

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

DEPT: Chief Executive Office

BOARD AGENDA #: *B-2

AGENDA DATE: December 5, 2017

SUBJECT:

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

BOARD ACTION AS FOLLOWS:

No. 2017-675

On motion of Supervisor Withrow, Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

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:

ATTEST: Elizabeth A. King
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA #: *B-2

Urgent Routine

AGENDA DATE: December 5, 2017

CEO CONCURRENCE: *phx*

4/5 Vote Required: Yes No

SUBJECT:

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

STAFF RECOMMENDATIONS:

1. Approve an advance of \$20,000 from the Community Development Fund to the Crows Landing Community Services District for necessary water well repairs 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.

DISCUSSION:

Crows Landing Community Services District – Background

The Crows Landing Community Services District (District) was formed on September 23, 1986. The District is located in the unincorporated community of Crows Landing, on the west side of Stanislaus County along State Highway 33, midway between the cities of Patterson and Newman. The District encompasses an area of approximately 124 acres. In addition, the former Crows Landing Naval Air Base is located approximately one mile west of the District boundaries.

The District provides municipal water services for 137 residential and commercial customers via two groundwater wells. The system is aging and has required costly repairs, which is a challenge for the District given their limited resources.

Crows Landing Community Services District – Community Development Fund Use History

Two grants and one loan have been made from the Community Development Fund to the Crows Landing Community Services District. In April 2010, a grant of \$3,000 was made to the District for the installation of water meters in order to better track usage and detect leaks. In August 2011, the Community Development Fund loaned \$14,800 to the District for repairs to a

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failing water well. This loan was repaid over a period of five years. The final payment was received in September 2016. Lastly, a grant in the amount of up to \$20,000 was approved in October 2014 for an emergency water well repair. Of this amount, the District only required the use of \$12,189.

Current Loan Request

In a letter dated October 22, 2017 the Crows Landing Community Services District's District Manager requested financial assistance to help cover the costs of needed well repairs. The District's Well #4 is not currently pumping water, and requires a chemical treatment to well screens and gravel pack to restore the expected flow from the well. It is vital the well receive these repairs prior to the summer months as both wells are required to meet the peak water demand for the community.

The cost of the chemical treatment is estimated at \$30,905 per a cost estimate the District has received. The District is requesting a loan of \$20,000 to cover approximately two-thirds of the cost of the treatment with the District covering the rest of the cost with its own funds. If approved, the loan will be repaid in five equal annual installments of \$4,000 commencing on January 1, 2019.

POLICY ISSUE:

Community Development Funds are intended to provide funding for projects or programs benefiting the unincorporated area that demonstrate strong local support and commitment and a general public benefit. Use of Community Development Funds requires approval from the Board of Supervisors ensuring the funds go toward projects meeting this criterion.

FISCAL IMPACT:

The Community Development Fund has a total balance of \$2,388,227 as of November 1, 2017. The Crows Landing Community Services District is located in County Supervisor District 5, which has a balance of \$443,900. The \$20,000 loan will not include interest and will be paid back over a period of five years with final payoff occurring in January 2023. Loans from the Community Development Fund are a balance sheet transaction, and therefore do not require an appropriations adjustment.

BOARD OF SUPERVISORS' PRIORITY:

The recommendations are consistent with the Board's priorities of a Healthy Community, a Well Planned Infrastructure System, and Effective Partnerships by providing assistance to the Crows Landing Community Services District to make important repairs to the water system service Crows Landing.

STAFFING IMPACT:

Existing Chief Executive Office staff will administer the Project Funding Agreement that will be executed between Stanislaus County and the Crows Landing Community Services District.

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

This includes ensuring that allocated funds are used for the intended purpose and repayment terms are met.

CONTACT PERSON:

Patrick Cavanah, Senior Management Consultant Phone – (209) 525-6333

ATTACHMENT(S):

1. Project Funding Agreement

Attachment 1
Project Funding Agreement

**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 5th day of December, 2017, 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, on September 5, 2015, the Stanislaus County Board of Supervisors authorized an additional 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 is 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 December 5, 2017, the Stanislaus County Board of Supervisors authorized the use of \$20,000 from the Community Development Fund for the purpose of assisting the Crows Landing Community Services District with water system repairs that includes a chemical treatment of the well screens and gravel pack; 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 loan the sum of \$20,000 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 #2017-675, attached hereto as Exhibit A and incorporated herein

by reference. Payment of the loan amount by the COUNTY to the DISTRICT shall be made within 30 days after the execution of this agreement.

1.2. The County Auditor-Controller shall set up an account payable from the Community Development Fund to the Applicant in the amount of \$20,000.

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. DISTRICT'S OBLIGATIONS

2.1. DISTRICT agrees to utilize the funds received from the COUNTY described in Paragraph 1.1 exclusively for the purposes described therein.

2.2. DISTRICT agrees to repay the loan amount by making five annual payments of \$4,000 every January, beginning January 1, 2019, with the final payment on January 1, 2023. If the DISTRICT is unable to make an annual payment 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 January 1, 2023.

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 responsibility for the appropriate use of the funds, including without limitation competitive bidding and prevailing wage where necessary.

2.5. DISTRICT upon receiving a written request from the County's Chief Executive Officer, or designee, shall provide documentation that the DISTRICT has expended the loan funds 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, or designee.

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: Keith D. Boggs

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.

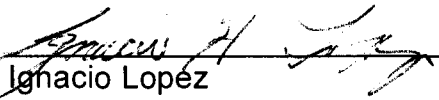
3.3. Venue for any actions initiated by either party shall be in the Superior Court of Stanislaus County and California law shall apply to all the Agreement's terms and conditions.

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

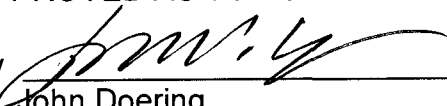
By



Jody L. Hayes
Chief Executive Officer

APPROVED AS TO FORM:

By



John Doering
County Counsel