
COMMISSIONERS

CITY

Maria Nava-Froelich, Vice-Chair

CITY

Javier Moreno

COUNTY

Michael W. Kelley

COUNTY

Ray Castillo

PUBLIC

David H. West, Chair



ALTERNATES

CITY

Robert Amparano

COUNTY

Jesus E. Escobar

PUBLIC

Jose Landeros

www.iclafco.com

EXECUTIVE OFFICER
Jurg Heuberger, AICP, CEP

LEGAL COUNSEL
Steve Walker

MINUTE SUMMARY OF THE LAFCO HEARING

August 25, 2022

8:30 a.m.

El Centro City Council Chambers
1275 Main Street, El Centro, CA

VOTING COMMISSIONERS PRESENT:

Maria Nava-Froelich, Vice-Chair
Javier Moreno
Michael Kelley
Ray Castillo
David H. West, Chair

ALTERNATE COMMISSIONERS PRESENT:

Jose Landeros

ABSENT:

None

STAFF PRESENT:

Jurg Heuberger, Executive Officer
Julie Carter, Accountant
Paula Graf, Sr. Analyst

REGULAR SESSION OF THE LAFCO CALLED TO ORDER AT 8:30 A.M.

1. Roll Call
2. Pledge of Allegiance

3. Approval of Consent Items:

- 3A. Minutes from May 26, 2022
- 3B. Project Report update

Motion by Commissioner Castillo to approve Items 3A and 3B.

MOTION: CASTILLO
AYES: FROELICH, KELLEY, CASTILLO, WEST, MORENO
ANO: NONE
ABSTAIN: NONE
ABSENT: NONE

4. Public Comments

No public comments were received.

ANNOUNCEMENTS

5A. Announcements by the Commissioners

Commissioner Kelley advised the Commission to sign-up for the CALAFCO Conference. This year it is taking place in Newport Beach.

5B. Announcements by the Executive Officer

- i. Update on CALAFCO Conference
- ii. Update on Structural Building Improvements

Mr. Heuberger advised the Commission that Commissioner Landeros is present for the hearing, but is attending to listen, and participate but does not have the ability to vote. Commissioner Landeros is the Alternate Public Member.

An update on the CALAFCO Conference was provided, staff have been working with the CALAFCO Conference Committee. The conference will take place during the month of October in Newport Beach.

The building that LAFCO owns is having some structural issues that will need to be addressed. It might be expensive, and we may need to make a small budget adjustment at some point. We have the reserves to cover it.

DISCUSSION/ACTION/DIRECTION

6. Discussion/Action/Direction on the recommendation to consider the dissolution of the Salton Community Service District

Mr. Heuberger provided an update on the Salton Community Service District. The Salton Community Service District Chair, Vice-Chair, and Interim General Manager were present and made comments. Residents of the SCSD provided comments and spoke both in favor and in opposition of the dissolution.

The Commission discussed the information provided in the Executive Officer's Report and took the following action.

Motion by Commissioner Kelley to Commence the Dissolution of the Salton Community Service District.

MOTION: KELLEY
AYES: FROELICH, KELLEY, CASTILLO, WEST
ANO: NONE
ABSTAIN: NONE
ABSENT: MORENO

7. Discussion/Action/Direction regarding an update on the Imperial Irrigation District (IID) Governance Study as directed by the Governor's budget of 2021

Mr. Heuberger provided a background and update on the Imperial Irrigation District Study. The study is currently underway. The consultant has reached out to stakeholders and circulated a survey, which is now being reviewed. We should have a draft study report by March 2023. IID Board Member JB Hamby, and IID Government Affairs and Communications Officer were present.

The Commission discussed the item, no action was taken.

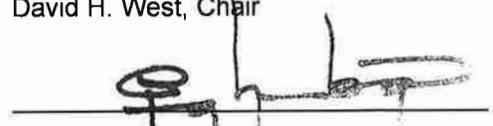
EXECUTIVE SESSION ITEM(S)

8. Conference with Legal Counsel:

Anticipated Litigation: Government Code Section §54956.9(b) 1 Matter

Legal Counsel Steve Walker stated no action was taken on this item.

David H. West, Chair


Jurg Heuberger, Executive Officer

COMMISSIONERS

CITY

Maria Nava-Froelich, Vice-Chair

CITY

Javier Moreno

COUNTY

Michael W. Kelley

COUNTY

Ray Castillo

PUBLIC

David H. West, Chair



ALTERNATES

CITY

Robert Amparano

COUNTY

Jesus E. Escobar

PUBLIC

Jose Landeros

www.iclafco.com

**EXECUTIVE OFFICER
Jurg Heuberger, AICP, CEP**

**LEGAL COUNSEL
Steve Walker**

TRANSCRIPT OF THE LAFCO HEARING

August 25, 2022

8:30 a.m.

**El Centro City Council Chambers
1275 Main Street, El Centro, CA**

VOTING COMMISSIONERS PRESENT:

Maria Nava-Froelich, Vice-Chair
Javier Moreno
Michael Kelley
Ray Castillo
David H. West, Chair

ALTERNATE COMMISSIONERS PRESENT:

Jose Landeros

ABSENT:

None

STAFF PRESENT:

Jurg Heuberger, Executive Officer
Julie Carter, Accountant
Paula Graf, Sr. Analyst

REGULAR SESSION OF THE LAFCO CALLED TO ORDER AT 8:30 A.M.

1. Roll Call

2. Pledge of Allegiance

3. Approval of Consent Items:

- 3A. Minutes from May 26, 2022
- 3B. Project Report update

Motion by Commissioner Castillo to approve Items 3A and 3B.

MOTION: CASTILLO
AYES: FROELICH, KELLEY, CASTILLO, WEST, MORENO
ANO: NONE
ABSTAIN: NONE
ABSENT: NONE

4. Public Comments

No public comments were received.

ANNOUNCEMENTS

5A. Announcements by the Commissioners

Commissioner Kelley - Don't forget to sign up for the CALAFCO conference in Newport Beach, it's within driving distance, so that is not a big burden. I think Ms. Graf got us all squared away, whoever is going to go.

5B. Announcements by the Executive Officer

Executive Officer Mr. Heuberger - Just for the record and for the public's benefit, Commissioner Landeros can sit up here, listen, and participate, but he has no ability to vote. Just so that it is crystal clear, he is the alternate for Commissioner West.

- i. Update on CALAFCO Conference
- ii. Update on Structural Building Improvements

So as indicated by Commissioner Kelly, the CALAFCO conference is coming up. We have been working, I should say Sr. Analyst Paula Graf has been working diligently with the CALAFCO Executive Director, CALAFCO staff, and the Committee that is putting the conference on. She is helping as much as she can, which is quite a bit, and I really do appreciate all the work she does. So, we will have that conference in Newport Beach, which as Commissioner Kelly said is within driving distance this time.

The last item that I have is we have some structural problems at the building that we have to take care of. Well, it is affecting structural. It's going to be a little expensive, but we are going to have to fix it obviously, which may require at some point in time a small budget adjustment, but we have reserves to cover it.

DISCUSSION/ACTION/DIRECTION

6. Discussion/Action/Direction on the recommendation to consider the dissolution of the Salton Community Service District

Executive Officer Mr. Heuberger - The Commission has had some briefings on this in the past when we started a couple of years ago. I'll just for the benefit of recollection and maybe new members of the Commission, as well as the public, touch on briefly the history. A few years ago, LAFCO became aware of a problem at the Salton Community Service District, when the Fire Department division of their district essentially ceased to operate. The County of Imperial had to step in and take over fire protection services. The district did not advise the Commission, as they were required to do of those problems, or the pending action on the fire, or anything else relative to their district's operation. So, that essentially triggered us to request that an updated Municipal Service Review be done. Now mind you they had one. That report, as well as, and I emphasize as well as the annual audits appeared to show that everything was okay. Come to find out however, after we started really digging into things that neither the annual audit, nor the Municipal Service Review were entirely accurate. So, we asked the district at that time to, as I said, to update the Municipal Service Review. We started down that road. We received the draft from the company that they hired, which we found to be totally inadequate. It was full of errors, and it was full of information that didn't make sense. Among other things that really flagged this, it's that their sewer capacity, their sewer system was over 100% at some instances and some days. So, their average daily flow, the maximum daily flows were out of kilter. Which number one didn't make a lot of sense, because if it was true that it was at capacity, the ponds they have would have overflowed. I'm sure the California Regional Water Quality Control Board would have raised a lot of flags. So, we went back, met with the then board, and I emphasize the then board, because the board changed. And with their general manager, again, that manager is gone. We emphasized that we really needed to have factual information and that we weren't going to tolerate the information we were getting. We were immediately met with huge resistance from the general manager, basically telling us we had no authority, and challenging my authority. We reached an agreement that we would dissolve the district if they didn't start to cooperate, at which time they started to. But that was about the time that the elections occurred, and three new board members were elected to the district. We had hopes at that time that the three new board members and in the turnaround in the general management structure, would lead to a different direction. I met with the new board, or the newly constituted board, in early January. I also met with their attorney and basically emphasized to the board at that time, that LAFCO had a lot of authority, a lot of responsibility, and that one or more possible authorities was to dissolve the district. However, our primary emphasis was not to go into that direction unless we were basically forced to, because we wanted to see if the district could turn itself around and become an operational viable district. Just at that time, it appeared that the board was supportive of that. We agreed, and they in turn proceeded to hire an interim General Manager. That person came on board, and we started working with that person. But it became apparent in very short order that that person perhaps lacked the right qualifications for running a district. They didn't seem to have government experience, and didn't seem to have the directive, if you will, to pursue what needed to be done. Specifically, to get the district on good footing, and to get the budget and things straightened out. Even though part of our requests at that time was to go back and find out what happened to the funding, what happened to a lot of things, etc., etc. We kind of rocked along for three to four months. Finally, I had enough. The general manager was calling me, telling me, well, you know, I'm meeting with these developers, we're gonna have all these housing projects. I kept telling him that, that's not the direction, you need to get your act together and fix the problems before you start trying to promote development. On top of that, until you have the sewer system up to par, if in fact that's the problem. Development is not the issue; it's getting your other stuff in order. Long story short, I basically gave an ultimatum to the district board, that they really needed to get a general manager that knew what he or she is doing. They needed somebody with the qualifications in that kind of management structure. In talking to their general counsel, I recommended that they get somebody with certain qualifications. I offered a couple of names, one of whom was David Dale whom I had experience with dealing with the City of Calexico and

on other projects. I knew to have the professional capability as an engineer, as well as having obviously, government management. Which, you know, people always say, well, what's the difference? Well, there's a huge difference between running a government organization and a private organization, as we all know. Private has a lot of flexibility and government doesn't. So, that's not to say that somebody that doesn't have good government experience can't learn or do it, but it's a unique animal, so to speak. Anyway, long story short on that, the district board interviewed, selected, and hired Mr. David Dale, to become their Interim General Manager. If I understand it correctly, and feel free to correct me, he is a part-time General Manager and wasn't hired to be working 40 - 50 hours a week. I think he was hired for 20 plus hours. Anyway, things started to look pretty good. Mr. Dale, as I said, because of his qualifications, was able to immediately start making things happen. One of the first things that impressed me is he came up with a proposed budget for next year that showed it had the potential for the district to survive financially. Okay, obviously, no guarantees, because there's still a lot of history and a lot of things that maybe need to be resolved and corrected, but at least we seem to be heading in that direction. Then, I started seeing and hearing things, and it became pretty obvious that Mr. Dale might walk out the door any day, and that we will be faced with yet another problem with another general manager. I made it clear the district needed to work on hiring a permanent full-time General Manager. They proceeded; they went through a process of recruitment of selecting a general manager. Ultimately, it was Mr. Dale and the board's decision that none of the applicants that they interviewed met the qualifications to immediately step into the position. They selected a person to be essentially in the system, that has the qualifications, and ultimately could be the general manager in a period of time. I went along with that reluctantly, because again, we really need somebody in that district that knows how to run this stuff and to do it. Again, I received calls and communications from the public, that things were being done, not being done, etc., etc., and it caused me a lot of concern. I ultimately notified the district that I was at a point where, if things didn't really start to shape up, seriously, and by that, I mean 100% board commitment, not this sort of nah/maybe/could be attitude. The full Board had to be behind this, had to be behind the general management, had to seriously work towards getting the district turned around. I would place this on your agenda for direction. Obviously, the ultimate direction, as I made clear to the district, is not my personal decision, but rather that of this Commission. My comment, my recommendation to the district, was that I was going to pursue dissolution, because I just didn't see this thing surviving at the rate we were going. It's not fair to the community. With the problems they face plus the history, we need this thing resolved, post-haste. To be fair, I asked the Chair of the district, Mr. Flores, who is here, and the Vice Chair, Ms. Sierra, who is also here, to come to a meeting with me, to discuss the problems and to discuss the concerns I had. They did ultimately, the Chairman did come to my office along with Mr. Dale, the Vice Chair came via zoom, and we talked about the problems. At that point of time, I did offer to go to their board meetings to talk to the full board, not just to the chair and vice chair. Which we did two weeks ago?

Sr. Analyst Ms. Graf – About two weeks ago.

Executive Officer Mr. Heuberger - Both Paula Graf and I went to their full board meeting in Salton City two weeks ago, appeared before their board for quite a period of time, listened to their board meeting to start with, listened to public comments, made a presentation, and then took a series of questions and answers. So, the bottom line, we're here today, to get your direction, because obviously, as I said, I am staff to your Commission. As such, while I do have a lot of authority that you've directed towards me, the ultimate decision on a lot of these things obviously have to come from your Commission. Having said that, there are always, and I don't think I've ever failed in this regard, but there are always options that I've provided to you in terms of decisions. There's a number of options. Obviously, you could, and I emphasize the word could because I certainly wouldn't recommend it, you could do nothing. That's never been our model. That's not our style, but it's an option. The other option is we could place the district on probation, similar to what we have done with another district in the past, that would allow them an opportunity to show us that they actually are heading in the right direction. Third, you could of course, request or direct that we do start the dissolution of the district. Now, having said that,

none of these options are things we would like to pursue. We would have liked to have seen this district turn around. But, under the new regulations by the state, the dissolution process has changed. As you know, we have dissolved approximately four or five other districts in recent years. However, in this past year, the state law changed on the dissolution process. For now, the process is, you provide direction to start the dissolution process. We then have to give the district an opportunity to cure the deficiencies that we feel would warrant a dissolution. We have to give them 12 months to make those corrections before we can actually dissolve the district. So, in a sense, whereas in the past, we did a report to you, advised you why the district should be dissolved, and you made a decision and basically on the spot said, Okay, you're dissolved. That has now changed, for that direction starts with your Commission saying let's proceed with a dissolution, but then turns into a 12-month grace period where in the district can show you the Commission, that they are capable and actually have turned themselves around.

Commissioner Kelley - The new recommendations, one, two, & three, and regardless of what direction this commission goes, I think number three is very critical. That says, the district shall pursue to the maximum extent allowed under the law, the investigation of the prior board and general managers, as well as staff functions and actions that may have equated to misuse of funds, loss of funds, and or potential criminal or fraudulent action, to the extent by the impact of the operation of the district. To that end, the district shall cooperate fully with law enforcement. I do believe there should be a forensic investigation into the financial situation, current and past, with respect to what's happened in that board.

Executive Officer Mr. Heuberger – That is one of our big concerns, yes.

Commissioner Kelley – I think regardless of which way we go as a Commission

Executive Officer Mr. Heuberger - That has to proceed with, whether you put them on probation, or whether you started this dissolution, past bad acts, so to speak, have to be reviewed. There are potential fraud or other criminal activities that may have occurred, and I use it as a potential in as it hasn't been resolved. One of the big things and Mr. Dale can address this more specifically, if you want, but one of the biggest obstacles that the current board, and again, this is a different board, so I want to emphasize I'm not saying that this board was responsible, but what the current board has faced from day one, is that records were destroyed by the previous staff. Data management was ordered destroyed. When the new board took over, basically, the records were gone. Even if they wanted to focus on just finding what happened to the money, they would have been basically working up against a brick wall. Mr. Patterson, the attorney for the district, has spent a great deal of, and so has the board spent a great deal of time and probably money and effort, going back reconstituting records. They have contacted banks to get bank records.

Commissioner Kelley - There is a trail somewhat.

Executive Officer Mr. Heuberger - Yes, there's some trails. The district retained a forensic expert and former FBI person that had data management capabilities and is trying to begin to resurrect records. But, the prior staff, slash prior board, made what appears to be a concentrated effort to destroy their trail, their records. So, it's not going to be easy to find that stuff. They've made some effort and they've made some progress. Ultimately, it's going to take the district attorney and some other investigative groups, and the sheriff's office.

Commissioner Kelley – Also the Department of Justice.

Executive Officer Mr. Heuberger - Could be and to really see what happened to the money. The other thing that I have a real heartburn with is that the prior General Manager received a buyout, if you will, I'm not sure what else to call it, but basically about \$190,000 I believe it was, as a buyout for leaving. I explained to this board that typically, a general manager or somebody in my

position or Mr. Figueroa's position when you take that job, so you know, I'm not gonna put Miguel on the spot, but I am in a way because he's a friend, when he takes a job like that, he's taking the job at risk because he's working for an elected body that has the right to terminate him with cause or without cause. Okay, meaning, just because they're unhappy, they can say you're gone. Alright, that's a risky job. So typically, with that comes some limited guarantee that says, okay, if we get rid of you, just because we don't like you anymore, we're still going to pay you for like six months of severance, or whatever it is. However, if we fire you for cause, because you did something illegal, we don't have to pay you anything. Well, this gentleman here wasn't fired. This prior general manager, he wasn't fired he quit.

Commissioner Kelley – And asked for money.

Executive Officer Mr. Heuberger - And walked out and asked the prior board to give him \$190,000 as a severance package. Which is a sweetheart deal, and to me, it's an illegal deal, because it's a gift of public money.

Commissioner Kelley – I agree.

Executive Officer Mr. Heuberger - Those are the things that I think need to be addressed. So, with that, I would request that you obviously conduct a public hearing and take all the input that you have, from the public. I would ask first, that Mr. Dale, the Interim General Manager, come up and address the board, and provide me with any corrections to my comments, which are always welcome, but certainly to give his viewpoint.

Commissioner Kelley - You know, the County of Imperial has many special districts, and the responsibility of the board members on that special district, the responsibilities of this Commission, the County Board of Supervisors, our first responsibility is for the health, safety, and welfare of every resident in Imperial County and within our respective districts. If that can't be done by a special district, then they should be dissolved, because that responsibility goes back to the Board of Supervisors whose primary goal is for the health, safety, and welfare of every resident in the County of Imperial. So, I like the idea that we are going forward looking at this matter and I take it very seriously. So, thank you, Mr. Chairman, that's all I have to say for right now.

Interim General Manager David Dale - I'm David Dale, 1209 Van Buren Street in Salton City. As you probably know, I've been working at the district approximately four months. So, I've had a chance to get fully immersed and understand the issues that are surrounding the district. Yes, I was in part hired for part time because I have other things that I'm doing, but frankly, I've been working 40 plus hours anyway, because the need is there. The seat of this position is basically as needed, and I'll step up if I need to and work more than 40 hours. But, if you'll bear with me on the goal of some of the things that we've been working on in the last four months, and to give you a big picture, and an honest picture of how I see things progressing. So, first thing I'd like to talk about is the Service Area Plan, which was one of the concerns of LAFCO. We have been working on this with a consultant, who was already prepared, as the EO mentioned, and by the way, I have no corrections on what you said there. What you said was accurate. We are continuing with the Service Area Plan. The plan is obviously in its entirety contingent upon the actions of this order because it will depend on the actions here. We are within two weeks of getting that finished, once we have all the information that you need. One of my first things, my first duties as I came into the district was realizing that we need staff. We needed experienced staff to be able to work on the finances, as you rightly mentioned Commissioner Kelley. To look into the past issues and correct current issues for the future. I was lucky that when we got the applications for the general management position, I was able to see that there were qualified people in those applications for the staff that I needed desperately to continue with those finance issues. So, as was mentioned, the board authorized me and directed me to take those five applications and find one that would be the best for Assistant General Manager, to train them and get them ready for the time when they can take over the district. Because, frankly, the way I see

it is, that, if the district is wanting to continue, it will need a general manager that is local, that has integrity, experience, and readiness to do the job. It's very difficult in that area to find experience, and train people to work in the district. That's one of the challenges. So, because I was able to see that there were a few there that were local and have the integrity, I immediately seized on that. We were able to find a finance officer who has accounting experience with a CPA firm. It's worked out extremely well. I have now an assistant general manager, who I believe has the intestinal fortitude to complete this, to do that work. We are now able, we've already re-constructed the finances from fiscal year 2021, which were as was rightly mentioned, in complete disarray, and or completely missing. Because we now have a finance officer who has this experience, now we're able to do that and we think within three months we'll be able to have all the information that we need to prepare fiscal year 2021 and 2022 audits, which that to me is a huge thing. That is a very good item I'd like to discuss with you. As was mentioned, we have a budget now for 22-23. We're tracking expenses the correct way they should be. We, as you're aware, we not only have sewer services, but parks and some other things. We have a general fund, and we have sewer funds. We're now allocating those funds where they should be allocated, which may not have been done the right way in the past, some sewer funds for parks and so forth. Now, right now, we're doing the right thing or using the right funds appropriately. We now have access to bank accounts, thanks to the board for making and approving our resolution to that. Believe it or not, when we first started, we had zero access to the accounts. We had found a box, when we first started, full of bills and invoices that have not been paid for three to six months. So, now that we've got all that resolved, we've got all that taken care of, we're, well, I would say we're in decent shape. The district is actually in fairly good financial shape. We have issues with the sewer system. This is our main service, the sewer system. We have a lot of miles of sewer lines, as you can already understand, because it's spread out so far. Some of those lines have not been used, because there's no development. We have several pump stations, some of that stuff has been reflected over the years. I've been lucky with regards to our staff, but somewhat unlucky with regards to the sewer systems, because as I started to take over, some of the sewer pump stations started to fail. In recent days, the pump stations malfunctioned, but we are able to work on those things and get those things finished. We got a great staff, and they are working on this intelligently. We now have a finance committee that reviews all of the finances, all the expenses, and makes recommendations to the Board on if they find anything. We have a second authority there, also checking on the expenses that are set up and making recommendations to the board. So, we have a second set of eyes looking at the finances which the district did not have before. We have a couple of grants for parks that were applied for and through prior to my arrival into the district. There's another \$177,000 per capita grant that the district can use on the parks. We're working on those things. There was a rate study that was prepared by RCAC in 2021, that recommended increases in sewer rates. That was not implemented, so we're having that updated based on the new approved budget. That will probably come back to the board for prompting the process sometime later this year or early next year. As I mentioned before, the finances if I were to look at finances and the report, I will say we are in fair condition. The finances are not a problem in terms of the solution. We brought up that in the packet about the wastewater treatment plant, the past division, it's absolutely true, we're at 95% capacity. There are some things that we're looking at, because the staff is looking at some issues of some check valves and so forth, that creates higher flows and influence flows by double counting the flows going into the sewer system. We're fixing that. The treatment plants that are over capacity were originally designed for much higher capacity. Most of the infrastructure that is in place already can accept up to I think five times the amount. The problem in that wastewater plant is a pond system which infiltrates the water is backwards. Now the staff are looking at it as, physically, we believe that the capacity is doubled what permits. But we can't get approval to increase the capacity until we do an engineering study and do the testing. We are in the middle of doing that. I've been in contact with grant funding agencies, who are very interested in this area. We do have potential, very high potential of getting grants, to repair and increase the capacity of the wastewater treatment plant. I have confidence that this is not as much of an issue as it looks like on paper, is what I am trying to say. All those things being said, I'm basically saying to you that I am confident that all these issues that we're looking at, and the issues that we've already mentioned. I'm confident that our technical issues, our management

issues, and our financial issues can easily be resolved. That is, those are not issues that are the problem. The issues that surround the district at this moment, in my opinion, is what you're looking into as part of this item, is the actions of the past and current and potentially future governing bodies of the Salton Community Services District. Is this area, if I was on your board, I would ask myself, is that area, does it have enough honest people who are dedicated with the knowledge to be able to push this district forward in the right direction? Are there good people that would run for a board and would be elected for the board, that is a big question? I will tell you that my earliest memories of the Salton Community Services District was when I was a fairly new engineer in 2004. Our company, our consulting company, was doing a project in that area, a sewer line. I went before the board for some other reason. It turned out that a couple of the board members at that time were trying to profit off of the construction project. And of course, I stood up and said you can't do that. There were so many profits, and that was my perception, you know, off of a construction project. And of course, I stood up and said, you can't do that. You can't even be talking about this. If you do, if you want the other board members to sign on this, you need to recuse yourself. Well, instead of accepting what I had asked them to do, one of the board members almost jumped up and wanted to beat me up. So, I walked out of that board meeting thinking, I'm never coming back to Salton Community again, well look at me now.

Commissioner Kelley - Well, let me ask you a question, Mr. Dale. How many employees does the district have with respect to administration, maintenance, and wastewater treatment technicians?

Interim General Manager David Dale - We have 10 staff members who work on nothing but sewer mains. I have one staff member who works on parks. I have three staff members in the office, awesome people, I have no problems. Given a chance, we could definitely turn this around as staff members, no problem, as I have mentioned before. But, you know, and it was just mentioned, the current governing body has only been at this eight months. Also, the five members have never been a board member, nor had any experience running companies. So, there is some training and some growth. I've actually seen it in a few of the members, where they're starting to step up, you know, and they're starting to do the right thing. The problem that we see and if I'm just being straight with you, that this is a fractured community, it seems like it's an us versus them. It's always like, oh, you're on that team or that team. It's not let's work together and make this thing happen. If you're talking to that person, then my alarm goes off. And that is a major issue that I'm seeing in this in this community. The thing is, that area is very economically depressed, and the district itself may most likely offer the best jobs in the entire local area. So, these jobs are highly coveted. It appears that, at least in the past, that friends and family were given preference over these jobs. Obviously, we know that is not the right way to do things. As I mentioned, we've got our staff members who are watching on zoom right now. They're from the local area, they know what they're doing, and they are professionals. My staff in the office are professionals. Despite the fact that I mentioned that some of the infrastructures, basically are falling apart, but they're able to make it make it work, and they're able to get this thing going. There are some very good people on this board. We're trying to do this, as I mentioned, there, with no experience, and they're stepping it up. There is at least one member on this board who is in direct opposition of all the progress that we're trying to make. She's angry, because I will not hire her friends, or her associates. This is what got me into trouble in Calexico as well, when I had a council member directly ask me to hire his friend, to be a director, in that city. I absolutely refuse to do that. I will hire only those folks who I think are the best fit for the district based on not only their education, but their ability to work with other people. Instead of trying to slander and use hate, they work with people. I would much rather hire somebody who doesn't have a higher education that can work with people and who is trainable, rather than hire somebody who has an education and has no capability to work on a board. And that is the issue that we're running into. These folks, they hurl accusations, they hurl slander, to get what they want, they think that's the way that this thing works, is tantamount to throwing a temper tantrum. All it does is hinder staff from getting the work done and reduces the morale that we've been trying to increase. It becomes a huge distraction, and it's difficult for us to achieve our goals. You probably will hear from this board member or her friends today, be assured that their opinions do

not reflect my opinion, or the majority of this board. They think that they're going to try to expose people, in fact, they're exposing themselves only. Despite the fact that the EO and myself have tried to explain to them that the general manager hires staff, the board does not hire staff. They continue and persist by whatever means they have to fight it. It is not in the best interest of this district to hire friends and family or associates, or people you know, it's the best interest of this district to hire the most qualified person. As I mentioned before, the most qualified person does not necessarily have to be the one with the most education.

Commissioner Kelley – I agree with that.

Interim General Manager David Dale - I am training our assistant general manager to become the full-time general manager. She has the intestinal fortitude, and she has the ability to do it. What I need is the full support of the board in this direction. It is my intention, as long as I stay in the district, to get this district in compliance with all regulations, codes and laws. If I and my staff have the full support, as it was rightly mentioned before, of the majority of the board, I know that we can do this. I know it's possible. As I have mentioned before, what you need to consider is, is this area going to have a governing body that has the integrity, the ability, and the knowledge to move this district forward not only now, but in the years to come. That's what you need to consider. I'm going to leave you with this, " where you have envy and selfish ambition, there you find disorder in every evil practice." Finally, open up to questions if you have any questions.

Commissioner Kelley - Yes, I just like to comment on Mr. Dale's presentation. I sincerely appreciate it and respect his candid description of what's going on out there. You know, I've been in, I don't want to say politics, I've been a public servant for 50 years and I know that the majority of a board can isolate and corral a wild stallion that doesn't comply with the rest of the board and going in the right direction. So, a lot of your responsibility, or concerns would fall back on the full board, majority of the board's action, direction, and influence. But I'm being fair here, I'll listen to both sides. Thank you for your presentation, your commitment, sincere commitment to what you're doing there.

Executive Officer Mr. Heuberger - I just wanted to kind of touch back on the California Regional Water Quality Control Board issue and the sewer system. As Mr. Dale pointed out, that's their primary sewer system. If this district were not in that business, let's just say they were just doing parks, this would be a no brainer, I'd recommend a dissolution and be done with it. The public that's in that area, the people that invested their savings, housing, and businesses deserve to have that service provided to them effectively and efficiently. So, that's where we're facing somewhat of a dilemma. Because, yes, we can dissolve this district, we have the authority, but then it falls back onto the county, and I see Mr. John Gay, who's the County of Imperial Public Works Director, who has more than once inherited one of my recommendations for the solution. But the point is, every time I've made a recommendation, and your commission has gone along with, for example, the Niland Sanitary District, that burden has fallen on him. So, one of my concerns with this district has been that if we can keep it viable, number one, its local government governance, and it's the citizens controlling their own destiny. But, if we can't, then the county ends up being stuck with it. Part of my concern, Mr. Dale and I've expressed this to you and to the chair, is you do have a problem with your sewer system. Now, whether it's a paper problem, whether it's a technical problem, whatever the problem is, Regional Board has a huge hammer. As we learned from Niland, their fines can essentially kill the district if nothing else. Now in Niland, we fortunately had Jose Angel, the Director of California Regional Water Quality Control Board at the time, stepped up to the plate and basically took those fines and they were massive, and helped Mr. Gay with repairs and used some of the fines, instead of just fining it, and taking the money to the regional board offices, they essentially said, okay, we gave you a fine, but we're going to give you the part of that fine, at least back to fixing your problem. I'm hoping and again, this is why I'm very strong on having somebody like Mr. Dale be in charge, because he has the engineering experience. He has a background in Calexico and other areas. The engineering to me is probably the most critical, even if he wasn't a good general manager, which I know he is, but even if he wasn't, he is a good engineer. I've worked with him for years in other capacities as

an engineer. That's what it's going to take for California Regional Water Quality Control Board to be comfortable with the districts progress. I have every confidence in him and the board's support to make that happen. But he's right if the California Regional Water Quality Control Board finds that these problems are being ignored, number one, they have no qualms fining you. I mean, we've seen that time and time again. I do thank you for all your help, Mr. Dale.

SCSD Resident Lily Garcia - My name is Lily Garcia if you guys haven't heard of me. I know Commissioner Castillo has probably heard of me. I do environmental justice work. I'm pretty familiar about issues from the border to the Coachella Valley in regards to the New River and Salton Sea. If all of you are not aware, most of the wastewater facilities are discharging into the Salton Sea except the Salton Community Services District. I know Mr. Dale mentioned one of the board members and I appreciate Commissioner Kelly, your comments. We are here today because of that problem. That letter that Mr. Heuberger sent to the district was in regards to her speaking up at one of the last board meetings. I think it was wrong. I do have most of the emails. I requested records. I would want you guys to give the district an opportunity, because these board members have only been in office for eight months. They actually approved more than \$40,000 for the finances. Even though Mr. Dale mentioned, he hired the two people, he hired are from the prior administration, which that's a concern to me as a resident. There's just a lot of stuff going on. I could send all of you emails that I have. In regards to Water Board's, the notice of violations that have been submitted to the district have not been charged. I talked to Waterboard, and Mr. Ramos has already sent the application to change the order to become compliant with the amount they can discharge. One thing for guys to keep in mind, is that every Service Area Plan that you have approved, all these facilities that even from the City of Calexico, we're talking about even Seeley, and Brawley. Niland Sanitary District was much different as they were discharging to the Drain R, Salton Sea. Most of these facilities, if you go back and look at the Water Boards agendas, most of these facilities have had issues for years. I say this because I was at Water Boards, and I used to look at all these many years ago, when I was 20 years old, I was there for a few years when I was at the community college. I am familiar with the facilities, and each and every one of you needs to be aware of the real situation. There seems to be a lot of conflicts of interest. That one board member has already been attacked and it's created a hostile environment including Mr. Dale. I have sat with Mr. Dale, and he mentioned some things about the City of Calexico, which I think is inappropriate. I'm here today to let you guys know that there is email and audio, that I have in my hands, that I can share with all of you. I do request for each one of you to take a step back and first look at the stuff that's there. Because at the end of the day, I don't think any of you want to be remembered as LAFCO has all this information in front of them, but I have seen what has happened in Imperial County. I know Mr. Heuberger has been here for a long time and I don't have that much years, but I have seen what has happened in Imperial County. The New River, I brought it everyone's attention, and nothing was done. We could be getting a lot of money for the County in order to stop all this pollution, but unfortunately, we're not, and unfortunately, the community that has been exposed to all the pollution is the community of Salton City. I also have data from the government. This is not my research. This is information from the state from every entity you could imagine, most of the entities. As I said, the emails are there, and I think you need to take a step back. I did say public comments last week at the board meeting. I don't think the community has had enough time to come out here and speak. Mr. Heuberger was present at the board meeting and the community was not aware of the letter that was sent to the district. I do ask for more time and to reconsider what the options are here. Thank you.

SCSD Board Member Rogelio Flores – Hi, I am Rogelio Flores. I am a Board Member of the Salton Community Service District. Well, I'm here to support the community. Basically, I got in this position because I wanted to support the community. Nobody really gives us support out there. I mean, even when we call County Public Works to come and repair roads, sometimes they bring up the fact that they do not have a budget for gasoline. So, on number 3 where Mr. Heuberger is suggesting we investigate anything that happened before. LAFCO should take responsibility of that. You were the ones that were supposed to be looking at the district and administration just like you are doing now. We have been working on this for the last eight

months. Most of the legal costs are because of LAFCO asking for information. It should be LAFCOs responsibility to go back and check to see what the issues were. It is not this Boards problem. Why is the concern only these past eight months. That is all I have to say. I support Mr. Dale and the people that are working now. We have made a lot of progress these last 3 months than what we did at the beginning. I do take responsibility when we made the wrong choice in hiring the first manager. We believed him and his interview when he showed he was a businessman. We thought a businessman would be able to run the community in a good way. It is not the same to run a business versus a public agency. We are making progress; we just need the chance to keep on moving. I'm afraid that if you dissolve this district, that the community will be left behind with no support. So, I please ask you to consider to keep the district going. Back in December you made a comment here that you were working on Niland and there was a need for Spanish translation. Language shouldn't be a barrier. We can always get a translator. You guys should have a translator for Spanish. We have a lot of people in the community that are only Spanish speakers. They have the right to communicate with you guys what the issues are. That's all I have to say. Thank you.

Local Attorney / SCSD Resident Jose Luis Fuentes – I am Jose Luis Fuentes. I am a local attorney in Salton City. I've been an attorney for 24 years. I've had the chance to speak with David Dale, unlike the previous general manager he is open and knows what he is doing. I've been helping out the Coachella Valley Water District and Coachella Valley Housing Coalition. As an attorney in the area, I also served as several of the board members elected campaign strategist, that's how we got things sorted out differently. It was unfortunate as I hear Mr. Flores speaking to you. I have the same concern that Mr. Dale has. The district will not do the right thing if they are on probation. They will engage in nepotism. As Mr. Flores says my people, those people are the people they placed there and are related. I have made a call to Mr. Flores to meet as a community leader and he will not respond. He is the president, but he will not engage, he has his own agenda. Likewise with Ms. Sierra. The community is out trying to talk with them and work together, but they are at odds with the community. I was at the meeting on July 17th that was on Facebook. They are at odds with Mr. Dale and that meeting on July 17, it is on Facebook. At that meeting, the community spoke passionately. How can the community be protected against these current Board of Directors. If anything, I take full responsibility because I helped put them onto the Board. I am working with some of the past board members that reached out to me. The past regime was in control. I'm working with them and what is being said of them, besides the former General Manager that walked out with money with the assessment of Mr. Kelley. But the other people are honest people and what they're being claimed to have done, is not what occurred, according to them. Mr. James Parks and a current board member did a lot of things before Mr. Dale came. So, whatever information Mr. Dale's is giving, is Monday night quarterbacking, because Mr. Parks and this current board took control of pristine documents that they did things with. And things they did was because they have a current counsel, who was there 10 years ago, who when they investigate, you will see the problems of why records are missing. He was representing them, as Mr. Heuberger had said, he's there to protect the law and protect himself. But when you look at the records and the current and the former regime, will tell you this attorney is part of records missing. We believe that because his prints are on there. It was his friends who were hired, and deals were cut to build ponds. \$80 million or more is look at the attorney, look at who was hired and so forth. So, that's what we're working with. This is all working with the community and working with the past folks, and they will give you the information you need, as opposed to attacking them. That's what I do, I build bridges, and bring people to the table. We have this information. We have the current board that doesn't want to engage and engage besides nepotism, as Mr. Dale has alluded to and the pressures. Now the future elections are coming up next November. You have honest people in our communities, we have competent people in our community. We're looking at with the past regime with the current regime and the people who want to correct problems is placing two more honest directors on there, so that Mr. Dale has the backing that he needs, has the majority, as Mr. Kelley says to corral the folks who are not doing what they're supposed to be doing. And that's politics. We need to end democracy, we need to get two more board members there, so that we have a majority, with at least one good board member. I see here in the audience, SCSD Director Michelle

Gilmore who is a stand up person and does the right thing. She can lead this group into doing the right thing only if they trust her and trust the community which is out there. So being placed on probation is the right thing. We need to protect Mr. Dale, because contrary to what Mr. Flores says it's contrary to anything that Ms. Sierra stated. They want the person who just spoke previously, Lily Garcia, to be the general manager. That's who they want. They already want Mr. Dale out. They don't want the interim. They need one more vote to make that happen. They're not gonna listen to you. They're not gonna listen to us. Probation will make them listen. And as well as their people who they have in there, they don't want them to lose their job. The nepotism that occurred with this current board, so they're going to vote the right way to protect their employees, their family members that are working there now. So, probation can control them because they don't want to force people to lose their jobs. Mr. Dale has looked into whether those hirings were appropriate and so forth, but that's for another day and issue. Thank you for your time. As I said, I've been in that community. As my position as an attorney, people come to me, we work on issues, and I advise them how to stay within the law, do not cross that line. It's a fine line sometimes, as you will know. I can tell where the borders are, don't pass it. Some people take my advice and others don't. People take my advice and continue working with me and those are community leaders of the past regime, some of the current regime and the future regime of this district. So, there is a future, which Coachella Valley Housing Commission is part of that future, and they're working with us. So, we have a good future in board members so that shouldn't be the problem, and we have the body to elect them. And we have the Hispanic community, they're upset at what happened now but they're forgiving and will come around. They have learned that the color of your skin and where you were born and just because you vote for them doesn't mean that they won't betray you or do something they're not supposed to do. I learned that with these board members now. We have to be careful next time. Thank You.

SCSD Board Member Michelle Gilmore - Thank you for giving me the opportunity to speak. My name is Michelle Gilmore, my address is 2661 Salton Bay Drive in Salton City. I am on the current board. I am probably the least experienced because I've only been on it since April. I'm also the Finance Committee chairperson. I have been along with my committee looking into the last Interim General Manager. I'm not qualified to go any farther than just what has happened since January. We have worked diligently to prove a case against the last two people. We have receipts, we have a paper trail, that has been given to the district attorney. We are scheduled to meet with him to resolve this issue and hopefully, to get some of the money back that was taken, misspent, embezzled, put it in somebody else's pocket, get it back to our district. There was a recall action against me. Hopefully, I will be able to stay in place long enough to resolve this issue. I work very, very hard with the other members of our board. I feel that we need to focus on going forward and not looking so much in the past. Many issues in our district are being handled and I wanted you to know that. Thank you.

SCSD Resident Elvira Herrera - Hi, my name is Elvira Herrera, and I am a resident and just bought a house. I have been a community activist in Coachella for 23 years. I know how the Board works and I know how a lot of these things work. What I am hearing right now is disgusting. They are bringing in their personal issues against other people on the board. I feel as a community we are going to suffer because all these people cannot leave their personal issues away from our community. Whatever you have going on, the one person that was speaking right now has personal issues with names that he mentioned. Again, is disgusting that they come up here and throw names that you have issues within your personal life. The community will suffer because we have concerns. Another thing is that when we give our opinion as a community we are being targeted and threats like we will burn your house down. That should not be happening. No one is better than anyone. This is our community, and they need to work together. We are concerned about our community. Finding out what happened in the history of the board and fraud and money disappearing. I have a lot of background in investigating and I took it upon myself to investigate. Finding out the history of Mr. Dale and why he was forced to resign from Calexico, is that a concern to the community, yes, it is. All these issues going on or bad decisions being made, that's a concern to the community. At the end of the day the people that do not live there will move on but the ones that will suffer is the community. My thing is don't dissolve our

community yet, we need to work on this as a time, as board members. That is why you were elected there. If you have issues between yourselves, you need to stop it. A lot of the board members live here but it is not good to make a little group here and there because we need to work together as a community. If one board member, as Mr. Heuberger says, does not agree because two board members did not applaud or bring out the red carpet for someone else and they were singled out, that was wrong. Board members are there to put their heads together. It is about working together and not sit in public and single them out. Leave your personal problems out and work as a team.

Commissioner Kelley - You stated several times about personal issues being brought up and attacked but I have not heard any of that.

SCSD Resident Elvira Herrera - When you live in a small community, you know who is home. There's people here that have issues going on right now between themselves, that is not our concern. It's like if I have a court issue with Commissioner Castillo, I'm gonna come in this meeting and badger him no because that is between Commissioner Castillo and I. And I'm just using him as an example. Again, that's why I said that I'm very disgusted on hearing these comments that are being made. So, if you're throwing out names, why to badger them, because you have issues, personal issues with the people, you should not be doing that. Again, don't come here and bring your personal problems and you feel like, okay, I'm gonna partner up with this guy and I'm gonna bash these two that don't like them, or I have court issues with them. Don't bring your personal problems at the board. I go to the board meetings there and I listen in. I just like to see what's going on, and again, I've been an activist for my company for more than 23 years. I know how the board works. I know everybody there. So, when I moved here, and I took an interest to go help my community or whatnot, what I could do for my community, after attending these meetings, it's disgusting, there are so many things, that they're not working together. And again, my advice to the board, work as a team and leave your problems at home. Because again, we're a community, it's not Lidia's community, it's not Mr. Rogelio's, it's not Mr. Dale's, it's not whoever's here, it's our community. And that's what we need to fight for. Whatever issues you guys had or have, please leave them at home. Thank you.

Executive Officer Mr. Heuberger - Just in response to what I said, and what the lady just brought up. So, I was at a board meeting, one of my primary goals was to see if the full Board was supporting the staff. Mr. Dale spoke and gave a presentation. SCSD Board Chair Mr. Flores spoke up and said that he supported the administration. My comment was basically that a house divided into itself cannot stand. But then, I also said that silence speaks louder than words, because none of the other board members spoke up either critical of Mr. Dale or in supporting of Dr. Dale. That's what I said. It wasn't that I was chastising them, but I did not hear anything from the rest of the Board. So that doesn't imply to me that the full board or even two thirds of the board is in support of the general method. Okay, that was my position.

Commissioner West - I had a couple of comments for a minute back. Mr. Heuberger, I wanted to really mention about translation. Historically speaking at the LAFCO we've always had at least two or three Spanish speaking people that we have translated. We've never actually hired a translator but just so he knows we've always had people. However, if we were going to have a large meeting, which normally we wouldn't, because most of the large meetings would go back to your board, you're more than welcome by law I think to hire a translator, an official translator. Some LAFCOs, San Diego LAFCO now hires for an official translator. So, if that were to be the case that we had a really large group, yes, we can do that. We've always had at least a supervisor that speaks Spanish and we've had several people that done our translation. Just want to make it known that we don't have these meetings without translation. It doesn't matter what language, if we were notified that we were to have a particular language, then we would do our best to make sure that somebody could translate, it doesn't matter what language.

Commissioner Kelley – Even sign language?

Commissioner West - Yes, we'd hire sign language as well.

Spanish to English - translated by Commission Castillo for Lidia Sierra. My name is Lidia Sierra and I am the Vice-President of the Salton Community Service District since November of last year. I speak Spanish and a little bit of English, but I will speak in Spanish, so I do not confuse what I want to say. With respect to the Hispanic community that voted for me I will say the following. They have confidence in me, and I will say the same thing I said in my campaign to be transparent. Perhaps that way I speak very forward it might hurt some people's feelings. In the days past there have been some comments but I do not have those notes with me. I do not want to speak to something that is false so whatever I say I have proof. So, what Luis Fuentes said, he is lying. Spoken in English- I have some proof about what happened but I am not the people that likes to talk a lot. I would better submit my proof of what I have. People are talking things about me and instead of talking I would like to submit the proof I have.

Commissioner West - My concern, I guess I heard, or could understand, is that we're not going to make a decision based on all their personal problems. We are going to make a decision based on the facts or based on those kinds of facts. Their personal problems are not ours. The only thing I would say is, if you have a board member, I've been on several boards now for 40 something years, if you have a board distraction, it makes it difficult for them to move forward. We don't care about the personal arguments on them and on each other, it's about the facts and whether or not they can survive and take care of their community. That's it.

Spanish to English- translated by Commissioner Castillo for Lidia Sierra - I want to work well with my board. I want to fix the problems that we have with our Board right now. Mr. Dale threatened me in his office and Mr. Flores was present at that time. I speak up and that is why he has issues with me. I can say that today or tomorrow because that's what happened. It is not true that I want to hire a friend. In the past, the last lady that spoke, Sonia Murrillo, she has the son working with Mr. Parks before and also, she has Chris Murrillo working there. Those are family and they are working at the district. I never hired them, so why are they saying that I hire friends. The only thing that what I was saying is that I think Lily Garcia is qualified and the best qualified to get grants and that is why I suggested that. Mr. Dale said if you keep saying that I will resign the next day. He said that in a session where everyone was present, he mentioned it again. They to silence my vote. I will continue working for my community and if I need to shout my voice, I will do it because I want the best for my district and I do now want it shut down.

Salton Community Resident John Kariotis - My name is John Kariotis, Ramona St. Salton City, California. I believe that option number three is the option you should go with. Dissolution of this board, in my opinion, is mandatory. This board has shown nothing but nepotism and favoritism in hiring. They should not be allowed to make any more decisions for our area. Because in my opinion, they have lost the confidence of this board of directors and the community. This board should be dissolved immediately. This board should not be allowed to vote out David Dale. I believe that they will bring forth in their next board agenda, an agenda of firing him, which I would believe would be retaliation. This board has shown no confidence in what they're doing. You have given this board plenty of time. They have not followed through on what you have asked, and they all need to go. At the same time anyone who is on this board, related to anyone on this board, and any board members from the past, should not be allowed to have any fingers in this pot and get their hands on any more money, period. You the county needs to take them over, keep the Sewer District going, and give the community what we have asked for. I have been a resident of the Salton City area for over 20 years. This is probably the worst board of directors I have seen in my experience. Thank you. That is all I have to say.

Commissioner West - I have one quick question. Since some people sometimes take off after we get back to here, the Salton City Board, do your folks have a conflict-of-interest statement? Okay, so then at each meeting, people there know that they need to take a look at their conflict of interest and make that known to the general public if there's a conflict of interest. Okay, we have a copy of that?

Executive Officer Mr. Heuberger – No.

Commissioner West - Okay, I'm not sure we can even ask for it, but if we could, I would like to see it.

Executive Officer Mr. Heuberger - It should be a public document.

Commissioner Froelich - So, I just want to say that I've been listening to all the comments. I've also listened to Mr. Dale. This is an area that we've been looking at for some time now. It's really disheartening that it appears to be somewhat dysfunctional. In a heartbeat, I would, you know, vote to dissolve. However, I think keeping in mind the best interests of the public and the community, I think that we should give the community an opportunity. The board should give an opportunity to Mr. Dale to do his work, working as an oversight under the supervision and as a probationary condition under the direct direction of Mr. Heuberger. I'm a firm believer of local control. I am a former Niland resident. I currently live in Calipatria. I know that local control is the best. Let me give you an example, the Niland Fire Department. We had a fire board. We had the Niland sanitary. We had a sanitary board with multiple issues, and they were different and led to insolvency. The best thing that happened to both those districts was when the county took over. I know the county doesn't want to take over, because it's a burden and then the community will lose your local control. I hope that people could put their differences aside. This is serious work. I think moving forward, it's important that the community and the other people that are involved and the board members, need to allow Mr. Dale to do his work, and to fully support Mr. Heuberger to be able to supervise the manager. We've done it before when a district, in this case was Calexico, Heffernan was on the brink of maybe becoming dissolved, and we saw there was good intentions. It is recommended, you know, to have a manager the same in this case. I think with all that said, I think that the community needs to step back a little bit and allow the LAFCO and the general manager that has been in place with the board to do their job. If it doesn't work, at least we're going to give it a try. Because we're not in the business of dissolving, we don't want to do that. The communities deserve nothing but the best. So, let's just give it a shot. And with that said, thank you, Mr. Chair.

Commissioner Kelley - Thank you Commissioner Froelich, I agree with you that local control is absolutely necessary. A community that works together, lives together, you know, they say the old saying it takes a community to raise a child or takes a community to work together to succeed and benefit the residents there. But, with respect to probation, if it's just a simple term of probation, with no consequences, you know, it just continues to kick the can down the road. We make a motion to dissolve the community, then they in fact, will have 12 months to resolve the issues. In hearing from Mr. Dale, it's not a monumental, impossible task, that we're within the confines necessary to be successful. So, I think the direction to go is to begin the process of dissolving the district. That gives us leverage, and they give us an opportunity to say, get the job done, or you're done. Simple as that. In 12 months, if you can't do it in 12 months, you're not going to do it. It also gives time for the Commission to come together as representatives of the community and pool and roll and go in the right direction. It's not an individual, you're not representing yourself on that board, you represent the residents of that community who depend on you to work together to make the proper decision and go forward for them, not for you. Having said that, I don't know if there's time for a motion or if I'll wait for the other members.

Commissioner Castillo - I've been on his board for 11 and a half years. I can remember when I first started on the board, meeting Mr. Dale. I've always liked the way he works and was impressed with his qualifications. You know for the life of me, I think Salton Community should really be fortunate to have someone of this caliber. If you have two for one, you have a manager plus you have an engineer. Let me tell you that an engineering license does not come easy. We don't have a lot of engineers and everything that gets done by the city or the county, in relation to the projects and approvals and stuff has to be reviewed by an engineer. So, the fact that he's there as your manager, and is also looking at it from an engineering perspective, and you're

getting two for the price of one. I think we're headed in the right direction. As was mentioned earlier, a dissolution doesn't mean that it's going to happen right away. It's 12 months. So, you have 12 months to fix whatever problems you have, and that includes getting along with one another. I've been on the city council, I've been on the planning commission, Board of Supervisors, and also LAFCO, and I've never seen a board so split like, from what I hear from Salton City. It is unfortunate and I always say we need to forgive one another. If there's any insults that hurt, you need to forgive one another and just move forward. I think the sooner you can forgive yourself for the past, you're going to be able to move forward. You know, in the Bible it says love one another, but it also says love thy enemies. So, if you see someone as an enemy, you need to love him, forgive him and let's move forward. I personally don't want to dissolve Salton Community District. I think you guys need to be governed by yourself because you live there. You know the residents there and then try to work with them. I suggest to the young ladies that spoke earlier and to Mr. Dale and the other board members, try to work with one another and bring harmony. And I think you guys are gonna succeed. Before I came on the board, I was a real estate agent. I remember showing a house up there, a brand-new house. I couldn't believe the price of \$35,000. I sold it to this gentleman who had just moved to the area, that had transferred here from Canada. He was a retired US Customs inspector. He sold his house in Canada and he needed something different. Well, he built the house. He sold his house in Canada for a million dollars. He bought this house there for \$35,000 and I couldn't believe it. A 3 bedroom, 2 bath, 2 car garage. That was when the crash occurred in real estate, and so many more lots and development. And I can understand where Mr. Dale is coming from. The infrastructure right now it's lacking because you don't have capacity for primitive development. But, if you have someone with his caliber, that knows engineering and knows about systems and stuff, he's going to be able to bring up the capacity of that whole community, and how to get it going properly, and see an increase, and see more development there. Eventually, you could wind up with a department store or a super Walmart itself. I think the whole community is going to improve and benefit from his leadership, his knowledge and experience. Now what happened in Calexico? I don't know. But you know, if you know the history of Calexico, they change city managers like they change underwear. So, I'm not worried about that. I think, personally, I don't like to deal with people's personal business. I really respect Mr. Dale and his judgment. I think he's going to continue to do a good job for you guys. If you guys can just hold onto him for the next 12 months, you're going to survive. For now, at least with this dissolution, we have no choice. I think we have to move forward and give you guys a chance. This is something for you guys to work together.

Commissioner Landeros - Just briefly. I know that we continue to talk about the fragmentation that's happening on the board. I just want to remind you as board members, as you've gotten elected, you got elected by not just the people that voted for you, you actually represent the whole district. Ultimately what you should be doing when you come up to the decision-making process, if it's a four two or a four one or a three two decision, ultimately, as a group, you're making the decision. So, the end result should be, let's work together on whatever the final decision of everybody is. Again, just a brief reminder of what we're all supposed to be doing.

Commissioner West - I just want to mention, to remind you, that most of us here have been doing this for a long time. I've been on boards now for 40 years. And sometimes I've been appointed by the County to a certain board. So, what I want to say is you have to work, you got no choice. You have to work together. You have to take out the personal problems. There's nothing wrong with in a meeting saying you disagree, but Commissioner Landeros is correct. Whenever I've been on the short end, if it's a 4 to 1 then it doesn't matter what I believe. My public opinion is that we voted yes for this, and I am in agreement, it has to be. If you can't come together, you're not going to be able to make this thing happen. It has to be, that's the only way that it will work.

SCSD Board Member Rogelio Flores - My main concern with the dissolution or requesting a dissolution is that it's going to drop the morale of the people or the staff working in the district. Just like if anybody comes to me and tells me we might close the company in the next year or so,

I'm gonna start looking for a job. So, we got to take that into consideration. We got to think about the people that are working there, we want to keep them morale so we can get out of this hole.

Commissioner West - I can tell you how to do that. Because under the new law Mr. Heuberger explained to us if we go for dissolution, you have one year, 12 months, actually a little bit longer, because you've got to send the paper to him and tell him what you want. So, let's say you got 14 months. So, of how to get morale, you tell your people that you're going to get it together and you're going to make it happen. It'll be on you the board, not on us, you'll get 12 to 14 months. The county would do a great job if they had to, but they don't want to, because then the rest of the whole county has to wind up paying in some way. So, we don't want to dissolve it. But under the new law, you get 12 months, I would assume that if you guys get together, you can make this thing happen. Would you agree? Okay, just want to make sure. We've all been doing this for a lot of years, and you've got to learn how to get along. Remember when it's been voted on then you go along with what's going on, because you are on a team.

Commissioner Kelley - This Commission is by no means putting the target on the back of the Salton Community. What we're doing is guiding you to a door of success. Any person that works for the Salton Community Service District has an opportunity to stand up to the plate and make themselves dynamic, with respect to getting the job done for the entire community. So, this motion I'm about to make, to begin with the dissolution process for the Salton Community Service District, is not a negative one. It's actually a positive one. It's one that can persuade you or motivate you to go in the right direction, at the direction and supervision of our Executive Officer from LAFCO, Mr. Jurg Heuberger. You know Mr. David Dale has bent over backward for that community. We all support all that you need to be successful. So, this is not a negative thing. It's in my eyes a positive thing. We have some leverage to ensure that it gets done properly. So, I'll make the motion that we direct executive officer Mr. Jurg Heuberger to begin the Dissolution process for the Salton Community Service District.

Executive Officer Mr. Heuberger - To the motion, it will be in the form of the resolution, which we'll draft up and have you ratify at the next meeting. The direction being that your Commission is directing that we pursue the Reorganization of the Salton Community Service District in the form of the Dissolution following the recently amended state law.

Commissioner West - Once again, believe me, we want the best for the district. This is not easy for you, and it is not easy for us. We do not want to do it. In the times in the past, we've had to do it because we were pushed to a wall, and we had to make sure that the citizens of that community were taken care of. That's our only goal is to make sure the services are there. Now that that part is through, I'm not sure we need to have any more comments. Well, we're going to take out the option. He made his motion. The option number one for us is actually what Jurg gave us. It's a paper directly to us. However, if we need to get rid of option one and just use his motion with Jurg's amendment, that's fine.

Executive Officer Mr. Heuberger - That's the motion that we made.

Commissioner West - Commissioner Kelley did not mention option one. So, we're just going take his motion plus the amendment and that's it.

Commissioner Kelley - We will blanket number three. The investigation part, as far as that goes, Mr. Heuberger, would you mind explaining to the board at some point in time why we don't take over that part of it.

Motion by Commissioner Kelley to Commence the Dissolution of the Salton Community Service District.

MOTION: KELLEY
AYES: FROELICH, KELLEY, CASTILLO, WEST
ANO: NONE
ABSTAIN: NONE
ABSENT: MORENO

7. Discussion/Action/Direction regarding an update on the Imperial Irrigation District (IID) Governance Study as directed by the Governor's budget of 2021

Executive Officer Mr. Heuberger - So, very briefly, since this has been presented to you a number of times, this is an update on where we are with that study and for the benefit of the audience and for anyone here. There was legislation proposed by Assemblyman Chad Mayes, actually two times. The first go at it, it was required that additional board members be on the IID's board, that failed to pass the legislature. The second bill, however, did pass only to find the governor vetoing it, in part, or at least mostly in part because he didn't feel that the amount of time allotted under the bill gave the two LAFCO's enough time. The intent of the legislation was to have the Riverside County LAFCO and the Imperial County LAFCO jointly do a study on the governance of the IID and the issue of them providing power and continue to provide power and shall evaluate what they have been doing under a settlement agreement, many, many moons ago. So, because of that, the Governor did allocate \$500,000 for the two LAFCOs to do this joint study. It was done back last year in 2021. It took the two LAFCOs, along with the State Water Resources Control Board staff, a slew of attorneys, and other people, including the County of Riverside close to eight months to come to terms on how the money would be sent from the state to the LAFCOs. One of the things that the two LAFCOs were adamant about from day one, is that we did not have the resources to fund this study and then get reimbursed. So, we wanted at least half of the money sent to us in advance of the study starting, so we have the funds. That proved to be sort of a major sticking point for a while. Ultimately the state did agree. Then the next sticking point was that the money actually goes to the County of Riverside, who then has to disperse it to the two LAFCOs. That again became a sticking point, because the County of Riverside didn't want to be on the hook for any problems with the money. Long story short, we finally got that resolved in May/June of this year. In the meantime, we have been working with the IID, IID Directors and the Coachella Valley Energy Committee. Director JB Hamby is here, and he's been part of that. So, both Gary Thompson, the Executive Officer for Riverside, myself, and our staffs have been talking to the Coachella Valley Energy Committee on a routine basis, keeping up to date. We kicked off the study by letting the consultant that we hired several months ago get going. We then presented this matter to the IID Board of Directors three to four weeks ago. This last week, we presented to the Imperial County Board of Supervisors as well. So, the point of that is, one of the biggest challenges or one of the biggest efforts, I guess I should say is we want to make sure that every possible stakeholder that we can think of, that should or could have input, has the ability to provide input. So that's why we're doing this sort of routine going to different people. However, the consultant is now charged for moving this forward. The consulting firm has a large team that's working on this. They will be reaching out to as many of the stakeholders that we can get a hold of throughout the process. They will eventually come up with a draft report that your Commission and Riverside LAFCO's Commission and everybody else will get to see before it's finalized. Obviously, this is going to take some time, we estimate it will take probably till March or so of next year for the draft to be available. Then probably, hopefully I should say before the end of next year have the final report and submitted to everybody. In the meantime, we will make every effort to get input. So, again, this is an update for you. I certainly encourage you as Commissioners, of course, to voice any comments or information that you wish. You will be given an opportunity to, again, answer a questionnaire. The consultant will most likely reach out to you directly because you are key stakeholders as is

the IID and IID staff. We expect to meet with top management at IID, as well as the County of Imperial's management. I made the comment at the County Board of Supervisors the other day that certainly, we will be reaching out to the County CEO Miguel Figueroa who's here in the audience as well, and to each of the County Board of Supervisors and potentially some key staff. So that's the update, that's where we are going. We anticipate that this will be a challenging project. Hopefully we will get through it without too much bloodshed. Just for the record, we have IID Director JB Hamby, we have their Legal Counsel Jeff Holbrook and Government Affairs and Communications Officer Antonio Ortega present today, who's been here before us numerous times, so IID is represented.

Commissioner Kelley - I think that we have been briefed on this from the very beginning, when it started several years ago, and I think we've responded in the proper way, and we are going in the right direction.

Commissioner Froelich - I wanted to make a comment, Mr. Chair, if I may. So, I just wanted to say that I saw Mr. Heuberger participate at the County Board of Supervisors meeting. I think that he's made every effort to have participation. Like Commissioner Kelley said, we've been talking about this for a long time. A lot of the advisory of the IID, the different energy advisory and other advisories have been aware of it. Now it's time for them to come forward and participate. We appreciate the fact that you've been going around to different entities for participation, and I think you're doing a good job. Thank you.

Commissioner Castillo - There is a lot of anxiety with IID and both the residents of this county as to what will be the outcome of the study. What I'd like to see is a briefing on our county website to keep people informed. In fact, at our board meeting the other day, there was a resident complaining about a lack of transparency, and the reality is we've been as transparent as can be.

Commissioner Kelley - That would be direction coming from the full Board of Supervisors not LAFCO. Incorporate the County CEO Miguel Figueroa, if he and the Chairman feel it's necessary, we can put it on next Tuesday's agenda for consideration of a press release at least on this issue.

Commissioner Castillo - I'd like to have LAFCO support it and recommend it to refer it to the Board of Supervisors for approval.

Executive Officer Mr. Heuberger - We'll be happy to work, as I said, we're going to make every effort, because obviously, the two biggest government agencies that are stakeholders here are the IID and the County Board of Supervisors. We do want to get the word out. That's why we came before the Board of Supervisors. That's why we went before the IID because that's another forum to get people's attention. You know, we could take out newspaper ads, but that wouldn't necessarily do anything. We would be happy going from that standpoint, we would be happy to work with the County of Imperial's CEO Miguel Figueroa.

Commissioner Castillo - The reason I mentioned that, because there's a lot of comments on social media about our board meeting. They are critical of the information that was coming out or in their case a lack of information. The more we can keep the public informed the more patient they will be with us.

Commissioner West - There's no action on this item, it was just strictly information

No Action taken on this item.

EXECUTIVE SESSION ITEM(S)

8. Conference with Legal Counsel:

Anticipated Litigation: Government Code Section §54956.9(b) 1 Matter

Legal Counsel Steve Walker - No action taken on this item.