

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

DEPT: Chief Executive Office

BOARD AGENDA # \*B-2

Urgent  Routine  *RA*

AGENDA DATE August 16, 2011

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 Water Well Improvements and Related Actions

STAFF RECOMMENDATIONS:

1. Approve an advance of \$14,800 from the Community Development Fund to the Crows Landing Community Services District for necessary water well improvements to be repaid in equal installments over a five year period.
2. Authorize the Chief Executive Officer to execute a Project Funding Agreement with the Crows Landing Community Services District for the advance from the Community Development Fund.
3. Direct the Auditor-Controller to establish all necessary accounting protocols for the administration, tracking, disbursement and reimbursement of funds.

FISCAL IMPACT:

The recommended Community Development Fund advance to the Crows Landing Community Services District in the amount of \$14,800 will assist with water well improvements. These funds will be used by the Crows Landing Community Services District to begin immediate repairs to a failing water well that serves the residential and commercial properties in the town and the local school. The District anticipates repaying the obligation in five equal annual installments of \$2,960 commencing one year after the improvements have been completed and per the specific terms of the Project Funding Agreement.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2011-475

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. DCS-11-21

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

**FISCAL IMPACT: (Continued)**

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, thirteen projects have been awarded funding from this source. Such community projects have included sidewalk, lighting and infrastructure improvements in unincorporated communities. The current uncommitted balance in the Community Development Fund is \$1,231,269. If the use of Community Development Funds for the Crows Landing Community Services District is approved, the uncommitted balance would be \$1,216,469, not including interest earnings.

**DISCUSSION:**

Crows Landing Community Services District - Background

The Crows Landing Community Services District (Crows Landing 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. 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 over the years have been a challenge for the Crows Landing CSD given their limited resources.

In 2010, the Crows Landing CSD adjusted its rate structure in order to better support current operations and accommodate future infrastructure needs. This effort further helped the Crows Landing CSD better comply with the stringent State requirements for public water purveyors.

On April 27, 2010, the Board of Supervisors approved a small grant in the amount of \$3,000 from the Community Development Fund for the installation of water meters to allow the Crows Landing CSD to better track usage and detect leaks. 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 the Stanislaus County Redevelopment Agency.

Crows Landing CSD Water Well - Loan Request

In July 2011, the Crows Landing CSD District Manager contacted the Stanislaus County Redevelopment Agency regarding a possible loan to complete necessary water well improvements. The Redevelopment Agency indicated to the District Manager that it is not entertaining funding requests at this time due to recent State action to dissolve redevelopment agencies. The District Manager then contacted the Chief Executive Office with the loan request.

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

The Crows Landing CSD water well on Fourth Street was pulled by Howk Systems in early July because it was pumping only 200 gallons per minute (gpm) instead of the 500 gpm it should pump. After pulling the well, Howk Systems found holes on the well column. Howk Systems identified a need to replace 100 feet of well column and bearings and also make repairs on the well bowls.

The well repair was discussed by the Crows Landing CSD Board of Directors on July 20, 2011 during their regular meeting. The Crows Landing CSD concluded that the repair of the well was needed because the town is currently only being served by one well and the community is at risk if it fails. The District Manager was directed to explore securing a loan from Stanislaus County and authorized to negotiate and execute the agreement if the terms were favorable. The Crows Landing CSD recognized that the work needed to be completed as soon as possible due to current exposure for the town of Crows Landing.

Howk Systems provided the Crows Landing CSD with a project cost proposal of \$14,831.65 . The Crows Landing CSD recently adjusted water rates provides them the ability to repay the advance in five years. The repayment terms and other details are included in the Project Funding Agreement. The Project Funding Agreement and project cost proposal are attached.

### Use of Community Development Funds - General Public Benefit

The use of Community Development Funds for the purpose of assisting the Crows Landing CSD with 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."

### **POLICY ISSUE:**

This action is consistent with the Board's priorities of striving for A Well Planned Infrastructure System and Effective Partnerships by providing assistance to the Crows Landing CSD to make important repairs to the water system serving Crows Landing.

### **STAFFING IMPACT:**

The Chief Executive Office will administer the Project Funding Agreement that will be executed between Stanislaus County and the Crows Landing CSD. This includes ensuring that allocated funds are used for the intended purpose and repayment terms are met.

### **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 16th day of August, 2011, 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 August 16, 2011, the Stanislaus County Board of Supervisors authorized an advance of \$14,800, based on staff's recommendation, from the Community Development Fund for the purpose of assisting the Crows Landing Community Services District with water system improvements that included the repair of a District water well that serves the residential and commercial properties in Crows Landing along with the local school (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**

1.1. COUNTY agrees to advance the sum of \$14,800 to the DISTRICT from the Community Development Fund to be used to make repairs to a District well that serves the residential and commercial properties and local school in Crows Landing, as set forth in Board Action #\_\_\_\_\_ and incorporated herein by reference. Payment from the Community Development Fund to the DISTRICT shall be made upon the execution of this agreement and receipt of a cost proposal for the said repairs from a licensed contractor.

1.2. The County Auditor-Controller shall be set up an account payable from the Community Development Fund to the Applicant in the amount of \$14,800.

1.3. The COUNTY shall designate that the County Auditor-Controller provide the Applicant with the status of the receivable account upon receiving a written request from the DISTRICT.

## **2. OBLIGATIONS OF THE DISTRICT**

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 that repayment to the Community Development Fund will be accomplished in five annual payments of \$2,960 every September, beginning September 1, 2012, with the final payment on September 1, 2016. If the funds advanced by the Community Development Fund to the DISTRICT are not repaid in full by the date specified, the DISTRICT agrees to meet with the COUNTY to renegotiate the repayment terms and conditions of this Agreement. The DISTRICT may choose to repay the full obligation at any time prior to September 1, 2016.

2.3. DISTRICT agrees that the project will begin within 30 days from the date that the Board of Supervisors approves funding of the project. Should the project fail to begin within this time frame, the DISTRICT agrees to meet with COUNTY to determine the status and/or feasibility of the project.

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

2.5. 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.

2.6. 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.

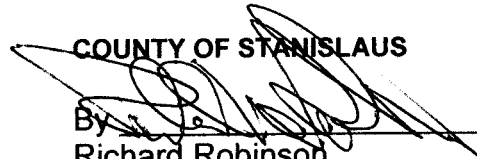
3.5. The parties agree to hold each other harmless from and against any and all claims, actions, lawsuits, losses, damages and liabilities arising from any contention, allegation, or negligent act or omission based on acts necessary to effectuate the purpose of the Agreement.

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

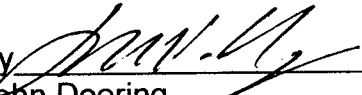
**CROWS LANDING COMMUNITY SERVICES DISTRICT**

By   
Ignacio Lopez  
District Manager

**COUNTY OF STANISLAUS**

By   
Richard Robinson  
Chief Executive Officer

APPROVED AS TO FORM:

By   
John Doering  
County Counsel



1111  
895-8169

TO: Crows Landing Water Co.

PROJECT: 40 HP Pump Repairs

**MATERIAL**

ITEM DESCRIPTION	QTY	UNIT OF ISSUE	UNIT PRICE	EXT. PRICE
Pumping Water Level 222 feet				
Standing water Level 82 feet				
Amps on 480 Volts 50				
Gallons per minute - open 200				
Holes found in 6" column pipe				
Wear on bowl unit				
6" x 20' column pipe sections	5		615.00	3,075.00
2 x 1-1/4 x 20' inner column assembly	2		497.00	994.00
lot, bearings, gaskets, connectors, lubricants	1		500.00	500.00
Number of pipe sections may vary upon inspection				

MATERIAL SUBTOTAL	4,569.00
TAX (STAN. CO.)	382.65
<b>MATERIAL TOTAL</b>	<b>4,951.65</b>

**LABOR**

LABOR DESCRIPTION	QTY	UNIT OF ISSUE	UNIT PRICE	EXT. PRICE
Pull pump and Re-install in well	32	Hr -2 man crew	150.00	4,800.00
Rebuild bowl unit	16	Hr - machinist	85.00	1,360.00
Shop work, check column assembly	24	Hr. pump mech	75.00	1,800.00

<b>LABOR TOTAL</b>	<b>7,960.00</b>
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**EQUIPMENT**

EQUIPMENT DESCRIPTION	QTY	UNIT OF ISSUE	UNIT PRICE	EXT. PRICE
Pump Rig	32	hr	40.00	1,280.00
Flat Bed	32	hr	20.00	640.00

<b>EQUIPMENT TOTAL</b>	<b>1,920.00</b>
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Project Total \$14,831.65