

EXECUTIVE OFFICER'S REPORT

To The
Local Agency Formation Commission

Commissioner **David West** [Public]

Commissioner **Michael Kelley** [Supervisor]

Commissioner **Jason Jackson** [City] (Vice-Chair)

Commissioner **Ray Castillo** [Supervisor] (Chair)

Commissioner **Maria Nava-Froelich** [City]

Alternate Commissioner **Jesus E. Escobar** [Supervisor]

Alternate Commissioner **Jim Predmore** [City]

Alternate Commissioner **Ed Snively** [Public]

REPORT DATE: January 2, 2020

FROM: Jurg Heuberger, Executive Officer 

PROJECT: Formation of the Rancho Los Lagos Community Services District,
RLL CSD 1-18

HEARING DATE: January 23, 2020

TIME: 08:30 a.m.

AGENDA ITEM NO: 9

HEARING LOCATION: El Centro City Council Chambers, 1275 Main St., El Centro, CA 92243

RECOMMENDATION(S) BY THE EXECUTIVE OFFICER (In Summary & Order)

OPTION #1: Information Item Only

ANAYLSIS/REPORT

Project:

The “project” is the formation of a Community Services District (CSD) known as the Rancho Los Lagos Community Services District. The purpose of this district is to provide the services needed for the implementation of the Specific Plan approved by the County.

The CSD includes 1,076 acres located south of the City of Brawley between State Route 86 and Dogwood Rd. The CSD will consist of 3,830 dwelling units, including 200 assisted living spaces, 60,000 sq. ft. of retail commercial space and 1.5 million sq. ft. of industrial space. About 25 percent of the units would be in an active adult community. The CSD would provide 71 acres of public parks in addition to a golf course and a 12,000 sq. ft. recreation center. Additional public facilities include a fire station, a wastewater treatment plant, two elementary schools and an Imperial Irrigation District Substation. At full buildout the estimated population would be 10,560.

History:

G.C. 61013 (a) A proposal to form a new district may also be made by the adoption of a resolution of application by the body of any county, city, or special district that contains any of the territory to be proposed to be included in the district.

September 18, 2018- The Imperial County Board of Supervisors adopted a Resolution of Application to form a Community Services District.

I. Feasibility

G.C. 61014 (b) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a district unless the commission determines that the proposed district will have sufficient revenues to carry out its purpose.

December 28, 2018- LAFCO retained Applied Development Economics, Inc. (consultant) to prepare an Economic Analysis of the proposed CSD. A draft report was completed in August of 2019 and provided to the Applicant and the County of Imperial for review/comment.

At this time, LAFCO is working with County staff to iron out the details/procedures that are required prior to forming the CSD. It is important to remember that a new CSD that does not have registered voters within the boundary is managed by the County Board until such time as there are enough voters. This of course implies some costs must be reimbursed by the new CSD to the County.

II. Domestic Water

November 7, 2018- The State Water Resources Control Board submitted a letter stating in part “**The RLL CSD project applicant must seek domestic water supply from the City of Brawley.** Please be advised that it is the policy of the State Board to discourage the establishment of new, unsustainable Public Water Systems when there is a feasible alternative, and the State Board is authorized to deny a domestic water supply permit application for a proposed PWS. Please note, the requirements in SB 1263

do not apply to a service area where an applicant certifies in writing to the State Board that the applicant will not rely on the establishment of a new PWS for its domestic supply.”

Rancho Los Lagos has approached the City of Brawley to obtain domestic water services.

At this time, the Applicant (CSD) and the City of Brawley are working out the details of how the CSD would affect the cities current water system. It is also critical to note that the City of Brawley, although years ago when the project first applied to the County, was interested in providing services as was the City of Imperial. In part that was due to the ultimate plan for the Mesquite Lake area which has not been a focal issue, the City is not willingly volunteering to partner on this.

It is a situation where the State of California has a significant hammer, thus the City has cooperated with LAFCO and the County in developing a program wherein the City would sell “bulk” water to the CSD and the CSD would then act as the retailer rather than the City. It’s important to note that should the City of Brawley provide domestic water, they would only sell water in bulk but would not manage the individual meters or the billing of the CSD residents.

III. Initial Board of Directors

G.C. 61022 (a) In the case of a proposed district which contains only unincorporated territory in a single county and less than 100 voters, the local agency formation commission may provide, as a term and condition of approving the formation of the district, that the county board of supervisors shall be the initial board of directors until conversion to an elected board of directors.

At this time, LAFCO is working with County staff to iron out the details prior to forming the CSD. This process is somewhat complicated due to the fact that the County in approving the project also required a Development Agreement with the Developer. That agreements spells out a number of issues that the development has to meet, that also now have the potential to impact the CSD’s financials.

IV. Conclusion

This is an informational item; however, staff will be glad to answer questions of and by the Commission. This is not a public hearing so no decisions will be made. The Commission may provide input and some limited direction to staff.