.

For a variety of practical reasons the Waste Water Treatment facility upgrade was divided into two phases. For Phase 1, the City completed the funding application process to the California State Water Resources Control Board State Revolving Fund in early 2013. Preliminary indications are that Biggs will be awarded a \$2.4 million, 20 year loan at 1.9% per annum, with 50% loan principle forgiveness. We expect to receive the formal award in the coming weeks.

For Phase 2 of the project, the city recently completed the application processes for a combination of funding from the California State Water Resources Control Board State Revolving Fund and the US Department of Agriculture.

Sincerely

A handwritten signature in cursive script, appearing to read "Roger Frith".

Roger Frith
Mayor