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COMMISSIONERS

*CITY*  
Maria Nava-Froelich, Chair  
*CITY*  
Jason Jackson  
*COUNTY*  
Michael W. Kelley  
*COUNTY*  
Ray Castillo, Vice-Chair  
*PUBLIC*  
David H. West



ALTERNATES

*CITY*  
Jim Predmore  
*COUNTY*  
Luis Plancarte  
*PUBLIC*  
John E. Snively

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EXECUTIVE OFFICER  
Jurg Heuberger, AICP, CEP

LEGAL COUNSEL  
Ryan D. Childers

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ACTION MINUTES OF THE REGULAR LAFCO HEARING

December 13, 2018

8:30 a.m.

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

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**VOTING COMMISSIONERS PRESENT:** Maria Nava-Froelich, Chair  
Ray Castillo, Vice-Chair  
Jason Jackson  
Michael W. Kelley  
David H. West

**ALTERNATE COMMISSIONERS PRESENT:** None

**ABSENT:** None

**STAFF PRESENT:** Jurg Heuberger, Executive Officer  
Julie Carter, Accountant  
Paula Graf, Analyst

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

**3. Approval of Consent Items**

- 3A. Minutes from July 19, 2018
- 3B. Project Report update

**Motion by Commissioner Kelley to approve items 3A and 3B.**

**MOTION:** Kelley  
**AYES:** Froelich, Jackson, Kelley, Castillo, West

**ANO:** None  
**ABSTAIN:** None  
**ABSENT:** None

**4. Public Comments**

Commissioner Castillo translated.

(Spanish) Niland resident Mr. Arturo Grivara stated he is here today because he was charged double. He's said previously that the assessments were incorrect. Up to this moment he has sought help, and no one has resolved his dilemma. He visited the Holt Group, he explained to them that his parcel assessment was incorrect, they inspected it and noted it on the checklist that it would be examined prior to the assessed tax rolls. As of today, no one has inspected his property as they said they would and he hasn't received a phone call. In November he called public works and he was told to wait, that someone would call him to resolve the problem. He had to pay his taxes because it was the last day to make the payment. He's had this problem for many years, when Niland Sanitary District was in charge and he was charged for many years and when he found out it took him three years to resolve the problem and now the problem has resurfaced. Who is the person that will take the responsibility of this issue.

Commissioner Kelley asked Mr. Gay if he could address this issue.

I.C. Department of Public Works Director Mr. John Gay stated he spoke to Mr. Grivara prior to this meeting. They reduced approximately 20 EDU's which is how the assessments are charged. They've been receiving phone calls and have been conducting site visits for residents requesting a review. Mr. Grivara is being charged 2 EDU's and if in the event that he is only supposed be charged 1 EDU, he will get the full reimbursement and they have already done that for some of the residents. It's an active process and Mr. Grivara can meet with him.

Commissioner Kelley asked if Mr. Grivara is aware of what he needs to do.

Mr. Gay replied that he just found out this morning.

Commissioner Castillo stated that Mr. Grivara can meet with Mr. Gay to resolve the issue.

(Spanish) Mr. Grivara stated that he is not the only resident in Niland with the same issue. When he reported that the assessment was incorrect, no one paid attention.

## ANNOUNCEMENTS

**5A. Announcements by the Commissioners**

- i. Election of Commissioner West to the CALAFCO Board
- ii. Conference update

Commissioner West stated he was elected to the CALAFCO Board. It's rare to have two CALAFCO Board Members from the same area. He thanked the Southern division for nominating him. It's an honor for Imperial County to have two that serve on the CALAFCO Board to see what's going on statewide. It's an important event for everyone.

Commissioner Kelley stated he was his best campaign manager during the election process. Commissioner West will do an outstanding job because of his professionalism and dedication. He attended the first meeting with the new CALAFCO Board last Friday in Sacramento and Commissioner West called in for the meeting. Commissioner Kelley is now the Secretary to the Board and was appointed again to the Awards Committee and Commissioner West was appointed to the upcoming Elections Committee. There are many things going on, mostly dealing with new legislation and how it affects LAFCO's and special districts. It will be a very busy year and he looks forward to continuing to represent southern California especially Imperial County on the CALAFCO Board.

Commissioner Jackson stated he attended the annual conference, it was a bit of a pain to get there because it was in Yosemite. When it is in the northern part of California it focuses more on northern California issues and when it's held in southern California it focuses on southern California issues. There was a lot of talk about forestry and forest fires and everything the northern part of the state has been dealing with. It was a good conference and a good way to network with the other LAFCO's.

Commissioner Castillo stated he attended the conference in Yosemite. In regard to climate change, they discussed the trees that are dying and a fire that came close to the center where the conference was held. It was a good conference and he is looking forward to next year's conference in Sacramento.

Commissioner Froelich stated the City of Calipatria held their council meeting last night and she became the Mayor. Mr. Jim Spellings is Mayor Pro-Tem. There are three new council members, Hector Cervantes, Javier Amezcua and Huston Hisel. There was an ICTC meeting last night but she was unable to attend. She attended the Mariachi concert and it was wonderful. She invited the public and organizations to visit the resource center in Calipatria. The center has been providing services to the families in the north-end and are busy working on a memorandum of understanding with the County to hopefully obtain another three years of support. There have been a lot of people coming on board and agencies collaborating with them for services to the north-end. The Salvation Army will be providing a toy giveaway and a food box for the citizens on December 19<sup>th</sup>. They are also planning the 17<sup>th</sup> annual children and family healthcare in Niland.

**5B. Announcements by the Executive Officer**

- i. Extension of Sewer Service between the City of Holtville and Laguna Soleada LLC (HV 1-18)

Mr. Heuberger stated this is an informational item and the Commission has the information for the extension of sewer service in their packets.

Mr. Heuberger stated that the reports for the City of Brawley Service Area Plan and Gateway of the America's Service Area Plan were 99% completed by Paula Graf, Analyst and he wanted to acknowledge her work along with Julie Carter, Accountant.

## DISCUSSION/ACTION/DIRECTION

### 6. Discussion/Action/Direction regarding California WaterFix

Mr. Heuberger stated this item came before the Southern Region of LAFCO's back in August. He wasn't able to attend but staff did. At that time a presentation was made by Mr. Wilson that dealt with the so-called water issues specifically in southern California. As a result of that meeting, the Executive Officer's discussed the topic and were subsequently asked to take a position. Los Angeles and Riverside LAFCO adopted a position. It hasn't come before the Commission earlier because one of his concerns is that he believes this could have a significant effect on the Imperial Irrigation District, so he reached out to Mr. Antonio Ortega at the IID. The response from Mr. Ortega at that time is that the IID hadn't taken a position and asked that LAFCO wait to take a position so that the IID Board could weigh in. In the end, the IID stated they didn't have a position and the LAFCO was free to take whatever position they wanted.

Commissioner Kelley stated that the water tunnels were on the Governors wish list. Imperial County isn't affected because we get our water from the Colorado River. If LAFCO takes a do-nothing stance and lets the state do what they want, would that subject the Imperial County and IID into a forced water transfer.

Mr. Heuberger replied not the way that it's understood. The Commission doesn't have to take a position on this item.

Commissioner Kelley asked what Mr. Heuberger's recommendation is.

Mr. Heuberger replied that he is leaving that up to the Commission.

Commissioner Jackson stated that he agrees with Commissioner Kelley, he doesn't see that the twin tunnel project would have anything to do with Imperial County and getting into potential water issues is not something we should be doing.

Commissioner Froelich asked if they are requesting a support letter.

Mr. Heuberger replied yes. From a practical standpoint we really aren't involved in the fight so to speak. When he spoke with IID, the IID hadn't taken a formal position at the time and his feeling is if anyone does take a position it would be the IID.

**Motion by Commissioner Jackson to approve Option #3 of the Executive Officer's Report, declining the request to send the support letter and notifying Mr. Wilson, Southern California Water Coalition.**

**MOTION: Jackson**  
**AYES: Froelich, Jackson, Kelley, Castillo, West**  
**ANO: None**  
**ABSTAIN: None**  
**ABSENT: None**

**7. Discussion/Action/Direction regarding the proposed formation of the Rancho Los Lagos Community Service District (RLL CSD 1-18)**

Mr. Heuberger stated that this item is an update at this time and no action is being requested. The County approved a project known as the Rancho Los Lagos Specific Plan. The project is located south of Brawley. Mr. Heuberger was the I.C. Planning Director at the time that this project started. At that time there were two proposed projects, Ranch 101 and Rancho Los Lagos. Ultimately the Ranch 101 didn't move forward. The County approved the Specific Plan for the Rancho Los Lagos and approved a Development Agreement for the project. That agreement specifies that a special district would be formed to provide the public services that would be necessary to move forward. The development agreement allowed the option to create a community service district, a county service area or another type of district. The Board of Supervisors ultimately adopted a resolution of application submitted to LAFCO on behalf of the project to form a community service district as opposed to a community service area or other district. A community service district is almost an equivalent to a city, as in they can provide any service a city can. The decision to form a community service district was the decision of both the county and the applicant. Back when this project was first proposed years ago, there were numerous discussions on the public services that would be needed for both Ranch 101 and Rancho Los Lagos, sewer and water being key. Early discussions included the City of Imperial possibly providing sewer services, however, at this point the City is no longer participating. Staff met with the Imperial City Manager, the Brawley City Manager and the County CEO and discussed what LAFCO needs to do in order to make a determination to either approve or deny the project. At that meeting the City of Imperial was moving forward with their sewer plant and it was inadvisable for them to participate at this time. It's been a discussion that the City of Brawley possibly providing water to this project. Over the years that discussion changed to no, to maybe, from heck no, and back to maybe. Mr. Heuberger and the County CEO Mr. Tony Rouhotas brought this project before the Brawley City Council to bring them up to speed to make sure they are aware of the fact that the City would be approached to potentially provide water to this project. He emphasized that the project the way it was processed and is being processed would have the City of Brawley essentially providing bulk wholesale water. The special district would maintain the billing and the meters, and the City of Brawley would not go out of their city limits to

monitor meters or billing, just the wholesale of water. The State Drinking Water division sent a letter basically stating that the City of Brawley would provide water whether they like it or not and they will not approve any additional water plants in any location unless it's an absolute only option. The state doesn't feel that the location of the project, the fact that the City of Brawley has the capacity to provide water and the state being able to help with the funding of capacity issues would allow them to consider approving a water plant. The state is adamant, the county, city and the applicant all received a copy of that letter.

Commissioner Kelley stated that since the project is adjacent to the City of Brawley, why don't they annex.

Mr. Heuberger replied that the Ranch 101 property is intervening, not contiguous and would create an island. The County's resolution has asked that the Community Service District provide essentially water, sewer, police, fire, parks, street lighting and so on.

Commissioner Kelley asked if there is a problem with extending a water line from the City to the project.

Mr. Heuberger replied no, it's being looked at right now by the applicants engineering firm. He discussed this with Ms. Moore and those costs would be borne by the applicant. The engineering would be reviewed by the City. The point of service most likely would be the city limits and then it would become the special districts responsibility to maintain. That could change if the City would want to have control of the line. LAFCO cannot impact an agency with costs that they cannot recover, so it's been made clear to Ms. Moore and the applicant that these costs would be borne by the developer and not the city. Having said that and the fact that the CSD would provide all the essential services, that doesn't mean that the special district couldn't contract for services, in this case the district would contract with the city for water. The district would provide its own sewer system, with fire they could contract with the county.

Commissioner Kelley asked if at one point the Ranch 101 and Rancho Los Lagos were handled by the same developer. If Ranch 101 came forward to start developing, would the City consider annexing both communities.

Mr. Heuberger replied it's always been two different developers. The current ownership of the land and the developer of Rancho Los Lagos is the Benson family. Ranch 101 was a different entity.

Ms. Moore replied that she'd like to give more of a background on the projects. A portion of the Rancho Los Lagos project is within the City of Brawley's Sphere of Influence. Brookfield 101 Ranch abuts the Rancho Los Lagos to the south. It's the city limits, Rancho Los Lagos and to the south is Brookfield 101 Ranch. Mr. Heuberger and Ms. Moore have a unique perspective on these projects because of their working lives. One piece of information that is important to know and as a refresher to newly seated Commissioners; the reason that Rancho Los Lagos and 101 Ranch were not

pursued as annexation projects is because the difference of opinion in what the desired standards were. The applicants made a decision to pursue the project with the County where the city standards wouldn't be the same. There was more flexibility. An after the fact annexation would be up to the governing body of the City of Brawley if they wished to expand to the south. The City currently has 3,800 entitled lots within the city limits. The city has a great deal of potential for infill before expanding to the south would be looked at. It's more logical to service the city limits first and once those areas are significantly built then the city would look to the south.

Commissioner Froelich asked if there would be potential annexation at that time.

Ms. Moore replied that the question would be, when would the City double its population. It's possible in the future that the City would look to grow to the south. One of the unique attributes is because of where the project is situated, it couldn't be further away from the wastewater treatment plant. The southern limits of the City is where Walmart and McMillin homes are located. The sewer discharge from those locations have to be pumped up to the north end of the City. Anything south of the current city limits is challenging from an energy point of view to pump to the north end of the City.

Mr. Heuberger stated it's called Mesquite Lake which is probably the lowest point. LAFCO cannot approve a new special district without making certain findings, among them making a finding that the special district is financially feasible. Technically, a lot of things can be done, engineers can design. The question is will the district be financially feasible over the long term or is a district being created that is due to fail. There was a financial report that was completed by the applicant and LAFCO has an obligation to review and the option to obtain a separate opinion. A financial expert was hired to take a look at that report and to come up with potential rate structures. Keep in mind that this property is farmland, and everything will be new from the ground up, so someone has to pay for it. The costs aren't offset on day one after building ten-thousand housing units. The County is familiar with the Gateway CSA and the growing pains of how it affects the property owners and the costs. There is a financial analysis that is a key document and staff are working with Ms. Moore and Mr. Rouhotas. Since this is a new special district and since there aren't any voters, the County Board of Supervisors effectively becomes the governing board until such time there are the required number of voters. At that time there would be an elected board. The County BOS and County staff are critically involved from day one. With LAFCO having two Commissioners from the County they have to take a long and careful look in how the structure is set-up and how funds are transferred. The development agreement has certain requirements as to what funding goes to the County. At some point in time, some of that funding would transfer to the special district. It's a fairly complex process that was started on back in August when the BOS passed the resolution. One of the things that he wants to stress is that LAFCO will be in constant contact Mr. Rouhotas and Ms. Moore on the progress so that the city and the county aren't impacted per se.

Commissioner Kelley stated several years ago he met with an owner of a feedlot that abuts the project area.

Mr. Heuberger replied he thinks the owner is Mr. Grizzle, it's a calf lot.

Commissioner Kelley stated the owner of that lot and Holly Sugar were concerned that the development would impact them. The residents could file a complaint regarding the smell of the feed yard or the sugar plant and could make their life become difficult and change a lot of things in the future.

Mr. Heuberger replied it should have and believe it was addressed as part of the land use entitlement when the County approved the EIR. There are some provisions in the specific plan if he recalls correctly. It's been a few years since he's been involved. Early on there were some concerns from surrounding land owners.

Commissioner Kelley corrected that it's Spreckles and not Holly Sugar.

Commissioner West stated that the City of Brawley would have to agree to provide potable water, not bulk water.

Mr. Heuberger replied it would be treated water. Any landscaping could be handled with non-potable water if the district decided to use that option. The whole emphasis is the State made it clear that they would not approve a water plant for this project. They've also been up front stating they would work with Brawley for potential funding support. The project would have to compensate Brawley for not only the bulk water but for capacity expansions. As Ms. Moore pointed out, the City has 3,800 units which essentially means they've committed service to those units. This project cannot come in and precede those authorizations. If this project were to develop before the 3,800 units in the city, the project would have to pay the city for the offsetting capacity fees to bring the plants up to the level that the city could still maintain it's 80% limit that is required. It's a complex process that may take the next six months or so and the applicant is aware. There's no guarantee that the district formation can be approved. There are many steps that they agencies will have to agree to. Absent the formation of a district, the project would not be able to develop.

Commissioner Froelich stated regarding the CEQA process, she is wondering what some of the impacts will be for some of the industrial companies and landowners would come across.

Mr. Heuberger replied all of those impacts were addressed in the EIR that was done by the County and at the time that this project comes before the Commission there will be an analysis. Keep in



mind that LAFCO does not have land use control over zoning and things like that. There is some authority with the new housing requirements law that requires the city and the county to be in compliance with the housing element. The homeless is now an issue that LAFCO has to look at. Any actual land uses are limited.

Commissioner Froelich asked who would incur the cost of the analysis.

Mr. Heuberger replied that the developer would pay. For instance, the economic analysis went out for bids and proposals were received that were then presented to the applicant. The applicant has sent an e-mail that a check will be sent for the proposal. All the costs are billed to the applicant. Even though there may not be development for years, there will be annual minimum costs that the county staff will incur to make annual reports to the Board of Supervisors and to keep track of things. Those costs will be billed into the agreement right up front, so the landowner or the buyer of land is responsible to offset the ongoing costs. Right now, the landowner is on the hook. The applicant is aware of these costs.

Commissioner Froelich stated some of the current districts are already struggling, the Niland Fire, Niland Sanitary and Heffernan.

Mr. Heuberger replied if a new community service district is formed, it would fall under the same requirements as any other district does with LAFCO oversight. On existing districts, LAFCO has the responsibility to look at them and make sure they are viable. In the case of Niland and Winterhaven Fire Districts, the Commission determined that the districts were no longer viable and were dissolved. In this case, LAFCO has to make findings to say yes, the district can survive and has the financial wherewithal to do it and that's where there are challenges and questions. How does he present a report to the Commission that shows the district will be viable. There is a model that is kind of working and that is the Gateway CSA. The Gateway ended up placing a tax against the land and the landowners pay a substantial tax to offset the costs of operating the Gateway. If that tax wasn't in place, the Gateway would be bankrupt. That could be one solution, to have the developer agree that the start-up costs would be a tax against the property. There are challenges here. When the project comes before the Commission, the Commission has to make a finding that the project will work.

Commissioner Froelich stated a big concern is that the project will encroach so much with Brawley and the city being forced to provide service.

Mr. Heuberger replied the City would only potentially be forced to provide water. It's the State Drinking Water Board that sort of has that hammer, not LAFCO taking the initiative. He's dealt with the State Drinking Water Board from previous experience. LAFCO will not make a recommendation to the Commission that would financially impact the City of Brawley and wants to emphasize that

to the Brawley City Council. The cost has to be paid for by the development. It's no different in the sense of Brawley selling water to a residence or industrial user, they will pay for the use of the water.

Commissioner Kelley stated the issues with the other districts came after the fact. In this case it will be addressed prior to creating the district and ensure they have the financial wherewithal to survive.

Commissioner Castillo stated he's been on the BOS for the past eight years and this project came before the County during his first year in office. At that time there was a housing crisis and values were plummeting and they thought the housing crisis would be over quickly. There isn't a current crisis but the demand for housing isn't there like it used to be. The Coast is growing tremendously in Riverside, Temecula, Menifee, there is a lot of housing development. What has kept the County from growing is the lack of jobs. He believes it will change in a few years with some of the things that are in the pipeline. Mr. Heuberger may be more knowledgeable about the geothermal. There is geothermal looking to expand in the Salton Sea. IID is working with Controlled Geothermal Resource that will be building a geothermal plant and looking to mine lithium, zinc, and other precious metals. It's a few years away but when the geothermal starts then the County will see tremendous growth. At that time maybe, a project like this will be viable. When it was first talked about entitling this project, he remembers speaking with a cattleman and also Spreckles about the project being too close to the property. He was on the City Council of El Centro and at that time there was a housing development going near the wastewater plant. His concern at the time was the smell but El Centro has done a really good job at suppressing the odors and hasn't really been a problem. The City of Imperial is developed right up to the edge and it's developed, and they are next to the wastewater plant. They have minimal problems. A lot of it has to do with the wind conditions. In the winter time there is the west winds that flow east to west and in the summer time the winds are from the southwest. At the time the project was being entitled he thought about how Spreckles emanates a lot of odors when in production, but the winds would blow it away from the project, the same for the feed lot except for a little corner across the street from Spreckles. He didn't see any impacts from Spreckles or the feedlot that would create problems for those developments. A lot of time has gone by and nothing has happened. He was surprised to hear that Brawley has 3,800 lots. There are enough projects in the pipeline to see growth in the County. The geothermal expansion, lithium, Hell's Kitchen, and the possibility of logistic centers. Air cargo is also a possibility hopefully in the next four to five years. Those are all possibilities to create thousands of jobs. When that occurs, the other projects will take off.

Mr. Heuberger stated this is only an update and since the City of Brawley is present today he wanted to provide more information.

Commissioner Froelich stated that this project is expected to have over 3,000 in population. This is similar to a city. The City of Calipatria has over 3,000 residents. She asked if it would be easier to just incorporate. She wanted to allow a moment for Spreckles to make a statement if they wish.

Mr. Ronald Clark, Spreckles Agricultural Manager stated they like to keep their eye out on the valley. Their primary interest is agricultural, and they've spoken out against the solar panels on the south end, Ranch 101 and Rancho Los Lagos because most of the industries in that area built away from the cities for a reason. That is because they do generate some smells and aren't the best of neighbors during different times of the year. They are aware and are working on it. They are concerned about the agricultural economy and Spreckles being a viable entity in the Imperial Valley. They've been here since 1947 and plan on being here for a lot longer.

Commissioner Froelich asked if the main concern would be the residents complaining about the smells.

Mr. Clark replied it would be the main concern. At one point there were 360,000 acres of sugar beets grown in the State of California along with 30 different processing plants. Because of different reasons including land values and urbanization, Spreckles is the last processing facility for sugar beets in California. They are concerned when anything goes on in the valley and want to make sure that the growers and sellers are viable.

Commissioner Froelich stated she appreciates Spreckles being present today.

Mr. Clark stated that Commissioner Kelley visits on a regular basis. They appreciate that.

Commissioner Froelich asked if he participated during the CEQA process.

Mr. Clark replied when the 101 originally started up, Heffer Ranch, Helen Chemical and Spreckles were brought up because of the smells that the companies generate including the flies and dust. They are trying to contain all the dust issues, smells and everything else and they want to minimize any impact they have on the county.

Commissioner Kelley asked if Spreckles is part of the Mesquite Industrial area.

Mr. Clark replied Spreckles comprises most of that area. The Mesquite specific use is the corridor of the Old Highway 111 and on both sides of Dogwood.

No action taken on this item.

8. **Discussion/Action/Direction regarding an update of the Heffernan Memorial Healthcare District (HMHD 1-15)**

Mr. Heuberger stated the Commission is aware of the current and past issues with the District. Staff have been working with the District since the Commission's last action and one of the recommendations was for the District to hire either an executive secretary or an executive type management. The District hired Mr. Tomas Virgen, he believes as part-time. Staff have been working with him so that the oversight becomes less and less. Over the past 6-8 months there's been a lot of communication going back and forth, even going to the extent that the District provided tentative funding approvals that were then sent to LAFCO for input. In some cases, LAFCO took the position that the funding wasn't appropriate for what the District was formed for. There are some letters that say LAFCO would not concur with the funding and in some cases the funding appeared to be an appropriate use of their funds.

Commissioner Froelich asked if these were sponsorships.

Mr. Heuberger replied no, these were primarily requests by organizations or individuals to fund their projects or proposals. It has caused somewhat of a problem occasionally because some of the people that asked for funding felt they should have received LAFCO approval. His determination is they didn't meet the standards that was necessary to obtain public funds because they weren't related directly to healthcare or the submittals lacked detailed information. Staff continue to work with the District and he hoped to be in a position by the end of this year to say they are 80-90 % in compliance, but at this point he's not prepared to do that. There are ongoing issues. There are some board members present today including a newly elected board member. Staff continue to meet with Mr. Virgen to address the concerns and at this point he is basically following up on the previous recommendation to monitor the District. He made it clear to Mr. Virgen that even though the Commission gave the District a last chance, it wasn't a guarantee and if the District didn't improve there was still the option to dissolve.

Commissioner Kelley asked if he doesn't concur with expenditures does the District heed his warning.

Mr. Heuberger replied yes. He's also met with Calexico because of some funding requests in the past. He's working with the City Manager Mr. David Dale to make sure the city isn't requesting funding from HMHD if it's not appropriate. He thinks that's been resolved. Staff continue to work with the District but doesn't want to give the impression that everything is well.

Commissioner Froelich asked if we are using the same oversight that we did with the Niland Sanitary District, where they had to submit expenditures that were over a certain amount.

Mr. Heuberger replied no, it's not at that level like with the NSD. The NSD was in the process of being dissolved and at that point we implemented that process to protect the successor entity which was the County. At that time the direction was made to dissolve. We implemented that procedure to prevent the NSD from incurring debt or mismanaging funds. We are not at that level with HMHD, we are saying the District hasn't met all the criteria and we want them to have procedures in place. We want to see the financials to see what the expenditures are and if they are appropriate for a healthcare district. We want to see policies and procedures in place so that everyone is treated the same and not because I know you and that's why you get the funding. The funding requests should all be evaluated more or less on the same playing field. Mr. Virgen has only been at the District for a couple of months and he is working with his board to try and get the policies and procedures in place and those will be presented to the Commission.

Commissioner Froelich stated she doesn't want staff to micromanage the District. That's why Mr. Virgen is there. She understands the need to keep a close watch.

Mr. Heuberger replied that the oversight was a lot more detailed prior to Mr. Virgen coming on board but we are now leaving that up to him. Staff still ask for reports.

Commissioner Castillo stated that Mr. Virgen has a lot of experience in the medical field and hopefully it gets cleared up.

Commissioner Froelich thanked Mr. Heuberger for the update and the Heffernan Board for being present.

Newly Elected HMHD Board Member Ms. Gloria Grijalva asked if the Commission recommended hiring Mr. Virgen as full or part-time.

Mr. Heuberger replied that the Commission at the time recommended either a secretary or executive director, the preference was left open at that time. The Commission felt a full-time position would give the Board the ability to have items brought to them sort of packaged like we do here.

Ms. Grijalva replied that she does agree with having policies in place. She was on the board previously for eight years. She thanked the Commission.

Commissioner Castillo stated they've been needing someone in charge and Mr. Virgen previously worked at ECRMC and is an excellent choice. Hopefully things will get turned around and see some progress.

No action taken on this item.

PUBLIC HEARING(S)

9. **Public hearing to consider the approval of the Service Area Plan (SAP)/Municipal Service Review(MSR) for the Gateway of the America's (CSA 2-16)**

Mr. Heuberger stated this is a public hearing to consider the approval of the Service Area Plan for the Gateway of the America's. The Gateway is a County Service Area which means that it is governed by the County Board of Supervisors and under the direction of the I.C. Public Works Director Mr. John Gay. The Commission has been provided a full report and staff have been working with Mr. Gay for over a year. He appreciates all the efforts that Mr. Gay and their consultant have put into it. Staff have reviewed the plan and it complies with the CKH Act and he recommends approval upon completion of the public comment period. That brings almost all agencies up to date with the Service Area Plans, there are two more to go. One is the Imperial Irrigation District and they recently hired someone from The Holt Group that is familiar with the requirements of the Service Area Plans.

I.C. Public Works Director Mr. John Gay stated the Service Area Plan was taken to the Gateway Advisory Committee and they had a special meeting this past week to review the final findings and they recommended approval. The consultant is also present today.

Mr. John Pierre Menvielle stated he is one of the landowners at the Gateway and part of the Gateway Advisory Committee. The Committee discussed the SAP on Monday and they approved the document to move forward to LAFCO. With LAFCO's approval it can go to the Board of Supervisors. It's been gone over for a long time and it's been more transparent since the Committee was formed. The Committee approves of this document.

Mr. Heuberger thanked the staff, and all involved, it took quite a bit of time, but it was a good exercise for both parties to go through in detail.

**Motion by Commissioner Kelley to approve the Service Area Plan as presented, re-adopt the Sphere of Influence, Option #1 of the Executive Officers Report.**

**MOTION: Kelley**  
**AYES: Froelich, Jackson, Kelley, Castillo, West**  
**ANO: None**  
**ABSTAIN: None**  
**ABSENT: None**

10. **Public hearing to consider the approval of the Service Area Plan(SAP)/Municipal Service Review(MSR) for the City of Brawley (BR 1-17)**

Mr. Heuberger stated this is a Service Area Plan for the City of Brawley. Staff have been working with the City Manager Ms. Roseanne Moore and the City Planning Director Mr. Gordon Gaste. The plan is in compliance with the CKH Act, it's a good plan and appreciate the Cities help. There is

one more SAP coming up hopefully in January and that is for the City of Calexico. When the Service Area Plans are reviewed some or most of the cities have essentially the same or similar issues. They don't have enough funding per capita for fire and police. He spoke with several Executive Officers of other LAFCO's and some have taken a more stringent view. The reality is the finances in all of these cases are limited so staff try and work with the cities and to the extent the cities can achieve these ratios that is the desire. Staff try not to take a heavy-handed approach and deny a Service Area Plan because the City may require thirty police and they only have twenty-five, that serves no purpose. He's not aware out of the seven cities in Imperial County that don't have similar problems, staff try to treat them with the same approach.

City Manager Ms. Rosanna Moore stated she is here today along with staff and she thanked LAFCO for working with the City. The City had an extended time table to try and bring this plan before the Commission.

Commissioner Froelich asked if the City charges a flat rate to the customers for water use.

Ms. Moore replied it's based on a Proposition 218 rate structure. The history of metered and non-metered accounts is a long chapter in the city's history. The City is moving to meter all users, the commercial accounts that have been in place are waiting for a precipitating event to apply the standard or a metered commercial account. If a business changes ownership, pulls a building permit or has any construction, that's an instance when the requirement to install a water meter is imposed on the parcel and the property will transition from unmetered to metered. The City has universally applied the standard for the past seven years and are proud of the progress. It's been a painful transition but when the consumers see that it's applied consistently they understand the direction the City is heading and the intent to bring all customers to the same billing structure.

Commissioner Froelich asked if the watering of city facilities is metered.

Ms. Moore replied the City is in the process of installing meters at various facilities throughout the city. It's a challenge to find the capital necessary to install the meters at city parks and facilities. The most recent example of a meter installations is the splash pad. The park facility was recently renovated to include landscaping and recreational features and at that time it was transitioned from an unmetered to a metered use.

Commissioner Froelich stated it's a struggle that the City of Calipatria to water the parks and public facilities. They are working with IID to bring in canal water. Compliments to the City of Brawley for keeping the landscaping beautiful.

Commissioner Kelley stated he missed the piano display on Main Street by the post office.

Ms. Moore stated it's still in the same location.


Mr. Heuberger stated the resolution will be sent to the City for their council to adopt and send back. Just as a reminder to the Commission and the City, the law requires that these plans be completed every five years or triggered by development. There was legislation several years ago to extend it from five years but that didn't pass. So, the five years rolls around rather quickly. LAFCO has tried to minimize the impacts to the agencies because it can become costly. Staff try to work more with the agencies to the extent possible.

Commissioner Kelley thanked and praised Mr. Heuberger. Sitting on the CALAFCO Board you don't realize how many statewide LAFCO's are behind on their Service Area Plan reviews. Imperial County is right in the front as far as being responsible and getting these plans done. It weighs on the direction that the Executive Officer has taken.

**Motion by Commissioner Castillo to approve the Service Area Plan as presented, re-adopt the Sphere of Influence, Option #1 of the Executive Officers Report.**

**MOTION:** Castillo  
**AYES:** Froelich, Jackson, Kelley, Castillo, West  
**ANO:** None  
**ABSTAIN:** None  
**ABSENT:** None

Maria Nava-Froelich, Chair



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Jurg Heuberger, AICP, CEP  
Executive Officer to LAFCO