



Item: Minutes from December 1, 2022

Meeting Date: Thursday, March 23, 2023

Meeting Time: 08:30 a.m.

Location: El Centro City Council Chambers
1275 W. Main Street
El Centro, CA 92243

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

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EXECUTIVE OFFICER
Jurg Heuberger, AICP, CEP

LEGAL COUNSEL
Steve Walker

MINUTE SUMMARY OF THE LAFCO HEARING

December 1, 2022

8:30 a.m.

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

VOTING COMMISSIONERS PRESENT:

Javier Moreno
Michael Kelley
Ray Castillo
David H. West, Chair

ALTERNATE COMMISSIONERS PRESENT:

None

ABSENT:

Maria Nava-Froelich, Vice-Chair

STAFF PRESENT:

Jurg Heuberger, Executive Officer
Julie Carter, Accountant
Paula Graf, Sr. Analyst
Lori Zinn, Clerk / 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 August 25, 2022
- 3B. Project Report update

Motion by Commissioner Kelley to approve Items 3A and 3B

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

4. Public Comments

No public comments were received.

ANNOUNCEMENTS

5A. Announcements by the Commissioners

Commissioner Castillo let everyone know that December of 2022 will be his last month of being a Commissioner for the Imperial County LAFCO.

Commissioner Kelley, Commissioner West, and Commissioner Moreno all thanked Commissioner Castillo for his service with LAFCO, complimented him, and expressed that they will miss him.

5B. Announcements by the Executive Officer

- i. Update on the CALAFCO Conference

Executive Officer Mr. Heuberger thanked Commissioner Castillo for his service, complimented him, and wished him well.

Lori Zinn, the new Clerk / Analyst for the Imperial County LAFCO was introduced.

The Annual Conference went well. Imperial sponsored a Mock session, in which we received a lot of positive feedback.

DISCUSSION/ACTION/DIRECTION(S)

6. Discussion regarding an update on the Master Tax Sharing Study

Executive Officer Mr. Heuberger provided an update on the Master Tax Sharing Study. The Study is 99% done, the final draft has been submitted to each Agency, and each City & the County will be doing their own Master Tax Sharing Agreement.

7. Discussion regarding an update on the Imperial Irrigation District (IID Governance Study)

Executive Officer Mr. Heuberger provided an update on the Imperial Irrigation District Study. The study is currently underway. The Consultant has reached out to the Stakeholders and circulated

a survey, which is now being reviewed. The target of the report is to get it done by the fall of 2023 and have it finished by the end of 2023.

8. Discussion/Action/Direction regarding the Dissolution of the Salton Community Service District

Executive Officer Mr. Heuberger provided an update on the Salton Community Service District. The Salton Community Service District Interim General Manager was present and made comments. One Resident and one Board Member via zoom made comments.

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

Motion by Commissioner Kelley to approve option #1, which is to continue with the Dissolution of the Salton Community Service District, and to give them the 12 months.

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

9. Discussion/Action/Direction regarding a request for support from the Imperial Irrigation District for IID's funding proposal to the U.S. Bureau of Reclamation

Senior Analyst Ms. Graf discussed the IID's request for funding support from the US Bureau of Reclamation for the development and future operation and maintenance of an operational water reservoir and intake channel. IID's Government Affairs & Communications Officer provided more details on the request.

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

Motion by Commissioner Castillo to approve option #1, which is to adopt the proposed resolution in support of IID's funding proposal to the U.S. Bureau of Reclamation as recommended by the Executive Officer

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

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

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

**LEGAL COUNSEL
Steve Walker**

TRANSCRIPT OF THE LAFCO HEARING

December 1, 2022

8:30 a.m.

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

VOTING COMMISSIONERS PRESENT: Javier Moreno
Michael Kelley
Ray Castillo
David H. West, Chair

ALTERNATE COMMISSIONERS PRESENT: None

ABSENT: Maria Nava-Froelich, Vice-Chair

STAFF PRESENT: Jurg Heuberger, Executive Officer
Julie Carter, Accountant
Paula Graf, Sr. Analyst
Lori Zinn, Clerk / Analyst

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ANO: NONE
ABSTAIN: NONE
ABSENT: FROELICH

4. Public Comments

No public comments were received.

ANNOUNCEMENTS

5A. Announcements by the Commissioners

Commissioner Castillo - This is my last meeting. In December I've been serving for the last 12 years, so I think it's time to move on. I just want to thank everyone for the past 12 years that have helped me grow, and especially Mr. Heuberger, who has been a good Executive Officer for this organization. I just want to thank all of you for the work that you're doing and continue working forward. I think we're going to see exponential growth here in the next 10 years, so I imagine it is going to be a lot busier. But I'll still be around. I just want to thank all of you.

Commissioner Kelley - Thank you Ray. You have done an outstanding job of representing the County and the LAFCO Commission. We are going to miss you.

Commissioner West - Thanks Ray. You have really done a great job and have been an example for LAFCO Members. We appreciate you very much.

Commissioner Moreno - We are going to miss you, Ray.

5B. Announcements by the Executive Officer

- i. Update on the CALAFCO Conference

Executive Officer Mr. Heuberger - First, I want to thank Commissioner Castillo for all his years of service and all the support that he's provided, not just to me on LAFCO, but also my former position in the Planning Department. I've always appreciated working with Ray. I wish you all the best in your retirement and any future endeavors. So, thank you Ray, I appreciate it.

With regards to the Annual Conference, just briefly for those of you that attended, I think you found it was a pretty good Conference. Imperial sponsored one of these sessions, which was a mock hearing. We received a lot of positive comments from throughout the LAFCO Community about how interesting that mock was, and how much some of the newer Commissioners got out of that. I think it was a successful session.

I'd like to introduce Lori Zinn, who should be in your audience there, or in the seat that Paula usually has. We've brought her on board to basically learn the ropes that Paula has been doing and to assist us, as the workload seems to be increasing and some other reasons. But anyway, you'll be hearing more, and seeing more emails coming through from her.

DISCUSSION/ACTION/DIRECTION(S)

6. Discussion regarding an update on the Master Tax Sharing Study

Executive Officer Mr. Heuberger - To give you a brief update, as you know, we've been working on this in conjunction with the City Managers and the County's CEO for almost a year, if not more. The Study is probably 99% done. The final draft has been submitted to each Agency. At our last meeting, each Agency was going to discuss the draft version with their respective Councils and Boards, and then we will finalize that report. We will be submitting to each of you a copy of the draft, just so you get some preview of it. I think you'll find the report extremely interesting, because it goes through a great deal of education on how taxes are split. There was a lot of confusion when the ERAF came up and all those things. The Consultant, in my opinion, did an excellent job outlining how taxes are split. I think, at least from our last meeting, the City Managers, and the County CEO, were all happy with the results of the Study. I think it's been a positive thing. Hopefully, the next step will be for each City to meet with the County, and each City will do its own Master Tax Sharing Agreement. When we went into the Study, we went in with the idea that there could be one Master Agreement, or there could be one where the large Cities and the small Cities have their own. Then we also had that each City would have their own agreement. In the end, not only did the Consultant recommend that, but I think everybody came to the conclusion that because there are so many variables on the tax split, that each City having a Master Agreement on its own with the County was the best avenue. I think, you know, if jurisdictional attitudes or whatever don't get in the way, I think we could end up having some good Master Tax Agreements for the future.

7. Discussion regarding an update on the Imperial Irrigation District (IID Governance Study)

Executive Officer Mr. Heuberger - I saw Antonio Ortega walking around earlier, so he can certainly correct me if I misstate something. At this point in time, as you know, Riverside LAFCO and Imperial LAFCO were tasked by the State, by the Governor's office actually, to do this IID governance structure. That resulted in the two LAFCOs getting together and hiring a consultant to do that study. That was kicked off a couple of months ago. The Consultant has been actively reaching out to as many of the Stakeholders that we could identify to make sure that there's broad input both in Imperial County as well as Riverside County. That is ongoing. The last review that I saw was that the Consultant was meeting with IID or may have already met with IID staff. Then the Consultant is meeting with the various Stakeholders. In some cases, the Consultant is simply taking a survey questionnaire. It's important, and for those of you that are on the County Board and on the City Council's, especially if you get a request from the Consultant, which I'm sure you will, or may already have, please respond to that. Because we do need to show that everybody that has something to say, says it. The last thing we need is to get this report done, and then have people standing up, saying, well, they didn't know about it, or they didn't have time to comment. We're making an extensive and very costly effort to reach out to as many Stakeholders, if you will, as we can. The target of the report is to get it done by the fall of next year, and have it finished by the end of next year. Then we'll see how it looks. Again, I think IID's Government Affairs & Communications Officer Antonio Ortega is there if he has any comments.

Commissioner West – No, he said he's good.

Executive Officer Mr. Heuberger – Okay.

8. Discussion/Action/Direction regarding the Dissolution of the Salton Community Service District

Executive Officer Mr. Heuberger - At your August meeting, you authorized a resolution direction, if you will, to commence the dissolution of the Salton Community Service District. At that time the EO recommended that we do that for a 12-month period. The recommendation at that time was in two part or two reasons. First, the law had just recently changed, although it had not officially gone into effect and doesn't go into effect until January, but I still felt that in fairness to the district, we should give them time to basically see if they could get their stuff together, and we wouldn't have to dissolve them. So, essentially your direction in August, put them on notice that it was our intent to dissolve them, effectively 12 months from that date, so roughly August of 2023. The resolution also directed that we of course give the district a list of everything we think or thought that they needed to correct or that needed to be done in order for the district to be a functional survivable district. We did send them that. Now, at that time, if you recall, they had also retained the services of Mr. Dale as an Interim General Manager. Subsequently, Mr. Dale, however, found it too difficult to continue, it was getting just too much, so he resigned from that position. That caused some additional concerns to me because he was actually in my view, trying to get that district in pretty good shape, or at least headed in the direction along with the assistance of their Legal Counsel. Subsequently, after his resignation, we had some further correspondence and discussions with the district. Again, it appeared to me that their ongoing problems were probably going to result in a dissolution. Most recently, we were invited to be part of a committee or a Discussion Team that is working on trying to get them funding, and it is coming through RCAC. Toby Roy, whom I worked with in the past, is leading that effort. Essentially, in a nutshell, what's happening is, there is funding available basically through Regional Water Quality through the State. I think it's called Prop One Funds if I'm not mistaken. That allows RCAC to help, in this case, a special district obtain those funds for engineering and technical work. To see what problems they have, what problems need to be resolved, and get the studies done to show how they can be resolved. Which ultimately, those studies would then lead to the ability for the district to go out to RFPs for actual construction work if that is what is ultimately needed, which is a good possibility in this case. Based on the fact that the district's primary function is sewer service, it was my opinion, and is therefore my recommendation in this report, that we continue to work with the district, Toby Roy, RCAC, and Regional Water Quality Control board to make sure that all of this funding has the potential of success so that the district can avail itself of it and get the technical studies done that need to be done and ultimately get the funding necessary for any improvements should they be required, which again, I think probably will be. With that in mind, I've made it clear to Toby Roy and to the Regional Board, that our direction was still to dissolve the district, but that would be a determination to be made probably in July of next year. Having said that, I also asked Toby Roy during our meeting, should the district be dissolved would this funding be able to be conveyed forward to a successor entity? Pretty much like what we ended up doing in the Niland dissolution for the Niland Sewer District. The answer is yes. So, the good news is, if we do not dissolve the district, we have essentially worked with the district and the various agencies to get some successful funding. Hopefully, if we do end up still dissolving the district, that funding could and would still be available. With that in mind, I also met with the County CEO Mr. Miguel Figueroa, and the County Public Works Director John Gay, simply to keep them in the loop, and to give them an opportunity to make whatever preparations they would need to make should LAFCO ultimately decide to dissolve the district, so it's not a surprise, and so that they could be prepared. Now, again, if we ended up not dissolving it, they will have done a little bit of work, but I don't consider it a waste because I think it's good for the County to be aware of that. I think Miguel and John both agreed that the fact that we're giving the district until July gives them an opportunity to be prepared should that end result be the dissolution. At this point in time, we, Paula, myself, and staff have been working with Salton Community Service District staff. They did appoint an Interim General Manager, again, who's been working for them on part of their sewer stuff. We are working with them, trying to see if we can keep the district going instead of dissolving it, and we'll continue to do that. It remains to be seen if they can meet the requirements and how they end up. Sometime, probably in April or May, we'll have a better idea of how things look. We'll keep your Commission obviously updated

at every meeting, or even in between meetings as necessary. Then the goal being, of course, that whatever decision we ultimately will have to recommend to your Commission, your Commission will have to consider, there'll be plenty of opportunity for everybody to be prepared. So, that's where we are. At this point in time, I am recommending that we continue with the direction you gave in August and make you aware that we are working with RCAC, Regional Board and the district staff in an effort to again secure funding. As I said before, even if the funding is approved, and the district is dissolved, the funding doesn't disappear, which is the good part of this whole process. At this point in time, I will commend the district staff, on their efforts to work with us and on their efforts to do the things that they need to get done. I have no criticism. In fact, I applaud the efforts of the district staff, and I appreciate them working with us. I know they are working with Paula and Julie, on the accounting and on various other things. So, that's the good news. Oh, by the way, their board chairman, as I advised you before, resigned, about two months ago, I believe it was. In the interim, the board has appointed a new Board Member, so they do have a full new board. I have not had the opportunity to meet with that Board Member or that Board, but I expect to do so. We will see how the Board handles this now that it's a full Board again. With that, any questions, I'd be happy to try to answer them.

Commissioner Kelley - Jurg, we did make a vote at one time to dissolve the Community and to give them 12 months for lack of a better word of probation. But, at any time throughout this time if we see successful moves by the Salton CSD, we have the ability to rescind that original motion and let them go on as. Is that correct?

Commissioner West - Yes, we will need a motion, probably option one. Am I correct Jurg, we'll need a motion?

Executive Officer Mr. Heuberger - Yes. I'm requesting that you basically take option one, which is to reaffirm our direction and then we will work with them. But, as Mr. Kelley has stated, if we feel within the next few months, and it's going to take some time, to be honest with you, but if we feel within the next few months, that things are looking up, we can certainly amend that. You know, there's always, and I hate to bring this up, but there's always the chance that we could take the direction that we did on another district where we basically will say they can continue, but we will have some oversight for some period of time. Essentially what we did with the Heffernan district if you'll recall.

SCSD Interim General Manager Emmanuel Ramos - I am Emmanuel Ramos from Salton City. I'm the Interim General Manager. I'm just really glad that you guys are giving us the opportunity to move forward. As Jurg stated, our staff is working really hard to make sure that we go all the way from our sewer system, to parks, to everybody in the office. With the guidance of LAFCO, we're going to be moving forward and hopefully keep the district open. So, I want to thank you for the opportunity.

SCSD Resident Imari Kariotis - Hi, Good morning. My name is Imari Kariotis, I am a resident of Salton City. Mr. Heuberger, thank you for working with the district staff. At the last meeting, they censured the Vice President of the Board, because of her going out and doing things that she was not given, you know, granted to do through the Board. I'm really hoping that the Board that is there now, with Michael stepping on, can work as a team, and do what needs to happen for the Community. I am glad that you guys are going to put and reaffirm the dissolution, because this has been the same old song and dance for years. As a Community Resident, I want what is needed to be given to me living here. You know, we lost fire protection, and that's why you got involved. There's a lot going on here that has upset Residents. From people dying on the highway, to the Sewer District having to fix things that should have been fixed a long time ago, or things breaking and metal cost \$40,000 to put in place. As a member of this Community, I just want what's best. I can't understand why the District Board when they got installed at this late election, didn't get together and model teamwork. That's what I'm hoping happens here. Because that's what needs to happen. We do not need so many Chiefs, we need people that are going to roll up their sleeves and do the work for the Community. So, thank you so much.

SCSD Board Member Michael Freeze - Hi, I'm Michael Freeze. I'm the newly appointed director that they mentioned earlier from Salton City. I just wanted to reaffirm that I read your letter of October 12, 2022. I looked at the summary of items, and every one of those items I fully support. I will make it my number one priority to make sure that all those things are implemented. I've also been very pleased with the support of our office staff. Thank you for this opportunity to address you.

Commissioner Kelley - I would make a motion that we go with option one, which is to continue with the dissolution and give them the 12 months. I'm pleased with the enthusiasm of Michael and the new Interim General Manager with their desire to really bring the community back together and be successful, and not have this thing dissolved. So, that is my motion.

Motion by Commissioner Kelley to approve option #1, which is to continue with the Dissolution of the Salton Community Service District, and to give them the 12 months.

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

9. Discussion/Action/Direction regarding a request for support from the Imperial Irrigation District for IID's funding proposal to the U.S. Bureau of Reclamation

Senior Analyst Ms. Graf - All right, gentlemen, good morning commission, members of the public. This item is a request for support. This item is a request for support from the IID for IID funding proposal to the US Bureau of Reclamation. IID is pursuing the funding for the development and future operation and maintenance of an operational water reservoir and intake channel. We do have Mr. Antonio Ortega in the audience here today and can provide more information on this.

Commissioner Kelley - I have a question. Is this the same issue that the IID Board voted on, on Monday, that drew a lot of criticism from the Community? No? Is it something separate and apart that has nothing to do with the reduction of water?

IID Government Affairs & Communications Officer Antonio Ortega - Absolutely no.

Commissioner Kelley - Okay, go ahead.

IID Government Affairs & Communications Officer Antonio Ortega - Commissioners, good morning. Thank you, Paula, you did such a great job. I don't know that I have to say much more. IID's in the process of potentially building what will become its largest operational reservoir about 14 miles south of the City of Calexico, where the All-American Canal comes into the Imperial Valley. This is to help deliver water to our irrigated agriculture here in Imperial County. It's a \$74 million project approximately, but the Bureau of Reclamation has recently made Federal funding available for such projects. The funding requests that we'll be submitting through this grant is for \$24 million, which is the maximum amount that we would qualify for, which is about a third of the cost of the project. As you are all aware, once we request Federal funding or State funding via grants, the more competitive we are and the more support we have from our local jurisdictions, Cities, the County, LAFCO, and Special Districts. We have already gone out and done this similar presentation and received all the support including from the Board of Supervisors, thank you, Supervisor Kelley, Supervisor Castillo for that letter of support. Also, from the City of Calexico, we received a letter of support. So, we're now here in front of LAFCO making the same request. This project, again, if this grant is awarded, we still have the Feasibility Study to

complete. The design and some work has already started. IID has already procured the land or the site to where this project will be built. Again, at this time, we're just seeking support from our local Agencies to submit our grant application here in the next two weeks.

Commissioner Kelley - How many acre feet of water will the reservoir hold?

IID Government Affairs & Communications Officer Antonio Ortega - The capacity is 2,100-acre feet with an anticipated annual conservation yield of up to 15,000-acre feet, which is approximately 4.9 billion gallons. In the resolution that we provided to your staff, we made a small error, where we put 4.9 million gallons, and that's what's reflected in your packet. So, I will ask that, if there is support from LAFCO, that we just change that M for million to a B for billion.

Commissioner Kelley - Sounds good. Another question. It is not in conflict with the IID's agreement to withhold 250,000-acre feet of water?

IID Government Affairs & Communications Officer Antonio Ortega - No. This is an operational reservoir. In fact, because of the drought and what we know is coming down in terms of conservation requirements, we need more of these reservoirs in our system. So, this is one step forward and into making sure that we can not only continue to supply water to our irrigated agriculture but continue to flourish here in the Imperial Valley.

Commissioner West - Antonio, out of curiosity, what's the timeframe? When do you think this is going to be built?

IID Government Affairs & Communications Officer Antonio Ortega - Great question. I would say assuming that we have not just this funding, but then we still have to try to secure additional funding. This is a \$74 million project, but I don't want to guess here, but maybe in the next three to five years.

Commissioner West - Three to five years. Okay.


IID Government Affairs & Communications Officer Antonio Ortega - Hopefully sooner than that.

Commissioner West - That would be nice, yes.

Motion by Commissioner Castillo to approve option #1, which is to adopt the proposed resolution in support of IID's funding proposal to the U.S. Bureau of Reclamation as recommended by the Executive Officer

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

David H. West, Chair


Jurg Heuberger, Executive Officer