

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-3

Urgent Routine

AGENDA DATE April 27, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Use Community Development Funds to Assist the Crows Landing Community Services District with Minor Water System Improvements and Related Actions

STAFF RECOMMENDATIONS:

1. Approve the use of \$3,000 of Community Development Funds for the purpose of assisting the Crows Landing Community Services District with minor water system improvements.
2. Authorize the Chief Executive Officer to execute an agreement with the Crows Landing Community Services District for receipt of available funding from the Community Development Fund.

FISCAL IMPACT:

The total funds recommended to be made available to the Crows Landing Community Services District to assist with minor water system improvements is \$3,000. These funds will be used by the Crows Landing Community Services District to move forward with the purchase of five water meters to be installed on District wells and at local businesses and Bonita Elementary School. Addressing the District's immediate need for this necessary equipment will allow for the accurate measuring of water usage to ensure effective operations and conservation in the current fiscal year and beyond. The District has begun the Proposition
(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2010-228

On motion of Supervisor Chiesa, Seconded by Supervisor DeMartini

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. DCS-11-19

Approval to Use Community Development Funds to Assist the Crows Landing Community Services District with Minor Water System Improvements and Related Actions

FISCAL IMPACT (Continued):

218 process to propose changes to their current water rate structure to address ongoing operational and capital needs.

The Community Development Fund was established by the Board of Supervisors at \$1.5 million as part of the Final Budget during Fiscal Year 2007-2008. To date, eight projects have been awarded funding from this source, the North Martin Luther King Jr. Drive Sidewalk Project (\$12,431), the Countywide Growth Management Strategy (\$100,000), the Keyes Sidewalk Incentive Program (\$60,000), the Marshall Avenue Lighting District (\$3,200), the Empire County Service Area 27 Formation (\$5,000), the Airport Neighborhood Cleanup Event (\$5,000), the Keyes Community Service District Street Light Program (\$42,000), and the Grayson County Service Area 28 Formation (\$10,000). The current uncommitted balance in the Community Development Fund is \$1,262,369. If the use of Community Development Funds for the Crows Landing Community Services District is approved, the uncommitted balance would be \$1,259,369, not including interest earnings.

DISCUSSION:

Crows Landing Community Services District - Background

The Crows Landing Community Services District (CSD) was formed on September 23, 1986. This independent special district provides water for domestic and commercial use for properties within its approved boundaries. There are currently 143 properties served by the Crows Landing CSD and property owners currently pay \$36 per month for water services. The Crows Landing CSD owns two wells that serve the residential and commercial areas and the local school (Bonita Elementary School). The existing water system is aged and completing necessary repairs and improvements have been a challenge for the District given their limited resources. Furthermore, the existing system lacks the necessary equipment such as meters, shut off valves and a backup generator to support effective operations and to help them comply with the stringent State requirements in place for public water purveyors. In the past, the Crows Landing CSD has actively sought assistance for system improvements and has been successful by accessing funding (loans and small grants) from both the State of California and Stanislaus County (Redevelopment Agency).

Crows Landing CSD Water Service - Strategy Moving Forward

On December 16, 2010, along with Supervisor Jim DeMartini, staff from the Chief Executive Office attended the December regular meeting of the Crows Landing Community Services District. District staff provided a presentation to the Crows Landing Community Services District Board of Directors regarding the current fiscal position of the District. The District had previously requested, and was provided, general information regarding Proposition 218 and its application for property related fees and the collection of fixed charges on the County Tax Roll. Both of the District's short term and long term needs were discussed including the need for water meters to

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more accurately track water usage, the development of a rate structure to keep pace with increasing operational costs and necessary capital improvements, and addressing the challenge of the annual delinquency rate.

The Crows Landing CSD District Manager shared preliminary information regarding a rate structure that would support the District and its needs moving forward. The position of the Crows Landing CSD Board was to initiate the process for a proposed rate increase following the proper Proposition 218 procedures. The District Board also discussed the collection of their fixed charges on the County Tax Roll but later decided to hold off on pursuing this action until a later date. Lastly, the District also identified an immediate need for water meters to better track water usage through its two existing wells and also at commercial properties and the local school. These equipment improvements would allow the District to better manage operational expenses in the current fiscal year and in the future. The District Manager later provided a cost estimate for the purchase and installation of a five water meters at an estimated cost of \$3,000 for the two District wells, two local businesses and the school. Subsequently, the District approached Stanislaus County regarding a request for funding to address this pressing need.

Use of Community Development Funds - General Public Benefit

The use of Community Development Funds for the purpose of assisting the Crows Landing Community Services District with minor improvements to its water system is consistent with the goal of providing funding for "one-time projects or programs benefiting the unincorporated area that demonstrates strong local support and commitment and a general public benefit." The Crows Landing CSD is taking affirmative steps, through a Proposition 218 water rate increase proposal, to adjust its rate structure to adequately support ongoing operations and future capital needs.

The Crows Landing Community Services District has submitted to the County their estimated time line for the proposed rate increase following Proposition 218:

Mail-out Flyers - April 5, 2010
Legal Notice Advertisement - April 29, 2010
Ordinance Advertisement - May 13, 2010
Public Hearing - May 19, 2010
Adoption of New Rates - June 16, 2010
Ordinance Advertisement - June 24, 2010
New Rates Effective - July 16, 2010
New Rates Billing - August 1, 2010

The use of Community Development Funds for the purchase of necessary water meters will address the District's immediate need to more accurately track water usage and to begin developing water conservation goals and strategies as required by the State of California.

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POLICY ISSUE:

The Board of Supervisors is asked to determine if the recommended actions are consistent with its priorities of striving for a strong local economy, a well-planned infrastructure system and effective partnerships.

STAFFING IMPACT:

The Chief Executive Office will administer the project funding agreement that will be executed between Stanislaus County and the Crows Landing Community Services District. This includes ensuring that allocated funds are used for the intended purpose.

CONTACT PERSON:

Raul Mendez, Sr. Management Consultant/Chief Executive Office, 209.525.6333

**COMMUNITY DEVELOPMENT FUND
PROJECT FUNDING AGREEMENT
BETWEEN
STANISLAUS COUNTY AND CROWS LANDING COMMUNITY SERVICES DISTRICT**

This Agreement is made and entered into in the County of Stanislaus, State of California, this 14th day of June, 2010, by and between the Crows Landing Community Services District (hereinafter DISTRICT), and the County of Stanislaus, a political subdivision of the State of California, (hereinafter COUNTY).

This Agreement is made with the reference to the following recitals:

WHEREAS, on September 11, 2007, the Stanislaus County Board of Supervisors authorized the establishment of the Community Development Fund with the initial appropriation of \$1.5 million; and

WHEREAS, the intent of the Community Development Fund was to provide funding "for one-time projects and programs benefiting the unincorporated area that demonstrates strong local support and commitment and a general public benefit;" and

WHEREAS, the Chief Executive Office was charged with administering the program and processing all requests after evaluation and determining consistency with the Community Development Fund's goals and objectives ; and

WHEREAS, on April 27, 2010, the Stanislaus County Board of Supervisors authorized the use of \$3,000, based on staff's recommendation, from the Community Development Fund for the purpose of assisting the Crows Landing Community Services District with minor water system improvements that included the purchase of five water meters to be installed on District wells and at local businesses and Bonita Elementary School; and

NOW, THEREFORE, the DISTRICT and COUNTY enter into an Agreement pursuant to California Government Code section 26227 for the consideration hereinafter stated, agree as follows:

1. OBLIGATIONS OF THE COUNTY TO DISTRIBUTE COMMUNITY DEVELOPMENT FUNDS

1.1. COUNTY agrees to grant the sum of \$3,000 to the DISTRICT from the Community Development Fund to be used for the purchase of five water meters to be installed on the District wells and at local businesses and Bonita Elementary School, as set forth in Board Action #2010-228, attached hereto as Exhibit A and incorporated herein by reference. Payment from the Community Development Fund to the DISTRICT shall be made upon the execution of this agreement.

2. DISTRICT'S OBLIGATIONS

2.1. DISTRICT agrees to utilize the funds received from the COUNTY described in paragraph 1 exclusively for the purposes described.

2.2. DISTRICT agrees to assume full fiscal responsibility for the appropriate use of the funds and assume responsibility for any disallowed expenditures.

2.3. DISTRICT upon receiving a written request from the County's Chief Executive Officer shall provide proof that the DISTRICT has expended the funds received from the Community Development Fund as contemplated by this Agreement.

2.4. DISTRICT agrees that it will provide the COUNTY with updates on the status of the improvements, upon written request from the County's Chief Executive Officer.

3. MUTUAL OBLIGATIONS

3.1. Any notices or communications required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, return receipt requested, postage prepaid as follows:

If to COUNTY:

Chief Executive Officer, County of Stanislaus
1010 Tenth Street, Suite 6800
Modesto, CA 95354
Attention: Raul Mendez

If to DISTRICT:

Ignacio Lopez, District Manager
P. O. Box 537
Crows Landing, CA 95313

3.2. The provisions of this Agreement, shall constitute the entire Agreement between the parties and unless modified by written agreement and duly executed by the parties hereto, shall continue in full force and effect.

3.3. Venue for any actions initiated by either party shall be in the Superior Court of Stanislaus County and California law shall apply to all the Agreement's terms and conditions.

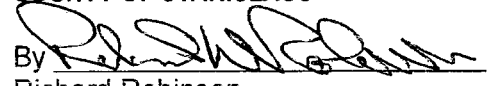
3.4. DISTRICT and COUNTY further covenant to cooperate with one another in all respects necessary to ensure the successful consummation of the action contemplated by this Agreement, and each will take all actions within its authority to ensure cooperation of its officials, officers, agents and employees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first written above.

CROWS LANDING COMMUNITY SERVICES DISTRICT

By 
Ignacio Lopez
District Manager

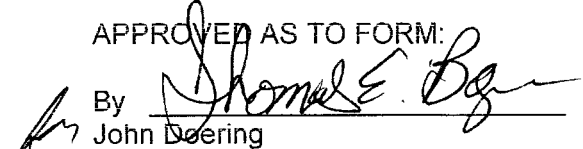
COUNTY OF STANISLAUS

By 
Richard Robinson
Chief Executive Officer

APPROVED AS TO FORM:

By _____
District Attorney

APPROVED AS TO FORM:

By 
John Deering
County Counsel