

INDIAN WELLS CITY COUNCIL

April 3, 2025



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, City Finance Director
Subject: **Annual Levy and Engineer's Report for the Drainage Maintenance Benefit Assessment District No. 1**

RECOMMENDED ACTIONS:

Council **OPENS** the Public Hearing, takes any public testimony, **CLOSES** the Public Hearing; and

ADOPTS Resolution approving the Engineer's Report for the Drainage Maintenance Benefit Assessment District No. 1 for the Fiscal Year 2025-26; and

ADOPTS Resolution approving the annual levy of the Drainage Maintenance Benefit Assessment District No. 1 for the Fiscal Year 2025-26; and

ORDERS the Drainage Maintenance Benefit Assessment District No. 1 levy to be placed on the Fiscal Year 2025-26 Riverside County tax roll; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

BACKGROUND:

The City is responsible for levying the annual drainage maintenance assessment in accordance with the Landscape and Lighting Act of 1972 and Proposition 218. As a condition of approval for the Province development in 2006, the City required the developer to install and guarantee the maintenance of stormwater control structures. The structures consist of two drywells at the northeast corner of Desert Horizons Drive and Vista Del Ray Drive.

These drywells remove nuisance water and stormwater from the Province's development into neighboring developments. The City performs monthly inspections and schedules semi-annual "cleanouts" of the drywells to ensure effective operation.

FISCAL IMPACT:

There is no direct fiscal impact on the City, as the revenues generated from the annual levy are designated specifically for the operation of the District and do not affect the City's General Fund. The levy is assessed at a fixed rate of \$120.68 per parcel, with the City projecting total revenue of \$16,050 from 133 assessed parcels located within the gated area of the Province. In accordance with sound financial management practices, all revenues collected for the District are recorded in a dedicated Special Revenue Fund. These funds are restricted and utilized exclusively for the administration and operation of the District, as detailed in the attached engineer's report.

OPTIONS:

1. Approve the annual levy for Drainage Maintenance Benefit Assessment District No. 1 for Fiscal Year 2025-26: Approving the annual levy ensures that adequate funding is available for the ongoing maintenance, repair, and operational needs of the District's drainage infrastructure. These funds support critical activities such as clearing debris from drainage channels, maintaining stormwater detention basins, and ensuring proper water flow to prevent flooding and erosion. Approval of the levy allows the City to fulfill its obligation to property owners within the District by preserving infrastructure integrity and mitigating potential environmental and public safety risks. Additionally, continued funding through the levy helps the City maintain compliance with regional and state stormwater regulations, avoiding potential legal or financial penalties.
2. Decide against approving the annual levy: If the levy is not approved, the District will not receive the necessary funding for its drainage maintenance operations. As a result, the City may be unable to perform essential maintenance, leading to increased risks of localized flooding, blockages in drainage systems, and potential property damage within the District. Over time, neglected infrastructure may deteriorate, resulting in higher long-term repair costs. Without an alternative funding source, the burden of drainage system failures could shift to property owners or require the City to divert resources from other essential services.
3. Provide alternative instructions for staff: The City Council may choose to direct staff to explore alternative funding mechanisms, such as adjusting the assessment formula, identifying supplemental revenue sources, or restructuring the District's maintenance priorities. Alternative instructions could also include conducting an updated engineering study to reassess the long-term financial sustainability of the District or evaluating cost-sharing opportunities with regional agencies. If modifications to the levy structure are desired, staff may need to initiate a public outreach process to ensure that affected property owners are informed and engaged in the decision-making process. Any alternative approach should seek to

balance financial sustainability with the continued maintenance and effectiveness of the drainage system.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Resolution – Ordering the levy and collection
2. Resolution – Approving the Engineer's Report