

MINUTES OF THE LAFCO MEETING

June 23, 2011

The County of Imperial Local Agency Formation Commission (LAFCO) convened a regular meeting on Thursday, June 23, 2011, at 8:30 a.m. in the IID Board Chambers, 1285 Broadway, El Centro, California.

Commissioners present: Kelley, Snively, Edney, Ludwig, and Castillo.

Staff present: Executive Officer Heuberger, Clerk Bruce, and Accountant Carter.

3. Approval of Minutes of May 26, 2011.

Commissioner Ludwig asked how the charges of the reapplication of a withdrawn project work.

Mr. Heuberger explained that a \$3,000 deposit is maintained throughout the duration of the project.

Motion made by Commissioner Castillo, by roll call vote approved the minutes. Commissioner Edney abstained.

4. Approval of Consent Items:

A. Update of Project Status Report.

Motion made by Commissioner Edney and passed by the unanimous vote of all commissioners present to approve consent item A.

5. Public Comments: None.

ANNOUNCEMENTS

6. A. Update by CALAFCO Board representative, Commissioner Edney:

Commissioner Edney informed the Commission that the nomination of 2012 CALAFCO Board Members will take place on August 2nd.

Commissioner Edney talked about a piece of legislation that was passed to disincorporate the City of Vernon which bypassed the LAFCO process.

B. Announcements by Commissioners: None.

C. Announcements by the Executive Officer:

Mr. Heuberger announced that the travel arrangements for the Annual CALAFCO Conference have been made for those Commissioners who have confirmed their attendance.

Mr. Heuberger also informed the Commission of the meeting held late the previous day with Assistant CEO, Jerry Santillan in which they discussed issues with some of the Special Districts. Mr. Heuberger said he would provide an update at a later time.

PUBLIC HEARING ITEM(S)

7. Commissioner Edney would have to excuse himself from the meeting for Item #7, therefore Mr. Heuberger requested to have the item moved to the end of the agenda. The Commission agreed.
8. Public hearing to consider the approval of the proposed annexation BR 1-08, Rancho Porter, submitted by Development, Design & Engineering, Inc.

Project was officially withdrawn by the applicant and the engineer with the intent of possibly reapplying at a future date.

Commissioner Snively inquired as to what would happen to the reapplication fee status.

Mr. Heuberger explained that if funds are on hand, LAFCO will require a letter from the applicant authorizing us to hold their funds. Otherwise, they will either be charged or reimbursed, depending on what is required.

No action was taken on this item.

9. Public hearing to consider the approval of the County Service Area Plan.

Assistant CEO, Jerry Santillan requested a continuance to allow the County to review, comment, and present it to the County Board of Supervisors. After that, they will petition LAFCO to act upon it.

Commissioner Snively asked how projects are able to proceed with projects without this data.

Mr. Santillan answered that projects are dealt with on a case-by-case basis.

Commissioner Edney asked if there was a time requirement in which to get this approved and when it is expected to come back to the Commission.

Mr. Heuberger replied that the next expected meeting is in either August or September and that hopefully that should be a sufficient amount of time for the County to complete their review. Mr. Heuberger will reschedule the item when he hears from Mr. Santillan.

10. Public hearing to modify the previously approved conditions for HPUD 1-07, Imperial Center.

Mr. Heuberger reminded the Commission of their approval of HPUD 1-07, Imperial Center in December of 2010. During that time, a 3-Party agreement was required to be executed by HPUD, the County, and Mr. Lo, the developer. The County did not wish to take part in this agreement. Mr. Heuberger requested to modify Condition N in the Resolution to reflect a 2-Party agreement.

Mr. Cordova said that this should have been a 2-Party agreement from the beginning.

Motion made by Commissioner Edney and passed by the unanimous vote of all commissioners present to approve the Executive Officer's request to modify Condition N of the HPUD 1-07 Resolution.

Public Comments:

Mr. Cordova was late to the hearing and missed the public comments portion.

Mr. Cordova requested an item be added to the LAFCO agenda regarding HPUD's Service Authority. Mr. Cordova would like LAFCO to research as to what services HPUD should and should

not perform, and what authority they have. Mr. Cordova requested copies of all correspondence between LAFCO and HPUD related to the above mentioned dating back to 1984.

John Jordan, General Manager of the Heber Public Utility District, clarified that the current financial matter between the County and HPUD concerns past projects/developments. All the financing for HPUD 1-07 has been covered. Mr. Jordan questioned who is going to pay and where the money will come from.

Commissioner Kelley asked where the funding to date has come from.

Mr. Jordan replied that HPUD has been receiving \$500,000 from the County annually.

Commissioner Ludwig asked if there were retention basins and street lighting 25 years ago.

Mr. Cordova replied that maintenance services including street lighting have been done since 1988. Charges have gone up, but property values and taxes have not. HPUD sent a letter to the County threatening to turn off the street lighting. Mr. Cordova said that it is not the County's responsibility to maintain the street lighting.

Commissioner Edney said that a solution must be figured out. He suggested that prior to this coming back to the Commission, that LAFCO get documentation from the County and HPUD regarding the \$500,000 transfers.

Mr. Cordova noted that the amount paid to HPUD has increased over the years.

Mr. Heuberger said that Heber can request to add HPUD to their services, similar to a Sphere of Influence, but it doesn't solve the problem. New services cannot be applied for if they can't be paid for. How/Who is going to pay for it? LAFCO will need information from both services. Someone will have to keep the lights on and maintain them.

Commissioner Ludwig asked how services are provided to the other districts.

Mr. Heuberger responded that each district is different.

Mr. Heuberger said that LAFCO will begin working on the request by Mr. Cordova.

7. Discussion/Direction on the refinancing of the LAFCO Office.

Due to a conflict of interest, Commissioner Edney excused himself from the meeting.

Mr. Heuberger announced that per the Commission's direction to refinance the 1122 State Street building, staff has provided two scenarios from two banks from which to choose. Based on the information provided to the Commission, Mr. Heuberger asked which option they would prefer.

Mr. Cordova inquired as to why he was not provided back-up for the item prior to the meeting. He said that the CEO's office needs time to review and comment.

Commissioner Kelley requested what the pleasure of the Commission was.

Commissioner Snively voted for Bank B.

Commissioner Castillo commented that Mr. Cordova had a reasonable request. Since the County pays half of the LAFCO budget, they should be allowed to comment.

Commissioner Snively replied that LAFCO is an independent agency and LAFCO makes decisions for itself.

Mr. Cordova commented that documents are supposed to have back up and since the back was just given to him, it was not enough time to review.

Commissioner Kelley commented that LAFCO needs to take advantage of the offer while it's available.

Mr. Heuberger asked for clarification of exactly what the County was going to do to get LAFCO a better deal with the banks.

Mr. Cordova replied that they would like to make sure this is in the best interests of LAFCO and if there are other options.

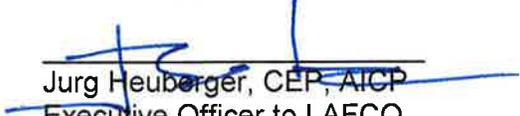
Commissioner Kelley asked Mr. Cordova if a deadline of the following Monday at 10:00 am would be suitable. Mr. Cordova agreed. The comments will be submitted to a Sub-Committee, Commissioner Kelley and Mr. Heuberger for approval/continuance.

Motion made by Commissioner Snively and passed by the unanimous vote of all commissioners present to approve Bank B loan with comments to be provided by the CEO's office the following Monday.

11. Adjournment

The meeting adjourned at 9:37 a.m.

Mike Kelley, Chairman



Jurg Heuberger, CEP, AICP
Executive Officer to LAFCO