

MINUTES OF THE LAFCO MEETING

September 22, 2011

The County of Imperial Local Agency Formation Commission (LAFCO) convened a regular meeting on Thursday, September 22, 2011, at 8:30 a.m. in the IID Board Chambers, 1285 Broadway, El Centro, California.

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

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

3. Approval of Minutes of June 23, 2011.

Motion made by Commissioner Edney and passed by the unanimous vote of all commissioners present to approve the minutes. Commissioner Terrazas abstained.

4. Approval of Consent Items: *None*.

5. Public Comments:

Commissioner Kelley took this time to present Alternate Commissioner, Roxanne Stapleton, with a plaque thanking her for her services to the LAFCO. Ms. Stapleton will be leaving her position as Alternate Commissioner. Each of the Commissioners expressed their gratitude towards Ms. Stapleton.

ANNOUNCEMENTS

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

Mr. Edney passed the floor to Mr. Snively who thanked the Commission for allowing the Commissioners and the Executive Officer to attend the CALAFCO Conference that was held in Napa, CA. Mr. Snively commented that this training contained the best content training and speakers that he has ever experienced. He said that it was a great learning experience that can be applied to Imperial County LAFCO.

Mr. Edney informed the Commission of the change in voting structure of the CALAFCO Board Members. He continued saying that the animosity that was once present in CALAFCO has dissipated.

Mr. Edney said that there are a number of bills on the Governor's desk (including Bill 244) that will greatly impact LAFCO.

Mr. Edney complimented the presentation given by Mr. Heuberger at the CALAFCO Conference regarding Urban and Agricultural Interfaces.

B. Announcements by Commissioners: *None*.

C. Announcements by the Executive Officer:

Mr. Heuberger agreed with Commissioner Edney and Commissioner Snively by saying that the 2011 CALAFCO Annual Conference was excellent and informational.

He informed the Commission that there has been talk amongst LAFCO Executive Officers regarding Worker's Compensation for the Commissioners and that Ms. Carter is looking into coverage for our Commission.

Mr. Heuberger announced that he will be attending the next California Coalition of LAFCOs (CCL) meeting next month. Beginning in 2012, the CCL meetings will be held quarterly instead of monthly. He added that the Executive Officers of the CCL are communicating very well and participating in sharing resources amongst each other.

ACTION/DIRECTION ITEM(S)

7. Mr. Heuberger provided verbal updates for the following projects:

EC 8-04, Miller Burson/La Vida: Litigation on the project has ended, so LAFCO can expect to proceed with the project soon.

IM 2-07, IID Administration District: Project may be able to be heard at the following LAFCO meeting in October pending the submission of a Tax Sharing Agreement for the project.

WM 2-05, World Petrol: Application has expired and been re-applied as *WM 1-11, Westmorland Gateway Plaza.* Most of the documentation has been submitted by the City and LAFCO will hopefully be receiving the Tax Sharing Agreement soon.

No action was taken on this item.

8. Commissioner Edney would have to excuse himself from the meeting for Item #8, therefore Mr. Heuberger requested to have the item moved to the end of the agenda. The Commission agreed.

9. Discussion/Update/Direction related to the functionality and service authority of the Winterhaven Fire Protection District.

Mr. Heuberger began by apologizing to Chief Taylor, who was in the audience, for not calling him to inform him that this was an update item only.

Mr. Heuberger updated the Commission of his progress in the investigation into the Winterhaven Fire Department complaints. He has met with current/former members of the Fire Department and with Chief Taylor. LAFCO has requested documentation from the CEO's office, the County Auditor's office, and County Counsel's office. Mr. Taylor has provided his own documentation to LAFCO. Mr. Heuberger said that he is still "digesting" the information and will keep the Commission updated.

Mr. Heuberger clarified that LAFCO must stay out of the personnel issues surrounding the District and must focus only on the functionality of the district.

Commissioner Kelley requested a timeline.

Mr. Heuberger said that it could be coming back to the Commission in October or November.

Commissioner Snively asked if the County District Attorney's office is involved.

Mr. Heuberger answered that he has attempted to get in touch with the DA, but has not heard back from him. All he knows is what Chief Taylor told him the DA's office is investigating. Mr. Heuberger will call the DA, Mr. Otero.

No action was taken on this item.

10. Continued public hearing to consider the approval of the County Service Area Plan.

Mr. Heuberger stated that LAFCO has yet to receive any comments from the County Executive Office regarding the SAP. He said that the Draft SAP has been available for review for a year and the CEO's office has had ample time to comment since the item first went to hearing in April of this year.

Mr. Heuberger reminded the Commission that per the request of LAFCO, the County Board of Supervisors granted the approval of an SAP to be done on January 27, 2009. SAPs are required of the Special Districts and the Cities, but are not yet required for the Counties. Imperial County LAFCO is the first in the state to prepare such a document.

Mr. Joe Picazo, County Deputy CEO, requested a continuance because the County has not commented on the document yet.

Commissioner Kelley asked why the County has not commented yet.

Mr. Picazo replied that he did not know.

Commissioner Snively said that by the County Board of Supervisors approving the SAP to be done, it was an important step in planning for the County. It is a roadmap. The Cities and the Special Districts are required to do one; it makes sense for the County to have one.

Commissioner Terrazas said that the information contained in the SAP is very useful information, but he has never seen it before this meeting.

Commissioner Edney asked if the County wanted to do the SAP or not? He asked why the County has not been able to review the draft document even though it has been available for a year now. He recommended to the Commission that they allow the Executive Officer to send a letter to the CEO's Office giving them a response deadline.

Commissioner Snively recommended that Chairman Kelley sign the letter.

Commissioner Terrazas began asking questions in regards to the Heber Public Utility District (HPUD) cutting their services on October 15th and questioned what enforcement capabilities LAFCO has over the situation.

Commissioner Edney said that this should be on the agenda before the conversation can continue any further.

Motion made by Commissioner Edney and passed by the unanimous vote of all commissioners present to direct the Executive Officer to prepare a letter to the CEO's office providing a deadline to comment and to be signed by Chairman Kelley.

Commissioner Edney excused himself from the remainder of the meeting.

8. Update/Direction on the refinancing of the LAFCO Office.

Mr. Heuberger announced that the LAFCO Office is completely caught up with the financials. Per the direction of the Commission in June, the Executive Officer was granted approval to refinance the LAFCO Office. Only two banks were willing to refinance the LAFCO building, Rabobank and Community Valley Bank (CVB). LAFCO staff has held meetings with both banks. To please the request of the County CEO, Ralph Cordova, LAFCO went one step further and hired a third party, Hutchinson & Bloodgood, to do another review of LAFCO's financials to help determine the best refinancing option for LAFCO.

LAFCO currently banks with Rabobank. Per the direction of the Commission, the Executive Officer was directed to find a way to refinance the LAFCO building and lower the budget. Both banks will verbally honor the quotes ending on August 31st, although it is not obtained in writing.

Commissioner Terrazas asked who owns the \$400K in the reserves.

Mr. Heuberger replied that per the Commission's previous request, we have those funds on hand for an expected balloon payment. Mr. Cordova suggested that we use the reserves so the County and the Cities don't have to pay for the budget this year.

Mr. Heuberger added that to decide on Bank B, CVB, it would offer immediate relief to LAFCO's budget, and therefore the budget of the Cities and the County.

Commissioner Ludwig asked how long it took to build up the \$400K?

Mr. Heuberger replied that it took 5 years with a good economy. We would have a hard time re-accumulating that amount in this economy.

Commissioner Snively said that it is very difficult to get a fixed interest rate this low.

Mr. Heuberger said that if the LAFCO office were to be paying rent, the billing to the Cities and the County would never go away; whereas by purchasing the building, their payment will go away in 5-10 years.

Commissioner Terrazas asked the Commissioners how comfortable they are with refinancing with CVB.

Commissioner Ludwig said that Holtville would not question LAFCO's decisions.

Mr. Picazo clarified that the CEO's office suggests using the reserves and applying them over five years and the Cities/County will make up whatever LAFCO requires financially.

Commissioner Kelley asked Mr. Picazo what his opinion on the loan payment would be.

Mr. Picazo replied that he has not had a chance to review it.

Motion made by Commissioner Snively and passed by the unanimous vote of all commissioners present to move forward with the approval of Bank B, Community Valley Bank to refinance the LAFCO Office.

11. Adjournment

The meeting adjourned at 10:03 a.m.

Mike Kelley, Chairman



Jurg Heuberger, CEP, AICP
Executive Officer to LAFCO