

HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

MEETING DATE: April 9, 2021

FROM: Laura Fischer, General Manager

SUBJECT: Authorize the HPUD Board President to sign a letter to LAFCO approving a temporary water service connection for cannabis indoor growing operations at Mesquite Lake Water and Power LLC.

ISSUE: Shall the Heber PUD Board authorize the President to sign a letter to LAFCO approving a temporary water service connection for cannabis indoor growing operations at Mesquite Lake Water and Power LLC?

GENERAL MANAGER'S RECOMMENDATION:

Approve.

FISCAL IMPACT:

Possible Water Fund Revenue from Temporary Fire Hydrant Meter.

At this time, we anticipate about \$10,000 over a 12 month period.

BACKGROUND:

Staff was approached by Tom Dubose on behalf of his client Mesquite Lake Water and Power LLC., which is the owner and lessor to the two companies that is in the license application process with the County and the State of California for the cannabis license to grow indoors per Imperial County Ordinance. The site is in the County of Imperial approved cannabis zone. The licenses that are in process will be for growing, but additional licenses are in the works for processing and retail sales as well.

The HPUD has the water available to sell, but in order for HPUD to provide water to anyone outside of our service area, we need approval from LAFCO. Mesquite Lake Water and Power LLC will be submitting an application with LAFCO.

In order to start providing water to Mesquite Lake Water and Power, the HPUD must submit a letter to LAFCO stating that:

- 1) The HPUD approves the extension of water service.
- 2) The HPUD understands and confirms that the authorization by LAFCO is for a temporary extension of water.

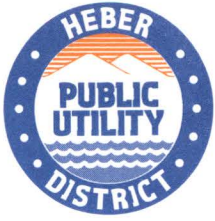
CONCLUSION:

Staff recommends that the Board authorize the HPUD Board President to sign a letter to LAFCO approving a temporary water service connection for Mesquite Lake Water and Power LLC for cannabis growing operations located outside of the District's Service Area.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: Letter to LAFCO approving a temporary water service connection outside of the District's Service Area.



Heber Public Utility District

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April 15, 2021

Jurg Heuberger, Executive Officer
Imperial County LAFCO
1122 W. State Street # D
El Centro, CA 92243

Re: Temporary Extension of Water Service for the cannabis growing operations at Mesquite Lake Water and Power LLC property located in the Imperial County approved cannabis zone.

Dear Mr. Heuberger;

The Heber Public Utility District has received a request from Mr. Tom Dubose who represents the Mesquite Lake Water and Power LLC who is the owner and lessor to the two companies that is in the license application process with the County and the State of California for the cannabis license to grow indoors per Imperial County Ordinance. The Heber Public Utility District is providing this written authorization to extend water service to MLWP, LLC for cannabis growing operations. We have the capacity to provide the water required. We understand that water extension is a temporary water service and that the water used at this project site will be trucked from HPUD to the growing site.

The Heber Public Utility District Board of Directors has approved this letter of authorization at their Regularly Scheduled Board Meeting of April 15, 2021.

Should you have any questions or need additional information, please don't hesitate to contact my office.

Sincerely,

Laura Fischer,
General Manager