
COMMISSIONERS

CITY

Don C. Campbell

CITY

Jason Jackson, Chairman

COUNTY

Michael Kelley, Vice-Chairman

COUNTY

Raymond "Ray" Castillo

PUBLIC

David H. West

Imperial



EXECUTIVE OFFICER

Jurg Heuberger, AICP, CEP

LEGAL COUNSEL

Ryan D. Childers

ALTERNATES

CITY

Maria Nava-Froelich

COUNTY

Jesus "Jack" Terrazas

PUBLIC

Ralph Menvielle

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ACTION MINUTES OF THE REGULAR LAFCO HEARING

May 28, 2015

8:30 a.m.

El Centro City Council Chambers

1275 Main Street, El Centro, CA

VOTING COMMISSIONERS PRESENT:

Jason Jackson, Chairman
Don Campbell
Ralph Menvielle, Alternate

**ALTERNATE COMMISSIONERS PRESENT:
(NOT VOTING)**

none

ABSENT:

Michael Kelley, Vice-Chairman
Ray Castillo
David West
Jack Terrazas, Alternate
Maria Nava-Froelich, Alternate

STAFF PRESENT:

Jurg Heuberger, Executive Officer
Julie Carter, Accountant
Ryan Childers, Legal Council

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

3. Approval of Minutes from March 26, 2015.

Motion made by Commissioner Campbell and passed by the roll call vote of Jackson, Campbell, and Menvielle to approve the minutes as presented.

4. Approval of Consent Items:

A. Project Report Update

Motion made by Commissioner Campbell and passed by the roll call vote of Jackson, Campbell, and Menvielle to approve the project report as presented.

5. Public Comments: *None*

ANNOUNCEMENTS

7. A. Announcements by the Commissioners.

LAFCO Executive Officer Mr. Heuberger provided an update on the CALAFCO Board of Directors meetings.

Commissioner Kelley participated in the last CALAFCO Board meeting. A follow-up meeting has been scheduled. Commissioner Kelley is to provide Mr. Heuberger with the agenda items

LAFCO Executive Officer Mr. Heuberger provided an update on the latest CCL meetings.

Mr. Heuberger and Commissioner West attended the last CCL meeting in Los Angeles. The major item on agenda was to nominate a member to the CALAFCO Board due to the southern district's public member having resigned. During the last CALAFCO conference, Mr. David West was one of the two people whom had been chosen, however, the committee felt the public member should be from a LAFCO which doesn't currently have a representative on the CALAFCO Board. Since we already have Commissioner Kelley on the board, Commissioner West gave up his spot in favor of having a person from Los Angeles taking the position at this time. Commissioner West will continue to stay in the rotation, but not at this time.

- B. Announcements by the Executive Officer.

- Update on CALAFCO Annual Conference.

Mr. Heuberger reminded the Commission that the CALAFCO Annual Conference is scheduled for early part of September. Mr. Heuberger requested Commissioners to notify staff as soon as possible if they plan on attending the Conference, since it is now time to start making reservations.

- Tenant vacancy update.

Mr. Heuberger reminded the Commission we currently have three tenants. The tenant whom gave notice, Federal Defenders, was occupying one of the larger suites. Suite size is approximately 720 square feet. The suite was remodeled not too long ago, but are expecting some minor work, mostly cleaning, having to be done. Commissioner Campbell thought there were two vacancies. Mr. Heuberger clarified only having the one vacancy.

ACTION/DIRECTION ITEMS

8. Progress Report & Direction on action plan regarding proposed Niland Fire District Dissolution.

Mr. Heuberger updated the Commission on the status of the Niland Fire District Dissolution. He reminded the Commission that LAFCO held a public workshop at a school in Niland. The workshop was not heavily attended; there were a number of people from the Niland area, along with Commissioner Kelley, LAFCO's EO Heuberger and staff. Most of the questions pertained to the special assessment and how it would be handled in the course of dissolution. No formal decision was given at that time.

Mr Heuberger had a following meeting with County staff to discuss some of the options that the County may or may not pursue. They will most likely be meeting again within a month for further details. Mr. Heuberger estimates to have a hearing in October, or November.

Commissioner Campbell had concerns regarding coverage. He wants to make sure the county is in the position to have the area covered as far as fire safety, and asked Mr. Tony Rouhotas to comment. Imperial County Fire Chief Mr. Tony Rouhotas did not want to go into too much detail as both LAFCO and County legal are still working on this matter. Mr. Rouhotas did state they have been providing services to this area since January of 2012, and are still currently providing these services. There is still some decisions to be made and drafting to be done by both sides regarding coverage for the future. Commissioner Campbell asked if Mr. Rouhotas is comfortable with the current situation of providing the services. Mr. Rouhotas commented that the County is currently running at a deficit to provide the service; the revenues in the Niland area at that one time that were occurring from the property assessment are not enough to currently cover the cost that was discussed at the beginning. This is one of the things that needs to be looked at; who would the responsibility fall back on for the financial impact and how it would be handled. Mr Heuberger commented that this is one of the major issues which needs to be discussed with County staff because some of the options will have different financial impacts than others, and it's the Commission's charter generally to make sure that they are not negatively, or severely negatively impacting an agency. The Commission's concern is that they want to make sure they don't make a decision that would later put Mr. Rouhotas in the position to be obligated to provide the service without having the resources to provide said service. Mr. Rouhotas commented that the district was already in a deficit prior to the County taking over, and the County is basically now assuming the deficit. Commissioner Jackson asked what the deficit was prior to County taking over and what the current deficit is; the cumulative amount is somewhere between \$800,000 to \$1,000,000.

No action was taken on this item.

9. Progress Report on Heffernan Memorial Healthcare District MSR/SAP update.

Following the continuation of this item from December 2014, there have been a number of correspondences between Mr. Eduardo Rivera and Mr. Heuberger. Bob Braitman & Associates was retained by the District and they are currently working on updating their SAP/MSR. Mr. Braitman has been down here and meet with a number of people from Calexico, Pioneers Memorial Hospital, City of El Centro staff, and LAFCO EO. He has not meet with Mr. Rivera personally, but they have been in contact via phone. Progress is being made. LAFCO hopes to possibly have the draft SAP/MSR submitted by the District in June.

No action was taken on this item.

No action was taken on this item.

10. Progress Report update on the Winterhaven Fire District MSR/SAP.

Mr. Heuberger had received an email informing him of a draft MSR/SAP being received shortly. However, within a few days following the email he received a letter from WFD's attorney which did not address the MSR/SAP, but addresses issues that Mr. Heuberger feels is more appropriately addressed to the County of Imperial not to LAFCO, as the issues are beyond LAFCO's jurisdiction. Copy of letter was provided to Commissioners. Mr. Heuberger talked with LAFCO's attorney, Ryan Childers, to discuss said letter. Mr. Heuberger and attorney Childers will be drafting a very brief response, essentially noting that LAFCO was not party to the alleged actions and does not have jurisdiction. Mr. Heuberger will be pursuing the completion of the MSR/SAP after attorney Childers responds to said letter.

No action was taken on this item.

11. Progress Report update on Seeley County Water District MSR/SAP

LAFCO staff is currently working with Seeley County Water District. SCWD's board is relatively new; most members have only been on board for less than a year. Their new District General Manager has been on board for about 6 months. SCWD just recently submitted some financials to LAFCO for review. SCWD are in the mist of drafting their report, are trying to make progress, but it is somewhat of a challenge due to all being new and some of the paperwork having been difficult to obtain.

No action was taken on this item.

12. (a). Discussion/Direction regards to budget for Restroom renovation and Landscaping improvements

Under the budget request are to two basic policy issues which were previously addressed with the draft at the March 26, 2015 meeting. One of these issues being the renovation and additions of the restrooms to be ADA compliant.

At the present time the building has been remodeled throughout with the exception of the restrooms. Women's restroom currently has four stalls which can be relatively easily modified to accommodate a handicap stall by removing one stall, enlarging another, and adding minor protective devices on the sinks. There are two small cubby type men's restrooms; these will be more difficult to remodel as neither is large enough to accommodate a handicap stall. Mr. Heuberger meet with contractors to get some ideas and estimates. The most cost effective way to approach the renovation for the men's restrooms is to leave one restroom as is, take the other out and use as a hallway, and add a newly constructed small handicap / disability accessible restroom.

Second item of renovation/improvement is to eliminate the water intensive landscaping and replace with Xeriscaping, which includes rock and some artificial grass; all of which should be low maintenance and less water intensive.

These renovations should cost a combined amount of approximately \$61,000.

Motion made by Commissioner Menvielle and approved by roll call vote of Campbell, Jackson, and Menvielle to approve budget for Restroom renovation and Landscaping improvements as presented.

- (b) Discussion/Direction/Adoption of the Final proposed LAFCO Budget for the upcoming fiscal year 2015/2016.

According to the Cortese-Knox-Hertzberg Act of 2000, LAFCO is required to have a draft budget adopted by May 1st and the final budget by June 15th. The draft proposed budget was presented during the March 26, 2015 meeting.

Commissioner Jackson expressed a concern due to not having all Commissioners present that maybe the budget should be postponed and continued to next meeting. Mr. Heuberger reminded the Commission a final budget needed to be approved by June 15th. Mr. Heuberger also informed the Commission that he had talked to the county and tried to get another date to hold a special meeting within the first few weeks of June. He talked to Commissioner Mike Kelley and Commissioner Kelley said to go ahead and proceed since they (County members) would not be available to accommodate a special meeting date within the first two weeks of June.

Commissioner Campbell was hesitant to vote at this current meeting. Mr. Heuberger asked him what specific issues he had which would prevent him from voting at this meeting. Mr. Heuberger reminded them that the budget presented was minus some salary increases; the salary increase for the Clerk's reclassification was dropped off. Mr. Heuberger also reminded the Commission that they were provided with a synopsis of the Executive Officer's salary increase as requested by Commissioner Kelley, and that Commissioner Kelley was also provided with a copy of the synopsis. Mr. Heuberger clarified what was included in salary increases; a combination of the annual 5% merit increase for two permanent staff members, additional hours for maintenance employee to accommodate the increased tenant traffic, and an annual \$10,000 increase for the Executive Officer whom hasn't had an increase of any kind for 6 years. There is also an increase cost of benefits which unfortunately most agencies suffer.

Commissioner Jackson asked if there were any other significant changes to the budget. Mr. Heuberger responded that to maintain our costs we reduced the out-of-county travel substantially. Reason for this reduction is two-fold; one is each and all Commissioners can attend the annual CALAFCO conference, historically not all do; second thing is even though at the highest level with all attending this year's conference in Sacramento it should not be as pricey as some of the previous locations; also with the premise that not all will be attending, he felt the amount would be sufficient. There is also a \$6,000 increase to Professional & Special Services that is due to contractals for such things as annual audit and Paychex services.

Commissioner Jackson commented that we no longer have building payments. Mr. Heuberger confirmed the building loan has been paid off, and revenues generated by our leases are being used to offset our budget cost. Mr. Heuberger also advised of building maintenance and supplies costs going up due to new tenant leases with an increase in tenant traffic. We historically have not had as many tenants as we do now.

The other policy issue item pertains to our Contingency fund. Our current Contingency policy is to try to maintain \$100,000 for emergencies. Our recommendations are to take our carryover balance, some of which is unknown, to fund our current contingency to try to build it back up.

Commissioner Jackson did not have any issues with the salaries as proposed and feels that the commission can move forward since requests made by the Commission from last meeting have been resolved.

Motion made by Commissioner Menvielle and passed by the roll call vote of Jackson, Campbell, and Menvielle to approve the Final proposed LAFCO Budget as presented with the condition of not paying out the increased salary for EO until it is approved as a separate item at the next meeting .

PUBLIC HEARING ITEMS

11. [8:40 a.m.] Public Hearing on the McCabe Cove/Magnolia Gate area adjustment to service provider by implementing an agreement between the City of El Centro and the Heber Public Utility District.

At the last meeting there was discussion regarding possible issues to the roles as the result of prior authorization that LAFCO provided some time ago for these two projects, and then subsequently the Heber Public Utility District providing water services. As a result of questions provided by the residents and request for services, the City of El Centro staff, along with Laura Fischer and her staff, were very helpful in getting a meeting scheduled in Heber to have the residents of McCabe Cove and Magnolia Gate be able to ask questions and get answers.

As indicated at the last meeting, City of El Centro staff, HPUD staff, and LAFCO Executive Officer had meet to discuss what both the district and the city were amenable to pursue to solve the problem. Following the public meeting in Heber, the direction was taken that the City of El Centro was comfortable allowing HPUD to continue to provide water service to this area with some provisions.

Purpose of today's meeting is to memorialize from a LAFCO perspective how this would work. Because it will take some time, possibly two to three months, for the attorneys from both City of El Centro and HPUD to draft a formal agreement, LAFCO felt it would be appropriate to agree to that approach; first of all so the city and the district wouldn't spend too much time on something which LAFCO would subsequently not approve to; and secondly, it would allow the residents of Magnolia Gate and McCabe Cove who wanted to pull permits to obtain the service authorization from HPUD.

The way this is structured right now, if commission approves, gives the City of El Centro and HPUD the direction and authority to come to an agreement with the condition that they provide said agreement to LAFCO Executive Officer for review. If LAFCO Executive Officer feels agreement is adequate, then it's a done deal. If LAFCO Executive Officer feels the agreement is not what the commission intended, then it will be taken back to commission.

this area to allow them to provide this service out of district, not out of sphere, just out of district.

Essentially what we will have is an overlapping of service areas which is very common in California, just hasn't happened in our county before due to not having a prior need.

Alternatives that could happen; Heber essentially and perpetuity continue to provide water service; El Centro can annex the area and Heber can still provide the water service; or Heber can withdrawal and El Centro could then provide water service.

For the time being it remains status quo with HPUD providing only water service to the two subdivisions. If at the time El Centro decides to annex the area, the agreement would structure how they would handle the transaction at that time.

Commissioner Menvielle had questions and requested clarification of the Executive Officer's recommendation to consider approval of alternative #4. Mr. Heuberger clarified that the recommendation made is for the time being to remain status quo with the only change being to formalize an agreement between the City of El Centro and HPUD on the continuation of the current service and how future changes would be effected between the two agencies. Also clarified this process will eliminate the need for each individual parcel to individually obtain LAFCO approval for water extension to this area. If commission approves recommendation today, Mr. Heuberger can then give authorization to HPUD to proceed with water extensions, if approved.

Commissioner Jackson had a question pertaining to City of El Centro annexing when the time comes. He wanted to know what would happen with this agreement with HPUD. Would it be dependent on how the agreement is prepared? Mr. Heuberger explained that he is leaving the flexibility within the two agencies to come to terms. They have discussed the options when meet, but City of El Centro counsel and HPUD counsel will have to come to an agreement. This is the reason LAFCO would like to see how the agreement is structured.

Norma Villicana, Planning Director for the City of El Centro, shared what their annexation plans are at the request of Commissioner Jackson. She said they have had several meetings with the parties involved. The City currently does not have any immediate plans to annex in the near future, and they have no problem with HPUD providing the service to that area.

Laura Fisher, District Manager for HPUD, commented that they agreed this is best for the customers, the City of El Centro, and HPUD. She has apprised her board of the situation and without taking any formal action has discussed and agrees that continuing the services to the two subdivisions would be something they would agree with.

Motion made by Commissioner Menvielle and approved by roll call vote of Campbell, Jackson, and Menvielle to approve the McCabe Cove/Magnolia Gate area adjustment to service provider by implementing an agreement between the City of El Centro and the Heber Public Utility District as presented.

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EXECUTIVE SESSION

No Executive Session Items.

Meeting Adjourned at 9:30 a.m.

Jason Jackson, Chairman



Jurg Heuberg, AICP, CEP
Executive Officer to LAFCO