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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

*Imperial*



LOCAL AGENCY FORMATION COMMISSION

EXECUTIVE OFFICER

Jurg Heuberger, AICP, CEP

LEGAL COUNSEL

Ryan D. Childers

ALTERNATES

*CITY*

Jim Predmore

*COUNTY*

Luis Plancarte

*PUBLIC*

Ed Snively

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ACTION MINUTES OF THE REGULAR LAFCO HEARING

January 24, 2019

8:30 a.m.

El Centro City Council Chambers

1275 Main Street, El Centro, CA

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**VOTING COMMISSIONERS PRESENT:**

Ray Castillo, Vice-Chair  
Jason Jackson  
Michael W. Kelley  
David H. West

**ALTERNATE COMMISSIONERS PRESENT:**

Ed Snively

**ABSENT:**

Maria Nava-Froelich, Chair

**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. Election of Officers for 2019**

Motion by Commissioner Jackson to elect Commissioner Castillo as Chair for the year 2019.

**MOTION: Jackson**

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

Motion by Commissioner West to elect Commissioner Jackson as Vice-Chair for the year 2019.

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

**4. Approval of Consent Items**

- 4A. Minutes from December 13, 2018
- 4B. Project Report update

Motion by Commissioner Jackson to approve Items 4A and 4B.

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

**5. Public Comments**

No public comments were made.

**ANNOUNCEMENTS**

**6A. Announcements by the Commissioners**

**i. Southern Region LAFCO meeting**

Commissioner West stated he attended the Southern Region of LAFCO's meeting. The meeting was to discuss the issues that the southern region has as they sometimes differ from the issues of the northern region. Those concerns will be taken to the CALAFCO meeting in March so that the southern region is represented properly. CALAFCO has two representatives from Imperial County. Commissioner Kelley and Commissioner West are on the CALAFCO Board. It's important for Imperial County to have that opportunity.

Mr. Heuberger stated that one of the discussions at that meeting was the state legislators and the governor having concerns over healthcare districts. The end result was the state taking another look at the LAFCO's not doing their jobs in terms of following-up. The concern at the state level is the number of

healthcare districts that aren't meeting the expectations on providing services. It ended up with the question of why LAFCO's aren't doing what their supposed to be doing.

Commissioner West stated that these are healthcare districts that don't operate a hospital. These districts are being closely looked at in terms of the duties and what they should be doing.

Mr. Heuberger stated there was a discussion about the upcoming CALAFCO workshop and strategic planning session relative to how CALAFCO operates.

Commissioner Kelley stated the workshop is from February 28th to March 1<sup>st</sup>. The whole purpose of the strategic plan is the financing of CALAFCO, the participating agencies and how they can generate more revenue. CALAFCO is close to not meeting the budgetary requirement of the expenses and revenues.

Mr. Heuberger stated CALAFCO is facing a \$64,000 deficit and one proposal is to increase the dues by \$1,000 across the 58 LAFCO's.

Commissioner Kelley asked how that suggestion came about.

Mr. Heuberger replied it was suggested by the committee that was formed by the CALAFCO Board.

Commissioner Jackson asked if the increase was a one-time assessment.

Mr. Heuberger replied it would be ongoing. The long-term consideration that the strategic plan will deal with is restructuring the fee structure. Right now, the fees are by urban, suburban and rural counties. One of the proposals is to change the fee structure by population and to add up to ten different categories. The theory is to spread the cost based on population. The southern LAFCO's which consist of the six southern counties pay 58% of the total CALAFCO budget. Restructuring the fees won't change that ratio.

Commissioner West stated the governor and the legislators are giving the LAFCO's more to do but they are unfunded.

Commissioner Kelley asked if the LAFCO's can increase the fees to the cities and the counties to cover that cost.

Mr. Heuberger replied that the budget is automatically increased with the increase in the CALAFCO dues.

Commissioner Jackson asked if the increase in fees has to be discussed by the Commission or is it an automatic increase.

Mr. Heuberger replied that when CALAFCO increases the fees, the local LAFCO's will automatically increase that budget line item, which in turn is paid 50% by the cities and 50% by the county.

**6B. Announcements by the Executive Officer**

**i. Rosenberg's Rules of Order**

**ii. Financial Statements for FY 17/18**

**iii. Budget update report**

**Rosenberg's Rules of Order**

Mr. Heuberger stated the Commission was provided a copy of the Rosenberg's Rules of Order as a reminder.

**Financial Statements for FY 17/18**

Mr. Heuberger stated a copy of the audited financial statements has also been provided. That audit was completed by Davis-Farr and is completed on an annual basis. Several years ago, the six southern LAFCO's decided to unify and hire one firm to do the audits for all six LAFCO's, with the exception of San Diego. San Diego had committed to another firm. The audit is public information.

**Budget update report**

Mr. Heuberger stated there's a budget update report that was also provided that shows both an update on the revenues and expenses.

Mr. Heuberger stated a couple of other items came up recently. One agency that staff have been dealing with is the Calexico Wellness Center. The Calexico Wellness Center is an agency that was not able to obtain grant funding from the Heffernan Memorial Healthcare District. It turned into somewhat of a continuous situation. A representative from the Calexico Wellness Center was rude, crude, and abusive to Ms. Graf. Mr. Heuberger had a chat with him and he proceeded to be even more crude and arrogant. Mr. Heuberger advised him that he would hang up on him if he continued and he responded by saying he couldn't hang up on him because he's a public official. He subsequently filed a public records act request. Staff started to compile the information and provided the costs to him and he again chose to be abusive. Yesterday staff received a notification from the director of Calexico Wellness Center stating that he was no longer employed with their agency. He is bringing this item to the Commission just in case they are approached and told that Mr. Heuberger was rude.

Mr. Heuberger stated that another item that came up is an item that the county is somewhat involved. A couple of weeks ago he was approached by one of the special districts inquiring about selling water via a tanker truck. That special district was approached and asked to provide bulk water at approximately one tanker truck per day for a twenty-year term. He advised the district that it's an extension of service that requires LAFCO approval because it's providing service outside their boundary. The district was unaware of this requirement. The request for water was for a cannabis project. This project was approved by the county but is unable to obtain water from the IID because of their rules. He advised the district that it doesn't matter who the district is selling water to, but the fact that it is an extension of service that requires LAFCO's approval. A letter was sent to the cities and special districts advising them of the extension of service and requirement of LAFCO approval. The City of Brawley responded to the letter and advised of an extension of water that was approved by the City that didn't go through LAFCO approval. The approval was for an operation that dealt with some health and safety issues from back in October, that approval expires in April of this year. Mr. Heuberger sent a letter to the City Manager Ms. Moore advising the city that LAFCO would consider this extension as a health and safety issue. The conditions were made aware to the City of Brawley and all cities and special districts. He met with I.C. Planning Director Mr. Jim Minnick and explained that when the county is processing a CUP that doesn't have water, the county should advise the applicants that they would need to go through the LAFCO process.

## DISCUSSION/ACTION/DIRECTION

### **7. Discussion/Action/Direction regarding CALAFCO related topics including legislation, conferences, dues, calendar and other**

Mr. Heuberger stated the Commission was provided a 2019 CALAFCO calendar of events. CALAFCO has a legislative committee that addresses legislation. The Commission was provided backup that shows the legislative bills that were and are being discussed. The one item to point out is that the CALAFCO Director Ms. Pamela Miller is limited to the time allowed for lobbying efforts due to CALAFCO being a 501 (3) (c). That's an issue that will be brought up during the strategic planning. CALAFCO about four years ago adopted a policy to take strong positions only on legislation that were unanimously supported by the 58 LAFCO's. The amount of legislation involvement somewhat was reduced because there were some counties that had special legislation and they wanted CALAFCO to stay out. The conference this year is in Sacramento from October 30th to November 1<sup>st</sup>.

### **8. Discussion regarding the transition of the Niland Sanitary District and the Winterhaven Fire District by the County**

Mr. Heuberger asked that this item be continued until the next meeting due to the County representative not being available.

## PUBLIC HEARING(S)

### 9. **Public hearing to consider the approval of the Service Area Plan (SAP)/Municipal Service Review (MSR) for the City of Calexico (CX 1-15)**

Mr. Heuberger stated we've worked with the City for some time now along with Ms. Justina Arce who worked with the Holt Group as a consultant for the City. She is now an IID employee which as a side note is a good thing because she is familiar with Service Area Plans and she is working on IID's. Staff worked with the City Manager Mr. David Dale and we feel that we've achieved an agreeable Service Area Plan for the City. There are some stipulations in there in terms of what LAFCO expects the city to do. The City does have and continues to have some significant financial constraints and issues. LAFCO staff tries to be fairly uniform with all the cities, so we don't pick on one city over another in terms of their services. LAFCO Staff met with Mr. Dale and city staff and went over several of the items a couple of times to make sure there was an understanding of the information provided and equally important that the city understood the concerns. It's a good plan.

Commissioner West stated page 58-59 of the Service Area Plan addresses the fire department and staffing. He was at the emergency room this past week and patients were stacked up in the hallway and he was in the hallway with an IV. Staff from Gold Gross, County EMS, and the City of Calexico EMS were present. He noticed that the ambulance employees were waiting around for 2-4 hours. He read that the Calexico Fire employees are cross-trained which meant two of the employees were out and that might mean that two other employees had to be called in in case of a fire. He noticed the other cities are using the County's ambulance system which might have little to no costs to the cities. If there are restraints, and the city is looking into adding six more employees to that department which will raise the cost, why doesn't the city use the County's system and alleviate some of the costs, so it can be used for other areas.

Calexico City Manager Mr. David Dale stated the city conducted a financial analysis of the ambulance system and with the new rates that were implemented in September of last year, it turns out that it's financially feasible to keep the ambulance service.

Commissioner West asked if the City is set-up to get reimbursed by Medicare.

Mr. Dale responded that the city is working on it and 80% of the ambulance rides are Medicare/Medical related.

Commissioner West asked if the city has the system to get reimbursed. He is in the field and most do not get reimbursed and that's why he is considered.

Mr. Dale responded the reimbursement rate is 60% total of all the rides. If the city can get the rates with Medicare/Medical up to where they need to be then it will make sense. They are currently in negotiations right now. If it doesn't work where the city can keep the rates to make it financially feasible then the city will look into the county's system.

Commissioner West stated most seniors don't have the money to reimburse in the first place, some pay \$5 per month and they don't live very long. They don't have the money to pay for the ambulance rides.

Mr. Heuberger stated that the comments and recommendations that were made have been reviewed and he asked if the city is in agreement.

Mr. Dale responded the city recognizes deficiency in many areas. As of about three years ago the general fund balance was negative 3.5 million, which is near bankruptcy. Right now, as it stands the city is almost back to zero, which is a big step. It looks like the city will have a one-million dollar reserve by next year. The city is making progress, there is more revenue than a year ago. When the revenue starts coming in fully then more police and firefighters will be hired.

Mr. Heuberger stated there was a recent discussion at a CALAFCO meeting about how the state legislator looks at the performance of the LAFCOs. One of the deficiency's that was brought up is that sometimes LAFCO's will make a decision and recommendation and they don't follow through. The city can expect to hear from LAFCO in a year or so asking for an update on where the city stands with the recommendations.

Mr. Dale responded the city does concur and appreciates the recommendations. A lot of those items were or are being addressed.

Mr. Heuberger stated he appreciates Mr. Dales assistance on this review.

Commissioner Kelley stated it's good to hear that the city is coming out of the hole.

Mr. Dale stated the city is sacrificing a lot, the staffing numbers are extremely low at 140 with a population of about 42,000 people. As a comparison, the City of El Centro has a staff of about 280 with a population of 46,000.

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

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

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

**EXECUTIVE SESSION**

**10. Necessity Item**


Legal Counsel Mr. Ryan Childers stated there is an item of necessity that has come to the attention of staff within the last day or two. This is an item that could result in litigation and it's his belief that there is exposure to potential litigation that needs to be discussed today. Failure to do so could cause further potential damages to accrue. In order to add this item to the closed session agenda it would require a motion and a 2/3 vote of the Commission.

**Motion by Commissioner Kelley to add an item of necessity to closed session at the end of the agenda.**

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

Mr. Childers stated direction was given to staff by the Commission, but no action was taken. The direction should resolve this issue going forward.

Ray Castillo, Chair

  
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Jurg Heuberger, AICP, CEP  
Executive Officer to LAFCO