

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

DEPT: Chief Executive Office

BOARD AGENDA # \*B-2

Urgent  Routine

AGENDA DATE November 3, 2009

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Use Community Development Funds to Assist with Implementation of the Keyes Community Services District Plan to Sustain their Street Light Program and Related Actions

STAFF RECOMMENDATIONS:

1. Approve the use of \$42,000 of Community Development Funds for the purpose of assisting the Keyes Community Services District with the implementation of their plan to sustain their street light program.
2. Authorize the Chief Executive Officer to execute an agreement with the Keyes Community Services District for receipt of available funding from the Community Development Fund.
3. Direct the Auditor-Controller to increase appropriations in the amount of \$42,000 as detailed in the Budget Journal Form.

FISCAL IMPACT:

The total funds recommended to be made available to the Keyes Community Services District for use to implement their plan to sustain their street light program are \$42,000. These funds will be utilized by the Keyes Community Services District to implement an 18-month strategy to keep on the street lights in the community. Critical elements of the plan include the development of an engineer's report to establish the annual assessment to meet the desired level of service, proceeding with an assessment ballot procedure per Proposition 218 to bring the proposal forward for consideration by impacted property owners, develop-

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-754

On motion of Supervisor Chiesa, Seconded by Supervisor Grover

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION: This Item was removed from the consent calendar for discussion and consideration.

ATTEST:   
CHRISTINE FERRARO TALLMAN, Clerk

## Approval to Use Community Development Funds to Assist with Implementation of the Keyes Community Services District Plan to Sustain their Street Light Program and Related Actions

### **FISCAL IMPACT: (CONTINUED)**

ing internal mechanisms and controls to improve the accounting of this program, and exploring the collection of the annual assessments through Stanislaus County and the tax roll. Community Development Funds will be used in large part to cover associated utility costs during the 18-month period with a smaller portion going towards some of the expenses that the District will incur during the preparation of the engineer's report and the assessment ballot procedure.

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, six projects have been awarded funding from this source, the North Martin Luther King Jr. Drive Sidewalk Project (\$64,120), 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), and the Airport Neighborhood Cleanup Event (\$5,000). The current uncommitted balance in the Community Development Fund is \$1,262,680. If the use of Community Development Funds for the Keyes Community Services District Street Light Program is approved, the uncommitted balance would be \$1,220,680, not including interest earnings.

### **DISCUSSION:**

#### Keyes Community Services District - Background

The Keyes Community Services District (CSD) was formed on June 20, 1955. This independent special district provides street lighting, water for domestic and commercial use, and sewage disposal for the properties within its approved boundaries. The Keyes CSD was originally formed in the late 1950's as a lighting district, consisting of approximately 49 street lights. At that time, property owners within the district boundaries are believed to have paid \$8 per year. Over the years, the Keyes CSD incorporated the other services that it currently provides--water and sewer. The Keyes CSD is administered by a five member elected Board and supported by the six District staff (3 maintenance and 3 administrative) that manage operations and maintenance of its facilities and programs.

#### Keyes CSD Streetlight Program - Past and Present

Since inception, the Keyes CSD Street Light Program has grown along with the population and development. Currently, the Keyes CSD oversees 176 street lights. Of these, 47 street lights (on wooden poles) are owned by the Turlock Irrigation District (TID) and 129 street lights (on wooden poles) are owned by the Keyes CSD. Some of the street lights owned by the Keyes CSD are a result of development in the community over the years and annexation into the existing lighting district. Each entity is responsible for the maintenance of the facilities that they own. The Keyes CSD currently pays the utility costs for all street lights within its boundaries to the Turlock Irrigation District. The annual utility rates for the Keyes CSD owned street lights total approximately \$12,500 and for the TID owned street lights nearly \$8,000. The total annual utility cost associated with the Keyes CSD Street Light Program is estimated at \$20,500. TID has

## Approval to Use Community Development Funds to Assist with Implementation of the Keyes Community Services District Plan to Sustain their Street Light Program and Related Actions

raised utility rates twice in approximately 11 years. In addition to utility costs, the Keyes CSD also incurs maintenance expenses for servicing the street lights that it owns. The maintenance costs incurred by the Keyes CSD is estimated at \$5,000 annually.

Although the number of street lights and the utility and maintenance costs has increased steadily over the years, as would be expected, the annual assessment has not kept pace. This has created a disparity in the program as expenditures far exceed the revenue coming in from the annual assessment. Originally set at \$8 annually, the current annual assessment for street lights is \$10. In addition, there are currently 1,125 parcels supporting the Keyes Street Light Program through the annual assessment. Hence, the revenue generated through the annual assessment is only \$11,125 per year. This figure does not take into consideration delinquent accounts. The Keyes CSD percentage of delinquent accounts is approximately 20%. Because the District currently collects assessments directly for the program, customers that do not pay have a lien placed on their property. In some cases, it may be years before the District is able to collect back assessments.

Back in 2008, the Keyes CSD attempted to adjust the annual assessment associated with the street light program through a tax measure (Measure P). In that instance, the required support by the electorate residing in the District was not attained. Nonetheless, Measure P did demonstrate a higher propensity for community support of this program. This was the direct result of a transparent public education effort to increase general awareness on the part of the Keyes residents of the benefits of having a well-lit community and a better understanding of the fiscal challenges facing the Keyes CSD in this important community program.

### Keyes CSD Streetlight Program - Plan of Action

During their September 22, 2009 regular meeting, the Keyes Community Services District took formal action to begin to take affirmative steps toward addressing the fiscal challenges in their street light program. Understanding the importance of maintaining a well-lit community for public safety, the District took three important steps in this regard. First, it took action to turn off the lights in Keyes unless a plan of action could be developed in a timely manner and which would correct the deficiencies in the program. Second, it adopted a resolution to begin the Proposition 218 proceedings for an assessment ballot procedure and directed the District's Engineer to begin preparation of an engineer's report that would be the basis for the proposed annual assessment. Lastly, it approved meeting with Stanislaus County officials to explore funding assistance to keep the lights in Keyes on during an interim period until the ballot procedure process could be completed. Based on past discussions with County officials, it was indicated that a strategy or plan would need to be developed and submitted for consideration along with the formal funding request. In preparation for this submission, contact was made by the Keyes CSD with the Turlock Irrigation District to obtain current information regarding utility rates, maintenance and other alternatives. The Turlock Irrigation District indicated a willingness to work with the Keyes CSD over these trying times.

## Approval to Use Community Development Funds to Assist with Implementation of the Keyes Community Services District Plan to Sustain their Street Light Program and Related Actions

On October 19, 2009, a special meeting was held by the Keyes Community Services District and it took action to submit a formal grant-funding request to the Chief Executive Officer of Stanislaus County. Furthermore, the District took action to reconsider turning off the street lights until a response from the County could be obtained. Representatives of the District Board were also designated to be available to meet with Supervisor Vito Chiesa and County staff to further discuss the formal request and to answer questions and provide clarification as needed. The meeting between the Supervisor, County staff and District representatives took place on October 22, 2009 and at the conclusion of the meeting, staff was directed to package the formal funding request by the District for consideration by the Board of Supervisors.

The following is an outline of the key elements of the 18-month plan for the Keyes CSD Street Light Program (July 1, 2009 through December 31, 2010):

- Grant funding request of \$42,000 to pay for 18-months of utility costs (to ensure that street lights remain on), engineer's report and legal expenses associated with the assessment ballot procedure per Proposition 218;
- District will absorb up to \$17,000 in costs associated with preparation of the assessment ballot procedure, maintenance expenses, miscellaneous equipment purchases (bulbs, wiring, etc.), and other unforeseen expenditures over the 18-month period;
- Engineer's report will be prepared and be the basis for the proposed annual assessment. Preliminary estimates indicate the assessment level will be anywhere from \$40-\$50 annually. The District will consider several options for the necessary assessment adjustment and also give consideration to the level of service provided;
- The District will consider changing their process for the collection of the annual assessments and explore the feasibility of collections through the County tax roll. Information already obtained from the Auditor Controller's Office is being reviewed by District staff;
- Extensive public outreach/education program will be developed to share information regarding plan with residents and property owners. Will utilize and coordinate with local entities (Keyes Municipal Advisory Council, Keyes Fire Protection District and Keyes Union School District);
- Improved accounting controls and budget practices will be instituted for the administration of the street light program moving forward; and
- A project funding agreement will be executed between Stanislaus County and the Keyes Community Services District that specifies the intended use of the grant funds and several deliverables that will be submitted to the Chief Executive Office for review.

Approval to Use Community Development Funds to Assist with Implementation of the Keyes Community Services District Plan to Sustain their Street Light Program and Related Actions

Use of Community Development Funds - General Public Benefit

The use of Community Development Funds for the purpose of assisting the Keyes Community Services District with the implementation of their plan to sustain their street light program 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 community of Keyes is going through a complete remodel as a result of the Keyes Improvement Project currently underway. This construction project is being sponsored and funded by the Stanislaus County Redevelopment Agency and administered by the Stanislaus County Public Works Department. The construction will install curb, gutter, and handicap curb returns; new street sections; a storm drain collection system and related facilities; a five-pump lift station; auxiliary power generator. The existing drainage basin will be expanded and an extension to the north of this basin will be excavated. Construction began in early February 2009 and is expected to take 18 to 24 months to complete. Sustaining the Keyes CSD Street Light Program is important for public safety considerations. Furthermore, it is consistent with the County's efforts to make improvements to the town and its current infrastructure.

**POLICY ISSUE:**

The Board of Supervisors is asked to determine if the recommended actions are consistent with its priorities of striving for a safe community and effective partnerships.

**STAFFING IMPACT:**

The Chief Executive Office will continue working with the Keyes Community Services District to provide support and monitor progress towards the implementation of the referenced plan. This includes review of key deliverables per the project funding agreement that will be executed between Stanislaus County and the Keyes Community Services District.



**KEYES COMMUNITY SERVICES DISTRICT**

**5601 7<sup>TH</sup> STREET**

**P O BOX 699**

**KEYES, CA 95328**

**209-668-8341 OFFICE**

**209-668-8396 FAX**

2009 OCT 20 A 11:08

**October 19, 2009**

**Chief Executive Office**

**Richard W. Robinson**

Chief Executive Officer

1010 10<sup>th</sup> Street, Suite 6800

P O Box 3404

Modesto, Ca. 95353-3404

**Subject: Request for one time funding for Street Lights in Keyes**

Dear Mr. Robinson,

This letter is a formal request for a one time funding grant to assist the Keyes Community Services District for resolving the street light issue in Keyes in a timely manner.

We have put together a financial projection of approximately 18 months. We need funds for this amount of time due to 1) it is going to take time for the County to get this on the tax roll to collect the money from the Street Lights 2) we are going to have to go through the proposition 218 and possibly not one time but two.

3) The customers that did pay the \$20.00 last year was given a credit of \$10.00 on their street lights for the up coming year. Also the extra \$10.00 that was billed was removed. Therefore we will not be getting any revenue from these customers that did pay when we bill them (if the street lights are still on) because they will have a zero balance. We still have people that have not paid and will not pay unless it is put on their tax bill.

Below is a list of estimated expenditures:

Turlock Irrigation Bill for one year	\$ 20,427.24
Turlock Irrigation Bill for 6 months	\$ 10,213.62
Engineering Assessment Report	\$ 7,500.00
Attorney Fee's for Proposition 218	\$ 2,000.00
Grand Total	\$ 40,140.86

Postage for billing and proposition 218	\$ 1,500.00
The monies that was reimbursed in 2009	\$ 9,670.00
Miscellaneous Equipment (Bulbs, etc)	\$ 1,000.00
Proposition 218 (Ballots and Supplies)	\$ 1,000.00
10% of unforeseen expenditures	\$ <u>4,014.09</u>
Total costs District will absorb	\$ 17,184.09

Keyes Community Services District is graciously requesting from Stanislaus County the amount listed (\$40,140.86) above to help keep on the street lights for the next 18 months and to go through a mail out ballot process to the owners of properties to increase the street light fee from \$10.00 to \$50.00 and to have this amount put on the tax roll to have the County collect these fees for the District. We hope to get this on next year's tax roll which would be for Fiscal Year 2010-2011. This would be for Fiscal Year July 1, 2009 to June 30, 2010 and through Fiscal Year July 1, 2010 through December 31, 2010. By increasing the fee from \$10.00 to \$50.00 this would increase the revenue to approximately \$56,250.00. This would also cover any unforeseen increase from T.I.D. should they happen to do another rate increase.

**History of the Lighting District:**

The Keyes Community Services District was first formed in the late 50's as a lighting district. When the District first started there was only the Street Lighting District. The District had approximately 49 lights. The District did not have a problem with the revenue or expenses at that time. We were told that the lights were \$8.00 a year at that time and were collected by the county on their tax roll. We are not sure when the Street Lights was raised but today the charge is \$10.00 a year and we bill at the end of each year for the up coming year and we collect the fees in the District office. People who don't pay get liens put on their property and is collected when they re-finance their property, sell their property or become deceased. We usually collect the biggest part of the revenue in the first three months of the year. However we are still getting billed by Turlock Irrigation District every month for the usage of electricity on those street lights and we still have to purchase bulbs and replace the ones that have been shot out or burnt out.

Turlock Irrigation District has raised their rates twice in approximately 11 years. The Board at the first rate increase did not pass this increase on the customer. There was no rate increase of any kind. The second rate increase that was made by Turlock Irrigation District was passed on



to the customer, however not in the street lights only in the water and sewer. Also there were new subdivisions added in Keyes which meant more street lights and more electric bills. We had Starlite Subdivision, Fouch, Dennis Wren's, Horn Tract, Victoria Park and finally Bonita Ranch. So basically the increase was never passed on to the consumer and this caused the District to go into red more and more.

The Street Light budget is developed according to the prior year's revenue and expenditures and we try to add an increase for the inflation of that budget year to the expenditures. The level has always depended on the amount of properties in the district and multiplied by the cost per year which is now \$10.00.

Today we have 47 street lights on wooden poles which T.I.D. maintains and we pay the electric bill to them. We have 129 Street Lights on Metal Poles which KCSD maintains and pays the electric bill to T.I.D. That is a total of 176 lights total. We have 60-LC 100 watt Bulbs, 68-LC 150 watt bulbs, 2-LC 200 watt bulbs, 46-LD 100 watt bulbs and 1-LD 200 watt bulb. LC=Districts Lights and LD=TID wooden poles lights.

Below is a detailed summary of the rates that Turlock Irrigation District charges us for each light and wattage of bulb used for one month and estimated annual fee.

T.I.D. UTILITY RATES

<u>Primary Charge</u>	<u>Public Benefits Charge</u>	<u>Power Supply Adj.</u>	<u>State Surcharge</u>
LC Sodium 100 Watt \$6.03	0.19 cents	0.50 cents	.01 cents
LC Sodium 150 Watt \$8.24	0.25 cents	0.66 cents	.01 cents
LC Sodium 200 Watt \$9.90	0.31 cents	0.83 cents	.02 cents
LD Mercury 175 Watt \$14.97	0.45 cents	0.70 cents	.02 cents
LD Sodium 100 Watt \$12.93	0.38 cents	0.50 cents	.01 cents
LD Sodium 200 Watt \$20.70	0.61 cents	0.83 cents	.02 cents

45 100 Watt LD X \$13.82 = \$ 61.90 per month  
 1 200 Watt LD X \$22.16 = \$ 22.16 per month X 12 months = \$7,922.40  
 1 175 Watt LD X \$16.14 = \$ 16.14 per month

59 100 Watt LC X \$ 6.73 = \$ 397.07 per month  
 68 150 Watt LC X \$ 9.16 = \$ 622.88 per month X 12 months = \$ 12,504.84  
 2 200 Watt LC X \$11.06 = \$ 22.12 per month

176 Total Street Lights  
 Total cost for one year \$ 20,427.24

In the early 60's the need for water and sewer was needed so the new Keyes Community Services District was formed as we know it today. This District now supplies water/sewer and street lights to the residents of Keyes. The level of service that KCSD has historically provided to the Keyes Community is to maintain and operate the Street Lights all year long. Changing burnt out or shot out bulbs and contacting Turlock Irrigation District when one of the lights on the wooden poles are not working and then T.I.D. would come out and take care of those.

**Next Step:**

At this time the Board President, has been working with the Senior Management Consultant of the CEO of Stanislaus County, and Turlock Irrigation District on how to go about, 1) turning off the street lights and 2) getting funding to try and keep the street lights on until we can go through a proposition 218 mail out ballot to all property owners to increase the amount that a parcel would pay annually for street lights. The District feels that a safety issue is at hand by turning off all the street lights and would like to wait before turning off any street lights to see if we can get the funding from the County first while at the same time preparing to go forth with Proposition 218.

Turlock Irrigation District stated to the Board President that they would not charge the District anything to turn off the Street lights the first time, however if we requested a rotating of street lights to be turned off and on then they would have to charge the District. At this time we have all lights on and they are from dusk to dawn.

At KCSD's Board Meeting on September 22<sup>nd</sup> the Board made a Motion and seconded it to turn off the street lights, conditioned to confirming a mandatory duty to keep lights on at the intersections. The District's attorney has looked into the liability issues as far as turning off the street lights in Keyes and turning off the street lights at intersections. He found that there would be no liability for the KCS District if anything were to happen in an intersection that had no street light. The Motion carried with Director Chadwick opposing the motion.

The plan in the meantime is to go through all the steps to get us to Proposition 218 to have a vote of the property owners and see if the increase will pass. We will set up steps to bring in Revenue to be sufficient with current expenditures and non-foreseen expenses collect in house until we can get in on the tax roll. The District has contacted the Tax Collectors office and they have emailed me the packet for the District to look over and if the District has any questions the District can call them for any assistance.

The street light options that is available in the interim to the residents from the District is none without the funding. Other options are the residents can call Turlock Irrigation District and have a personal pole put on their property with a light on it and the charge from T.I.D. is approximately \$12.47 per month which they pay to T.I.D.

The proposed schedule for implementing this plan/strategy is the beginning of the annual year of 2010.

**Analysis/Financing:**

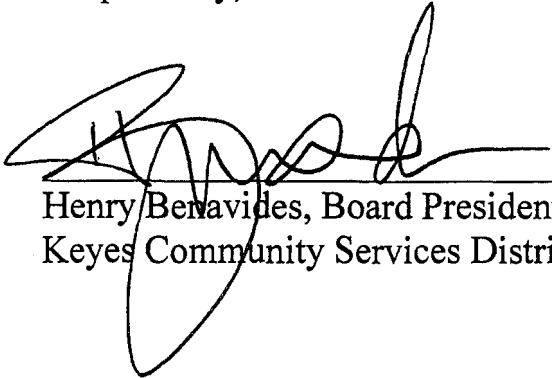
The current assessment for street lighting is \$10.00 per year. After comparing the figures of the past two years, this provides approximately 45% of the service. Not enough. The Board has not made a decision on the assessment level proposed, this will probably be done after the District's Engineer has done the assessment report and the Board along with the attorney starts working on the Proposition 218. After speaking with the C.E.O. of Stanislaus County who stated that his lighting and landscaping bill was approximately \$120.00 for both lighting and landscaping our view would be \$50.00 per year per parcel at a multi-year plan for five years should be sufficient to get the street light fund in the black and be able to upgrade annually and have funds in place for any unforeseen problem that may arise. The rates could be raised \$5.00 a year if needed and if not needed then don't raise it. The community would be provided with Street lights and a proposal to add three to four new street lights per year to each block, also to change out wooden poles for metal poles. This would be an upgrade annually as funds are made available and eventually we would own all the lights and the poles would be metal not wood. The cost is cheaper for the lights on the metal poles than they are for the wooden poles. The costs of metal poles are approximately \$1500.00 each. The level of service it is expected to provide over exceeds expectations or demands. We now have approximately 1125 parcels that are billed. However at this time there are no other levels of service available due to lack of revenue. The current process for addressing delinquent street light accounts today is that we place liens on the property. How this will be addressed under the new strategy that is being proposed is that we would like for the County to put the charge on the tax roll to be collected by the County.

**Public Education/Outreach:** (1) The District has sent letters out to the public letting them know that we are in the red, and we are in the process of going through a Proposition 218 to increase the lighting fee due to not having enough money to operate. We have informed them that street lights may be turned off if we don't receive the funding. (2) We will start having monthly workshops so the public can be informed and ask questions. We will mail out flyers to property owners informing them of the workshops, when and where they will be held. We will be encouraging them to attend.

**Other:** We will readdress and go through another proposition 218 if this one fails but first we must turn off all the street lights. By replacing the wooden poles with metal ones the cost of electricity will go down.

Keyes Community Services District is very much interested in working with the County and the community and to go through the process for consideration of this one time funding in order to help keep on the street lights here in Keyes. We understand that this request is only a starting point for the County and the District to begin to discuss whatever it is going to take to resolve this important community issue and to determine the appropriate level of necessary approval by the Board of Supervisors to assist with the implementation of this strategy/plan.

Respectfully,



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Henry Benavides, Board President  
Keyes Community Services District

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

This Agreement is made and entered into in the County of Stanislaus, State of California, this 23 day of November, 2009, by and between the Keyes 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 October 19, 2009, the Chief Executive Office received a request for funding in the amount of \$40,140.86 from the Keyes Community Services District to assist with sustainability of their street light program ; and

WHEREAS, on November 3, 2009, the Stanislaus County Board of Supervisors authorized the use of \$42,000, based on staff's recommendation, from the Community Development Fund for the purpose of assisting the Keyes Community Services District with implementation of the 18-month plan to sustain their street light program and specifically associated utility, engineering and legal costs over this period; 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:

**100. OBLIGATIONS OF THE COUNTY TO DISTRIBUTE COMMUNITY DEVELOPMENT FUNDS**

101. COUNTY agrees to grant the sum of \$42,000 to the DISTRICT from the Community Development Fund to be used for the implementation of the plan to sustain the DISTRICT's street light program, as set forth in Board Action #2009-754, 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.

**200. DISTRICT'S OBLIGATIONS**

201. DISTRICT agrees to utilize the funds received from the COUNTY described in paragraph 101 exclusively for the purposes described in Exhibit A.

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

203. 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.

204. DISTRICT agrees that, as part the reporting requirements associated with the use of the funds, will provide to the County with the following deliverables (copies thereof) over the period of July 1, 2009 through December 31, 2010:

- Utility invoices paid to the Turlock Irrigation District for the street light program;
- Adopted Resolution 09-455 commencing street lighting assessment process and proceedings;
- Draft and final engineer's report prepared for the street lighting assessment and associated invoices for related engineering and legal expenses;
- Maintenance expenses and staff costs incurred within the street light program;
- Any notices/letters to the community (as part of public outreach) regarding the plan to sustain the street light program; and
- Completed packet to the Auditor's Controller's Office for charges/assessments to be accepted for the Property Tax Roll.

205. DISTRICT agrees that it will provide the COUNTY with reports on the progress of the implementation of the plan, upon written request from the County's Chief Executive Officer.

**300. MUTUAL OBLIGATIONS**

301. 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:

Henry Benavides, DISTRICT President  
P. O. Box 699  
Keyes, CA 95328

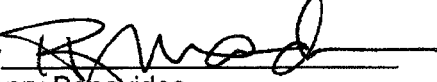
302. The provisions of this Agreement, shall constitute the entire Agreement between the parties and unless modified by written agreement and duly executed by the parties hereto, shall continue in full force and effect.

303. 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.

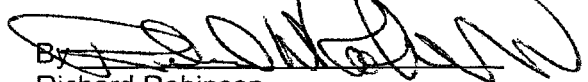
304. DISTRICT and COUNTY further covenant to cooperate with one another in all respects necessary to ensure the successful consummation of the action contemplated by this Agreement, and each will take all actions within its authority to ensure cooperation of its officials, officers, agents and employees.

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


**KEYES COMMUNITY SERVICES DISTRICT**

By   
Henry Benavides  
DISTRICT President

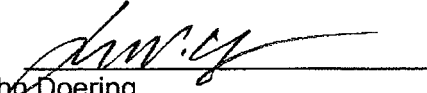
**COUNTY OF STANISLAUS**

By   
Richard Robinson  
Chief Executive Officer

APPROVED AS TO FORM:

By   
Attorney,  
DISTRICT

APPROVED AS TO FORM:

By   
John Doering  
County Counsel

# PowerPoint Presentation

## Use of Community Development Funds

To Sustain the Keyes Street Light  
Program

November 3, 2009





# Staff Recommendations

- Approve use of \$42,000 to assist Keyes Community Services District with plan to sustain street light program.
- Authorize Chief Executive Officer to execute agreement with the Keyes CSD for receipt of funding.
- Direct the Auditor-Controller to increase appropriations as detailed in the Budget Journal Form.

# Keyes CSD – Background: Past

- Formed on June 20, 1955.
- Independent special district that provides street lighting, water for domestic and commercial use, and sewage disposal.
- In late 50's, lighting district consisted of 49 lights, assessment \$8 per year.

# Keyes CSD – Background: Present

- Currently, 176 street lights within district.
- Annual assessment currently is \$10 per year and total of 1,125 parcels.
- Total annual utility costs (Turlock Irrigation District) is approximately \$20,500.
- Total annual maintenance costs is approximately \$5,000.
- Immediate need to correct fiscal challenges in program.

# Keyes CSD – Plan of Action

- \$42,000 of Community Development Funds for 18-month of utility costs and expenses associated with Proposition 218 Assessment Ballot Procedure.
- District will absorb approximately \$17,000 in costs associated with preparation of ballot procedure and maintenance.
- Engineer's report, level of service and community outreach.

# Keyes CSD – Plan of Action (Continued)

- Collection of assessment through County Tax Roll will be explored.
- Improved accounting controls and budget practices.
- Project funding agreement will be executed between Stanislaus County and Keyes CSD.

# Use of Community Development Funds

- Consistency with goal of supporting “one time projects/programs benefiting the unincorporated area that demonstrates strong local support and commitment and a general public benefit.”
- Consistency with County’s efforts in Keyes area to improve local infrastructure system.

# Staff Recommendations

- Approve use of \$42,000 to assist Keyes Community Services District with plan to sustain street light program.
- Authorize Chief Executive Officer to execute agreement with the Keyes CSD for receipt of funding.
- Direct the Auditor-Controller to increase appropriations as detailed in the Budget Journal Form.