



Item: Minutes from October 4, 2023

Meeting Date: Thursday November 16, 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, Chair
CITY
Javier Moreno, Vice-Chair
COUNTY
Michael W. Kelley
COUNTY
Ryan E. Kelley
PUBLIC
David H. West



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

SUMMARY OF THE LAFCO HEARING

October 4, 2023

8:30 a.m.

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

VOTING COMMISSIONERS PRESENT: Maria Nava-Froelich, Chair
Javier Moreno, Vice-Chair
David West
Michael W. Kelley
Ryan E. Kelley

ALTERNATE COMMISSIONERS PRESENT: NONE

ABSENT: NONE

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

EXECUTIVE SESSION ITEM(S)

3. Conference with Legal Counsel – Existing Litigation (Gov. Code § 54956.9) Name of Case: City of El Centro v. Imperial LAFCO case #ECU00298

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

4. Public Employee Appointment (§ 54957) – Title: Executive Officer

Legal Counsel Steve Walker reported that the Board offered the position of Executive Officer to Paula Graf commencing on January 1, 2024.

- 5. Approval of Consent Items:**
A. Minutes from August 24, 2023
B. Project Report update

Motion by Commissioner Michael Kelley to approve the Consent Items

MOTION: MICHAEL KELLEY
AYES: FROELICH, MORENO, MICHAEL KELLEY, RYAN E. KELLEY
ANO: NONE
ABSTAIN: WEST
ABSENT: NONE

6. Public Comments:

Salton Community Services District resident Imari Kariotis told Mr. Heuberger that she is going to miss him.

Lilian Garcia an advocate with United for Justice reminded the Commission of their responsibilities. She also requested for them to look into how much the following are paying: Niland, Calipatria, West Shores, Desert Shores, Salton City, and Visa Del Mar.

ANNOUNCEMENTS

7. A. Announcements by the Commissioners.

Commissioner West asked for prayers and thoughts for Mr. Ed Snively, a prior Commissioner who is in the hospital.

Commissioner Froelich thanked the Imperial County for addressing the September 1st storm with Niland.

B. Announcements by the Executive Officer.

- i. CALAFCO Annual Conference
- ii. Storm damage

Executive Officer Mr. Heuberger let the Commission know that all arrangements have been made for the Annual Conference, and to see Julie if they have not received the information. He also let the Commission know that we had some storm damage at our building, that will be repaired internally.

DISCUSSION/ACTION/DIRECTION ITEM(S)

8. Direction and related action regarding appointment of Executive Officer.

Legal Counsel Steve Walker reported that the Board offered the position of Executive Officer to Paula Graf commencing on January 1, 2024.

9. CONTINUED FROM AUGUST 24, 2023 HEARING:

Discussion/Action/Direction to consider the Municipal Service Review/Service Area Plan for the Salton Community Services District, the recent passage of a Proposition 218 rate increase, and to make a determination by the Commission on the dissolution of the district pursuant to Resolution #2022-06.

Executive Officer Mr. Heuberger provided a recap on the Salton Community Services District from the August 24, 2023 hearing. The President, Vice-President, Director, Attorney, and 5 residents for the Salton Community Services District made comments, as well as the Imperial County Public Works Director and an El Centro resident.

The Commission discussed the item, and the following action was taken.

Motion by Commissioner Ryan E. Kelley to approve option #2 of the Executive Officer's report to proceed with the dissolution of the Salton Community Services district. To continue the hearing to November 16, 2023 to present an implementation plan of how that would proceed, and to provide clarification of the 218 funding.

MOTION: RYAN E. KELLEY
AYES: FROELICH, MORENO, WEST, MICHAEL KELLEY, RYAN E. KELLEY
ANO: NONE
ABSTAIN: NONE
ABSENT: NONE

10. Discussion/Action/Direction regarding Heffernan Memorial Healthcare District.

Executive Officer Mr. Heuberger reminded the Commission that in 2015 they placed the Heffernan Memorial Healthcare District on probation, and in light of issues and complaints was seeking further direction from the Commission. The Vice-President, Executive Director, and Attorney for Heffernan Memorial Healthcare District made comments, as well as Robert Pryor with George Mitchell Builders, the El Centro City Attorney, and 1 Calexico resident.

The Commission discussed the item, but no action was taken.

11. Discussion/Action/Direction regarding an update on Assembly Bill 918 and the current progress on the application filed by the Pioneers Memorial Healthcare District.

The Executive Officer Mr. Heuberger gave an update on the status of the Pioneers Memorial Healthcare District's application.

Guillermo Hernandez Jr. with Assemblyman Garcia's office spoke on all the support received for AB 918 and that the bill was on the Governor's desk.

The Commission discussed the item, but no action was taken.

Maria Nava-Froelich, Chair



Jurg Heuberger, Executive Officer

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TRANSCRIPT OF THE LAFCO HEARING

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Javier Moreno, Vice-Chair
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Michael W. Kelley
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ALTERNATE COMMISSIONERS PRESENT: NONE

ABSENT: NONE

STAFF PRESENT: Jurg Heuberger, Executive Officer
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EXECUTIVE SESSION ITEM(S)

3. Conference with Legal Counsel – Existing Litigation (Gov. Code § 54956.9) Name of Case: City of El Centro v. Imperial LAFCO case #ECU00298

Legal Counsel Steve Walker

This item was discussed, and no action was taken.

4. Public Employee Appointment (§ 54957) – Title: Executive Officer

Legal Counsel Steve Walker

This item was discussed, the Board is offering the position of Executive Officer to Paula Graf commencing on January 1, 2024.

5. Approval of Consent Items:

- A. Minutes from August 24, 2023
- B. Project Report update

Motion by Commissioner Michael Kelley to approve the Consent Items

MOTION: MICHAEL KELLEY
AYES: FROELICH, MORENO, MICHAEL KELLEY, RYAN E. KELLEY
ANO: NONE
ABSTAIN: WEST
ABSENT: NONE

6. Public Comments:

Imari Kariotis, SCSD resident

Good morning. I am Imari Kariotis, a resident of Salton City, and I am here as a resident. Mr. Heuberger I am going to miss you. I know you are going to be in Imperial County, but you have put decades into stuff. You have known my husband for decades. You have known his dad.

Executive Officer Jurg Heuberger

Yes, ma'am.

Imari Kariotis, SCSD resident

I am so glad that you were able to be here and be present in Imperial County during this time.

Executive Officer Jurg Heuberger

Thank you.

Imari Kariotis, SCSD resident

Thank you.

Commissioner Froelich

Thank you.

Commissioner Michael Kelley

Well said.

Legal Counsel Steve Walker

There is one person that likes Jurg Heuberger.

Commissioner Froelich

Anyone else here for public comment?

Executive Officer Jurg Heuberger

Can we excuse our attorney he is beginning to.

Legal Counsel Steve Walker

I suggest to reflect that there is one person that likes Jurg Heuberger.

Commissioner Froelich

Okay. Anyone else in the audience that wishes to comment at this time? Hearing none, we will move on to, oh, go ahead.

Lilian Garcia, advocate with United for Justice

Good morning, Madam Chair, Commissioners, and public. Lilian Garcia with United for Justice. I am a community advocate. I am here to read your guys' responsibilities. I think in the past, I have already mentioned the frustration of the community. I am going to go ahead and just read a portion that is online on your guys' website. It states that the Commissioners efforts are directed to seeing that services are provided efficiently and economically while protecting agriculture and open space lands. I am reading this in regard to complaints that I have received from the communities along the Salton Sea shoreline. It is unfortunate that they have been discriminated and this Commission has failed to protect public health and also make sure that their services are provided efficiently and economically. I would request for you guys to consider looking into how much the residents in the community of Niland and Calipatria are paying, including the communities of West Shores, which includes Desert Shores, Salton City, and Visa Del Mar, because this has been going on for quite some time now. I think last time I asked each and every one of you what is public service to you, and I hope that you think about that this morning, because your job is to make sure that in the communities that their services are provided economically and efficiently. Unfortunately, on September 1st a lot of issues with the flooding occurred, and that was something that the county did not act how they were supposed to, including IID. Thank you.

Commissioner Froelich

Okay, anyone else here in the public wishing to comment at this time? Hearing none, we are going to move to anyone on Zoom. Do you have anyone with a raised hand?

Sr. Analyst Paula Graf

We do have one.

Commissioner Froelich

Okay. Go ahead the person on Zoom. Go ahead.

Pam Eckert, SCSD resident

I am sorry, this is Pam from Salton City. I just joined the meeting. Is this the time for public comments regarding the Salton City Community Services dissolution?

Commissioner Froelich

No Pam, this is not the time.

Pam Eckert, SCSD resident

Okay. All right. I just want to make sure I do not miss that. Thank you.

Commissioner Froelich

Thank you. Anyone else on Zoom wishing to speak on public comments, Paula? Hearing none we will continue.

ANNOUNCEMENTS

7A. Announcements by the Commissioners.

Commissioner West

The only thing I have that I would just like to mention, is to send out some prayers and thoughts for our good friend Mr. Ed Snively. Some of you might know he was probably the longest serving member on the Commission. He is in the hospital. I am sure he would appreciate your prayers and thoughts as they try to get Ed well. So, I appreciate that very much.

Commissioner Froelich

I just want to say thank you to the Imperial County for addressing the September 1st storm. There was a lot of work that had to be done. Many agencies throughout the Imperial County and people came out, including people from Salton City and Lilian Garcia to help with the Niland storm. There are still a lot of moving parts, a lot of concerns, a lot of recovery efforts, and I want to thank on behalf of the City of Calipatria and having family in the north end.

7B. Announcements by the Executive Officer.

- i. CALAFCO Annual Conference
- ii. Storm damage

Executive Officer Jurg Heuberger

Good morning Madam Chair and members of the Commission. I am Jurg Heuberger, Executive Officer. Just a reminder with the Annual Conference, all your travel arrangements and registration arrangements have been made. You should have those, if not please contact Julie, as she has them available for you. For those of you that are flying, you will need airline tickets and things like that. That has all been taken care of for you. We will see you at the conference. Second item, we did have some storm damage at our building. Part of the roof on the new edition that we did four or five years ago had a crack, so it leaked and part of the ceiling in the men's bathroom collapsed. We are repairing that. It is not major damage, so we are going to try to do it internally, but it is some damage that we suffered on the building.

DISCUSSION/ACTION/DIRECTION ITEM(S)

8. Direction and related action regarding appointment of Executive Officer.

Legal Counsel Steve Walker

The Board is offering the position of Executive Officer to Paula Graf commencing on January 1, 2024.

Sr. Analyst Paula Graf

I accept. Thank you.

The Commission and Staff all congratulated Paula Graf.

**9. CONTINUED FROM AUGUST 24, 2023 HEARING:
Discussion/Action/Direction to consider the Municipal Service Review/Service Area Plan for the Salton Community Services District, the recent passage of a Proposition 218 rate increase, and to make a determination by the Commission on the dissolution of the district pursuant to Resolution #2022-06.**

Executive Officer Jurg Heuberger

Good morning again. I am Jurg Heuberger, Executive Officer. At the last hearing, we went through this entire litany of information that we gave you in your packages, but just to recap, we provided you with three options. Option one and not necessarily in any order was to approve the Municipal Service Review draft, to continue on, and not dissolve the district at this time, but to put them on what we consider to be a probationary status. The second option was of course to proceed with the dissolution of the district as we had given directions approximately a year ago in August. The third option was to continue the hearing. Option three was chosen. At the time Commissioner Ryan Kelley had asked that we invite the board of directors of the Salton Community Services District to be present at this hearing. We have invited them. As you all know, we cannot force somebody to show up, but we did invite them. I did, for full disclosure, meet with two of the Commissioners a couple of weeks ago just to get some information and answer the questions that they had. At this point in time, the report that we gave at the time still stands. The staff of the district have been working with us during the year to bring things into general compliance. They still obviously have a ways to go, however, financially they are not in great shape, but they are

sort of in ok shape, best way I can describe it. I want to note that of course could turn either way quickly, depending on a lot of factors, including damage and the systems that they have needing repair. The second thing is we had been working with Toby Roy and her group, along with the Salton Community Services District staff on some grant funds to upgrade, fix, repair whatever you want to call it, their systems. Those funds as I understand it from Ms. Roy are, I want to say 99% guaranteed subject to additional paperwork. The funds would not be available for approximately another year by the time all the paperwork is done. So, it is still a ways off getting it, but she assured us that there should be no reason the district would not qualify for the funds once the proper paperwork is done. Having said that, I also had a meeting with the county executive officer, the county public works director, and Ryan Kelley was there for part of the meeting. The purpose of that meeting was to determine where the county stood in terms of potentially taking over this district, should this Commission decide to dissolve it. I see Mr. Dale here, who is the assistant director of public works, so he can correct me and feel free to do so. The county has several districts that your Commission dissolved in prior years. So, they have experience dealing with special districts that they have taken over. They are not necessarily enthused about taking another one over, but are willing, and frankly do not have a choice if your Commission does decide to dissolve the district, because it is a given that the county would end up with it. The county is, my understanding, is looking at some options of how to manage special districts in mass, because they have a number of them. Right now, they are handled as part of public works, but they are looking at some options. So, there is a venue there should your Commission decide to dissolve the district for a transition. If you do go that route, I will make some suggestions if that is the direction that you want to go at that time, because we will need to have a fairly orderly transition not only of the systems operations, but also staffing and things like that. So, if the decision of your Commission today after the public hearing is to in fact go the route of a dissolution, then what I would suggest is that we order the dissolution pending further details at your next meeting. That would give us an opportunity to both sit down with the staff of the district along with the county staff to work out the transition details. Just so you know, it is easy enough to dissolve a district when it is not a functional district like we had in Winterhaven with the fire district, everybody just walked off and it was like no choice, they also did not have staff. In this case we have staff. The other thing is if you go the route of dissolving the district, the grant funds would then have to be applied for by the county, but again, I have been assured by Ms. Roy that you know, would be the same thing. It would just be a different agency applying for the grants and the grants would be available through the county's efforts just as well as right now through the district's efforts. So, it is not like you would lose those two grants, but you will lose some time obviously because the county would have to file the paperwork. Again, the county is experienced in filing those kinds of papers, so that would not be a problem. Either way, just know things are pretty much in place. We have for full disclosure received communications, verbal, written, etc. from various people in the community, some being for the dissolution, and some being against. I am sure a couple of you and Ryan have received some both ways. I will be quite frank with you and since I am on my waning days, as the lady pointed out, I can afford to be, because you can fire me today, and I am not far off. I am concerned that we do not get ourselves in another position with a district that we did earlier with say Heffernan where we have had to continually monitor them, and it has been a rocky road to be honest. I hate to have us get into that kind of a position here. So, it is a dilemma. I would like to recommend we keep them but at the same time I have mixed feelings that things are not going to improve substantially over a period of time, and you will be back in the same boat. So, you might be delaying the inevitable. That is my personal opinion. You can take it for what it is worth. But I would suggest you hear the public out and then we can discuss it further and make a decision.

Commissioner Froelich

Okay. At this time is there anyone here for public comment on this item? Members of the public come forward please.

Imari Kariotis, SCSD resident

Hello again, I am Imari Kariotis, a Salton City resident. I am in the purview of the Salton Community Services District. I want to bring to the Commission's radar, the Salton Community

Services District Service Area Plan, which was done in July of 2021 and revised September of 2023. This report has so many fallacies in it, and mistruths that I was wondering if the Commission had actually done their due diligence and looked at some of it. One of the things that is in it is there are only two powers the district has now. One is the sewer and solid waste and the other is parks.

Executive Officer Jurg Heuberger

Excuse me, could you back up, I missed part of that.

Imari Kariotis, SCSD resident

You want to know about the fallacies in this?

Commissioner Froelich

From the beginning.

Imari Kariotis, SCSD resident

Oh, from the beginning.

Executive Officer Jurg Heuberger

What you just said because I missed part of it.

Imari Kariotis, SCSD resident

Okay. I was wondering if the Commission had looked at this Service Area Plan and double checked the information in it, because there are so many fallacies in this that it reads like a good fiction novel. There are other people in this audience that will address certain parts of that. My thing is that we cannot allow this district to continue doing what it is doing. It has eroded the community's trust in itself in it. We do not trust them. We are waiting for LAFCO to actually do what they said they were going to do in August of this last year, which was ask the county to take this over. We would like all our powers back. We would like to not have to worry about our lights and stuff that. Our fire department, the county has been running the fire department since 2019. Have you issued a bill to the district for the amount of services that have been provided since November of 2019 to today? Does the district plan to pay that bill? The district has no money. I am tired of the can being kicked. I am tired of watching my community suffer because you all want to be the good steward, you know let us give them another chance. They have had a year and in my opinion LAFCO should dissolve them. The county should take over responsibility and build on the trust in the community which needs something. The district is not the person we are willing to align with. Thank you.

Commissioner Froelich

Thank you ma'am. Anyone else here for public comment on this item?

John Kariotis, SCSD resident

Good morning. My name is John Kariotis, a resident of Salton City. In my opinion the Salton Community Services District needs to be dissolved. In my opinion the level of incompetence that has been displayed on a regular basis by the district board of directors is amazing in my point of view. In trying to go through the financials, there is what looks at best double dipping. There is money for parks, and I have no idea where it has gone. I am going to take up the problems I see with the service plan for the district. You do realize that there now is a second engineering plan out for the offices where they do business. Now the problem is there has been, as in the first engineering report, there is water damage to the floor that has come underneath the foundations and caused the soil underneath the slab to expand. Mr. Heuberger might be able to back me up on my experience. In my experience that building is going to have to either be picked up and raised to meet the level of the slab within or they are going to have to remove the entire slab in the inside of the building, because in my opinion, they are dealing with broken water lines inside the building and those broken water lines have caused the expansive soil to expand. Now, I would suggest that maybe somebody go back and look at the soils reports for when that building was

constructed, because I know from conversations with the soils inspector, the AMPM building across the corner from it has many problems. So, that building is not going to be occupiable. The district is going to need in the time that it takes to do that work some other facilities to hold their meetings and their daily business. Parks, this is the one that bothers me to a great degree. Martin Flora, nobody has gone and backed up all they said. Nobody here has looked at it because Martin Flora Park was chained up 10 years ago. Martin Flora Park does not have covered picnic areas, BBQ stands, and public restrooms which is straight out of the report. That is a lie. Flat out in my opinion that is a lie. Okay, that was the inspection on that one. The other one is Salton Community Park. To the best of my knowledge, the report says the area includes a basketball court, covered patio or picnic tables, BBQ stands, and public restrooms.

Commissioner Froelich

Mr. Kariotis your time is up. Can you just hurry up and wrap it up please?

John Kariotis, SCSD resident

Yes. Again, the description that you have in this report in my opinion is a lie.

Commissioner Froelich

Thank you for your comment. Anyone else here for comment on this item?

Executive Officer Jurg Heuberger

Madam Chair before he leaves I would like to address the building issue really quickly that he is referring to.

Commissioner Froelich

Go ahead.

Executive Officer Jurg Heuberger

John, the building you are talking about is the main office building that the district is inhabiting right now, correct?

John Kariotis, SCSD resident

Correct.

Executive Officer Jurg Heuberger

Okay. So just so you know, when Mr. Dale was the manager up there, I met with him, and Mr. Dale is also an engineer so he can certainly speak to this. The building itself does have foundation issues, substantial foundation damage. I did order the district to have an investigation done, and there was a report done. There is a second report that needs to be done as to how to fix what was identified in the first problem. Just for the board's edification, way back when I wore the hat of county building official, we had a lot of problems in Salton City with subsidence and expansion because of the clay soils in that area. What would happen typically and there were several houses built that we actually ended up having to condemn that were just barely built, but what happened is they would not properly treat the soil prior to construction. So, once the construction was done, and people would go in and plant a lawn or some other vegetation that required watering, they would add water and then clay underneath sometimes 12/15/18 inches lower than the sand would expand and of course, as most of us know, clay when it's dry is pretty solid, and when it gets wet it expands like a sponge. So, we had a lot of structural damage in the whole area there. This particular building does have structural problems in terms of its foundation. I do not believe it is and again, I will defer to David who is like I said an engineer, but I do not believe the structure is in an imminent danger of collapsing but it does need to be fixed, and it could be a significant cost item to the district at some point.

Commissioner Froelich

Thank you. Okay, anyone else here for public comment on this item?

Lavon Jaksch, SCSD resident

Good morning. My name is Lavon Jaksch. The last name is J A K S C H. I do live in Salton City and most of what I have is on financials. My understanding is when they do an audit, a regular audit, all monies that are received, including grant monies and donations are listed. I have gone through several audits. I have not seen any grant monies, or anything listed. My second thing is legal fees have risen drastically. Going through the monthly financials under item 6-2301 where it has the district legal bills and bill number, it will have one amount, yet if you turn the page and go to 6-6831 their sewer maintenance legal fees have the same bill number and the same amount. So, I do not understand how the district itself and sewer maintenance can be paying the same. It seems like a double dip, if you have district legal at \$4000 and then you have sewer maintenance at \$4000, and the attorney has submitted a bill for \$8000. I do not understand how that works, because I have gone through it, and on all of the financials the legal fees are usually twice the amount of what you see on the district legal side under that number. It also does not show any legal settlements that were paid out that is also part of your financials. If you have to pay a legal settlement or whatever or a severance package that should also be listed in the financials. It is not. I also do not understand how one board of directors can give a severance package and then within a week's time, another board of directors that was just voted in and sworn in, can say no that money was stolen and take the person to court for it. That does not make sense either. If one board approves it, the other one should honor it. The other thing is I do not understand how you can run a business in the negative on a monthly basis. There are a lot of financials that show that it does run in the negative as far as the building goes. I do not think that that building is 10 years old yet. Now a lot of times when a builder puts up a building they will give you the builder's warranty, guaranteeing that structure for 10 years. So, has anyone looked back at that original paperwork to see if there was a builder's warranty on that building? Because if there was then I would go back to the builder. If the district were dissolved, would it actually be Imperial County taking over, or would it be another sewer district?

Commissioner Froelich

Okay, so your time has ended.

Lavon Jaksch, SCSD resident

I am finished. Thank you.

Commissioner Froelich

Do you want to address anything?

Executive Officer Jurg Heuberger

Well, just to answer the last part, if the district is dissolved, then Imperial County would end up inheriting the management of the system. They would not manage the district because the district would be gone, but the county itself would end up having to manage the sewer system and the parks.

Commissioner Froelich

Okay. Anyone else here, members of the public wishing to make a comment at this time on this item?

Lilian Garcia, SCSD Resident

Good morning Madam Chair, Commissioners, public, and those on Zoom. I am speaking right now as a community resident.

Commissioner West

Do you live in Salton City?

Lilian Garcia, SCSD Resident

I will not answer that, but I do live within the district.

Commissioner West

Isn't that part of the requirements to give your name and address as to where you live and who you are speaking for?

Executive Officer Jurg Heuberger

Yeah.

Lilian Garcia, SCSD Resident

I do not have to give out my address or say what community I am from, but I do live within the district.

Legal Counsel Steve Walker

The address is not required, it is helpful, but it is not required.

Commissioner West

Okay. But you do not live in Salton City?

Lilian Garcia, SCSD Resident

I live within the district.

Commissioner West

Okay.

Commissioner Froelich

Go ahead with your comment please.

Lilian Garcia, SCSD Resident

Good morning, Madam Chair, Commissioners, those here in attendance, and on Zoom. I have had the privilege I would say to witness from the LAFCO side your Executive Officer, and also the district employees, just the unethical conduct between both parties, and I am very disappointed. There is a reason the legislators have passed California government codes for special districts. It has been very disgusting to see how your Executive Officer has represented you and I think I have mentioned this to you in the past. To me, I am not taking any sides. I am basically an observer. I do advocate for the communities for the injustices that they have been dealing with for the past decades. My recommendation today is based on just my observations and based on government codes. We have a special district that has not complied with government codes, but they did not know any better because your Executive Officer continued to recommend giving them directions. I have not seen a government code stating that LAFCO has the authority to give such direction to a board to choose who they have to hire as a GM or to keep an attorney. Many residents in Salton City have expressed their concern of the costs of their current attorney that they have. My recommendation to this Commission is for everyone to I guess get with the program, go with option one, and for everyone to stay in your corners and comply with the government codes, because I think it is important for us to teach our future generations that the government codes exist for a reason. Thank you.

Commissioner Froelich

Thank you for your comment. Anyone else here members of the public wishing to comment on this item? Hearing none, we will move on to Zoom. Do you have anyone?

Clerk/Analyst Lori Zinn

I have Pam on Zoom.

Commissioner Froelich

Okay. Pam, go ahead.

Pam Eckert, SCSD resident

Hi, my name is Pam Eckert. I live in Salton City, and I am part of the sewer district as well. I am here as a resident. We have been dealing with this district beyond the mismanagement of our funds, and I know a lot of this was due to the prior administration, but LAFCO was not there at that point. They took so much of our money and now this administration has been strongly armed into having another Prop 218 to replenish those funds. The affordability here is not affordable for residents. I was looking at their five-year projected budget and I believe I sent this to Mr. Heuberger and Ryan Kelley as well. What they are looking at doing is raising the salaries in the next five years. They have been operating on the low \$400,000. It is going to \$1.5 million dollars over five years. This is a great concern, and it looks like it is a repeat of the last administration. Legal fees are going up to \$100,000 a year. Last month the attorney costs were \$38,000 that they approved. Salton City is a poor community, and so many residents have a limited income. There is only one board member that really supports what the residents want, and they are censoring her. Prop 218 says in the paperwork you have there that it was a vote, that is incorrect, it was handled as a protest. We know Prop 218 is set up to help the districts. There were so many things that were on the district side, and they are tiny. We just have too small of a population to support the massive sewer lines financially and that the administration that is in there, I am sorry, but they do not seem qualified because we need to have an attorney at every meeting to run just the monthly meetings and that is killing us. We are asking and hoping that LAFCO turns us over to the county. The county will have some qualified staff. We need the audit control to make sure that there is not a repeat of the last administration. As far as the grants are concerned, these grants are great, but it is long overdue. This should have been looked at 10 years ago when they did the last Prop 218. Anyway, we are just asking that LAFCO do what is right for the residents and I know it is not an easy decision, but it is the right thing to do for this community. As we know the majority of the community does not have money to be paying almost \$1,000 a year just for sewer services. Anyway, that is what I have to say today and hoping that you guys do what is really correct for this community. We need the county's help. It is just too huge of a sewer system. In looking at their budget, why did the salaries need to be tripled in five years? Who gets a triple in salary in five years? I mean, to me that is just a red flag.

Commissioner Froelich

Ma'am thank you for your comments, your time is up.

Pam Eckert, SCSD resident

Okay, thank you.

Commissioner Froelich

Thank you. Anyone else on Zoom, Lori?

Clerk/Analyst Lori Zinn

Not at this time.

Commissioner Froelich

Okay. So, we are going to close public comment.

Commissioner West

May I ask a question really quickly?

Commissioner Froelich

Yes.

Commissioner West

All we have heard so far is from people that want to close it. Is there anyone out there that wants to keep it open?

Commissioner Froelich

Is there anyone here from the public that wants to comment to keep it open? Come forward please.

Lilian Garcia, SCSD Resident

My comment was for option one, and that was not to close it.

Commissioner West

Okay, thank you.

Commissioner Froelich

Anyone else here for public comment?

Commissioner West

I just want to make sure we give everyone the opportunity.

Commissioner Froelich

Yes, that is fine.

SCSD President Michelle Gilmore

Good morning. My name is Michelle Gilmore, and I am a resident of Salton city. I am also the president of the Salton Community Service District Board of Directors. I know time is limited, so I am going to talk really fast. Since 2021, my board has been cleaning up the previous administrations malfeasance, which was allowed to continue for years. My board has been pressured to solve problems we did not create. Yes, I will admit we have had some growing pains as some of us are new, but you cannot gain experience without being allowed to get experience. It is my firm belief that my board and my district have made some positive strides and continue to do so. SCSD is more transparent than it has ever been and that is a result of the current board and the administrative staff. My board has written and enacted a Code of Ethics and Conduct for elected and appointed officials. We have revised the district's employee handbook. We have resolutions for honest and fair selling of surplus. We have established contracting and financial policies, as well as a trackable purchasing policy. We just established a record retention policy that ensures that all district records will be handled in the proper manner, something that was not adhered to in the past. The current board adopted a plan that would increase voter participation by transitioning board elections to the same date as the statewide general elections, saving the district upwards of \$40,000 per election. This plan should have been adopted back in 2018, but it was not. No one questioned why we have taken legal action against a previous general manager as well as a previous interim general manager in order to recoup some of our company's funds. Our Prop 218 passed. We finished our SAP which had not been done since 2019. So, we are moving forward. Now after a long period of stasis from the prior board, we have begun to utilize one of our park grants, implementing grass for a soccer field, and trees for clean air & shade. We have held several community events that have not only been well received but well attended. We had over eighty families from our community attend just one event. We have joined other community organizations in advance to show community solidarity. We even donated a fire engine to the county. But before my time is up I would like to address comments made at the May 25th LAFCO meeting by a litigious attorney that lives off of our community. His remarks were stated as facts and nothing could be further from the truth, and I would like to take the opportunity to correct the record. He stated that the finance committee was gotten rid of because my board could not self-audit. I was the chairperson of the finance committee, and I voted to have it dissolved. That committee was originally established because of the upheaval of staff in early 2021. It was a temporary committee put in place until financial stability was restored, and the district did not have a qualified finance officer. We do now. We provide all financials except legal billing to our community for review and as such the finance committee is no longer necessary.

Commissioner Froelich

If you could please wrap it up.

SCSD President Michelle Gilmore

Okay.

Commissioner Froelich

Thank you.

SCSD President Michelle Gilmore

You were told that nothing had been done about some of the malfeasance that an interim general manager had done. I want to let this board know that me and another member of the finance committee spent 120 hours doing forensic accounting, and as of April 27, 2023 this case has been turned over to District Attorney George Marquez of the Imperial County for investigation. I have more to say but I ran out of time.

Commissioner Froelich

Thank you very much for your comments.

SCSD President Michelle Gilmore

Thank you.

Commissioner Froelich

Anyone else here for public comment in support of Salton City staying open?

SCSD Vice-President Michael Friese

Hello, I am Michael Friese, Vice President of the SCSD Board. I have a long history with the district. I was appointed to the architectural committee back in 2014 and have served just about the entire time. By 2019, I became aware of the things. I think that we have to keep in mind that there were two different administrations. We have a new administration that is a lot different than the old administration. Sometimes this gets blurred. I became aware that the previous administration was doing illegal and unethical things around 2019. For example, four pickup trucks that were supposed to be auctioned, just disappeared without an auction. They were destructive. They demolished the pool. They got rid of the fire department. Meanwhile, the board awarded the general manager 11-17% raises every year. The general manager liked his captive board so much that in the 2019 election, he failed to notify the registered voters that two seats were actually up. So, instead of the four seats that should have been on the ballot that year, there were only two. In 2021 there were actually some rumors that they were not going to have an election at all, which is quite astonishing. Anyway, I ran for that election. I ran on four different platforms that I think are relevant today. One was improving district transparency and encouraging public involvement by posting proposed regulations online. Two, ensuring fiscal responsibility by building adequate reserves and funding programs that enhance the quality of life and the community. Three, enhancing sewer and wastewater treatment facilities. Four, re-establishing our own volunteer fire department. So, going back to the transparency point was quite amazing at the time. All the ordinance and resolutions that were going to be voted on were held in secret. We were told that we could see them after they were voted on. The meeting minutes were only limited to just the votes, there were no comments. Anyway, fortunately the new board fixed all that. As far as the litigation that President Gilmore mentioned, the general manager with the previous board gave him \$192,000 in a gift of public funds. We sued to get that money back and we did get a default and we are following it up for claims.

Commissioner Froelich

Mr. Friese your time has ended.

SCSD Vice-President Michael Friese

Okay. All right. Well, anyway, I just wanted to say one last thing. I am a proponent of local control. I think that the district will be best served by having a local board and control of its own.

Commissioner Froelich

Appreciate your comments. Thank you very much. Anyone else here want to make a public comment?

SCSD Director Manuel Ramos

I am a resident from Salton City. My name is Manuel Ramos. I am a director of the Salton Community Services District and during my time as the director, I have made myself available and have worked with the new administration. I am pleased to inform you that even with all the struggles in this new administration, we have been able to bring Salton Community Services District to good standing with LAFCO. This administration has been successful, transparent, and helpful to the community. Step by step the directors are coming together to help get the district going to the correct path. Despite our differences, our goal has been to keep the district from being dissolved. My goal is for everyone to see that this district can be self-sufficient. I just ask LAFCO to give us an opportunity to move on. Thank you.

Commissioner Froelich

Thank you Mr. Ramos. Anyone else here for public comment? Come forward please.

SCSD Attorney Robert Patterson

Hi, really quick, I do not want to make any political comments. I am the attorney for the district, Robert Patterson with the firm of SBEMP. I just wanted to assure you all that we are working hard to assure that the district complies with laws, with adopted new policies such as a fiscal policy, a conflict-of-interest code, records retention policy, new bylaws, rules of the quorum, and other things that are designed to assure that the board functions properly and the district functions properly. I work with the staff on a day-to-day basis, I can assure you that the staff members have a strong desire to comply with the law. They ask me questions before they act, which is obviously a good thing from my point of view. So, you have a lot of people who are working very hard, who are trying to do the right thing, that includes the board and the staff. You have a community that has divided opinions, obviously, and we are trying to do the right thing. We want to assure you that whatever your decision is we are going to cooperate with LAFCO. I have personally met with Mr. Heuberger and Ms. Graf. I want to continue to cooperate with them. I know that that is also the desire of the staff and the board. Thank you very much.

Commissioner Froelich

Thank you. Anyone else here for public comment regarding Salton City wishing to support or oppose? Okay, at this time, we are going to close public comments, and we are going to bring it back to Commissioners.

Commissioner Ryan E. Kelley

Madam Chair.

Commissioner Froelich

Go ahead.

Commissioner Ryan E. Kelley

Can we have an opportunity to ask some follow-up questions from the presentation?

Commissioner Froelich

Okay, go ahead.

Commissioner Ryan E. Kelley

So, Ms. Gilmore and Mr. Ramos could you address at our last meeting in late August, we were presented with information that staff did not have confidence in the leadership of the district. That gave me pause to say that we wanted to hear from the district elected to be able to show where there is confidence. Is that still the situation, is there a break between the staff and the elected body? Could you come forward so that people can hear, or Mr. Friese?

Executive Officer Jurg Heuberger

Before you speak, could we have all the directors that are present today at least stand up, so the board knows who is here, because I get the feeling there are three or four.

Commissioner Froelich

Is there another board member? Can you just stand, so that we can know that you are a board member?

Commissioner Michael Kelley

There are three board members and one general manager, right?

Executive Officer Jurg Heuberger

No.

SCSD President Michelle Gilmore

No, we are all board members.

Executive Officer Jurg Heuberger

Just please stand if you are a board member. Okay, so we have four of the five, is that correct?

SCSD Vice-President Michael Friese

The fifth one is on Zoom.

Executive Officer Jurg Heuberger

Okay, that is what I am trying to ascertain. So, all five board members are available for questions or comments, correct?

SCSD Vice-President Michael Friese

Yes.

Executive Officer Jurg Heuberger

Okay, I just want to make sure that was the case.

Commissioner Froelich

Okay, so there is a follow-up question on behalf of Mr. Kelley.

SCSD President Michelle Gilmore

When the staff was concerned that the district was going to take over, they were concerned about their jobs. Then when they were reassured by either you or you that their jobs were safe, they did a 180. Then it was huh, well, as long as we are not going to lose our jobs, maybe the district should go to the county. We have worked some of that out with them. We have a little dissension on our board that I do not know how to solve. But I think the staff are behind us because they see that our intent is for what is best for our community. The district needs to focus on the community, not on individuals or even on what the county wants. We have to do what is best for our community. I think we are now working a little better with the staff. We are trying to work out some of our board issues. That is all I have. Do you want to say anything?

Commissioner Froelich

Does anybody want to answer the follow-up question that Mr. Kelley asked?

Commissioner Ryan E. Kelley

Do you have anything to add?

SCSD President Michelle Gilmore

Too many people were talking at the same time to hear what was being said.

Commissioner Froelich

Thank you very much.

Commissioner Ryan E. Kelley

To clarify, though, it was a shock to have that presented in August. Certainly, the county was not in a position to want to assume the responsibility of the services district. And nothing was conveyed about any guarantees of position or absorption. So, I do not know from my part that did not happen. I am not sure if that has been resolved today, if the staff feels the same, if anyone from the staff wants to change that statement from August.

Commissioner Michael Kelley

Didn't we have a staff member pivot for us in August and request that we dissolve the Salton Community Services District?

SCSD President Michelle Gilmore

We have a staff member here, whether she chooses to speak, I am not sure.

Commissioner Froelich

Before you sit back down, this is an opportunity if other Commissioners have a follow up question.

Commissioner Michael Kelley

I would like to ask a question to Mr. Gay when I get an opportunity.

Commissioner Froelich

Okay.

Commissioner West

I have questions for Mr. Heuberger.

Commissioner Froelich

Okay, go ahead.

Commissioner Michael Kelley

Question, John Gay. What is the difficulty or the direction?

Executive Officer Jurg Heuberger

Hold on, excuse me. While the board is standing here, could I ask a question, please? And then we can transition.

Commissioner Froelich

Go ahead and then we will go onto to Mr. Gay.

Executive Officer Jurg Heuberger

Could you tell us, the Commission, and not the details, but is there litigation that you are involved in right now? And if so, how many? That is all I want to know. Again, I do not need details, and Mr. Patterson might be the more appropriate one to answer for you. I do not want to get into the details. I think Mr. Patterson knows that. We do need to know if there is litigation, because the reason I ask that question is that has been one of my concerns in terms of how that litigation could affect the finances of the district.

Commissioner Michael Kelley

Will it be explained to us what type of litigation they are going through?

Executive Officer Jurg Heuberger

That is up to him to disclose what he can.

SCSD Attorney Robert Patterson

Yeah, I can do that pretty quickly. A lawsuit was filed under Prop 218 relative to the recent passing of the increase of sewer user fees. There was a hearing on that in front of the Judge Anderholt and he has 90 days from sometime last week to rule on that. Not sure if he is going to rule in favor of the district or the plaintiff/petitioner. We feel pretty confident that we have done everything in accordance with the law and that the petition will not be successful, but of course, that is up to the judge. The district did sue the former general manager for a gift of public funds. Mr. Mansfield did not even show up in court and so he lost by default. There was a lawsuit that was recently settled, wherein Mr. Dale who is here right now, who had been the interim general manager, alleged that one of the directors this year had been engaged in discriminatory conduct towards him, and that was recently settled. It was filed with the Civil Rights department of the state of California and there was a settlement for \$25,000 to resolve that and a promise that the district will clear the room if there are discriminatory comments ever made at one of the meetings in the future, which I think are a step forward, because obviously we don't want people to make racist or nationalist comments.

Commissioner Froelich

That is the third litigation?

SCSD Attorney Robert Patterson

I think that is three, yeah.

Commissioner Froelich

Okay.

SCSD Attorney Robert Patterson

Then, one of the former employees who was an employee under the prior administration, which was Mr. Mansfield, who received the \$193,000 gift of public funds under the prior board of directors, one of the employees sued based on Mansfield's conduct years ago before this board was seated, claiming that he had engaged in various wrongful termination actions. I do not know all the details. That is being defended by the JPIA, which is an insurance carrier for the district, so, there are no immediate direct out of pocket costs for that. As I pointed out the 218 hearing was held last week. So, although that resulted in a fairly large amount of attorney's fees on this most recent bill, that case should be resolved, unless there is an appeal within the next 90 day.

Commissioner Michael Kelley

Jurg, regardless of what happens, say the county takes over, does the 218 increase stay in effect?

Executive Officer Jurg Heuberger

If the county takes over the district's operations, they will have to do a new rate study, and they would have to do a new Prop 218, if I am not mistaken, and John is here, but I think that is what we discussed.

Commissioner Froelich

Okay, any other follow up questions on behalf of the Commissioners?

Executive Officer Jurg Heuberger

One more question for Mr. Patterson.

Commissioner Froelich

Go ahead.

Executive Officer Jurg Heuberger

Other than the three actual sort of litigation items, were there any other complaints that could potentially turn into litigation, say with the employment development board? My understanding was that there was another item.

SCSD Attorney Robert Patterson

There was a complaint by another employee. Last I heard that complaint had been withdrawn, but that could have changed. I do not know the current status of it, and obviously, I do not represent that employee. So, all I know is what I hear as the district council.

Executive Officer Jurg Heuberger

Okay, thank you.

Commissioner Froelich

Any other follow up questions before they sit down? Thank you very much. Now, follow up questions for Mr. Gay, Mr. Kelley.

Commissioner Michael Kelley

Yeah, John I do not really know how to phrase this question, but is the county willing and ready to go through the process of taking over the district?

IC Public Works Director John Gay

So, let me, I think, respond to Mr. Heuberger's comment. We have had a couple of meetings with the residents up there, in which this topic has come up. It is never easy to take over a district that is going through dissolution, it is very difficult. We have had the unfortunate opportunity to take over the district up in Niland. When I look at this particular district what I see is a lot of old infrastructure similar to what we have had to undertake in Niland. During that process, they were having challenges trying to adopt the new rate study. With the help of Esperanza who is here, when she was a county employee as well as our staff, and our board, we were able to successfully complete a 218 process. So, we have experience in taking over these districts. This is a larger district, and so my initial thought was that we were going to have to go through the same process with regards to the 218. I think this current board was successful in getting their 218 passed, and I think that is a real compliment for that board. The challenge to that though represents risk to the county. In looking at that 218 that was passed we will not have to go through that process if the county takes it over. We have skill sets inside now. We are very pleased and happy to have David Dale on board. He is a real asset to our department. He has intimate knowledge of that district. So, we are in a better position than we were in Niland to take it over. It is not without concern. We could take it over if the board decides to dissolve. We will have to go through another process. We have discussed this internally, because we do not know what action is going to be taken and we did not want to get caught flat footed on this process. We could take it over, it will not be without risk, particularly if the litigation for that 218 is successful and overturns that process, then we would have to go back through and do our own 218, because we would look at the assets in that system. But we could take it over if this board decides today to dissolve.

Commissioner Michael Kelley

Will there be a lot of unfunded liabilities placed on the shoulders of the county?

IC Public Works Director John Gay

So again, the infrastructure I think is a concern. When we took Niland over they were under compliant, and one of the things that actually.

Commissioner Ryan E. Kelley

They were not under compliance.

IC Public Works Director John Gay

Well, they were under.

Commissioner Ryan E. Kelley

Remember the fines.

IC Public Works Director John Gay

No, the fines, so that is what I am saying. They were under compliance, and they were not meeting compliance when we took over the district, and we had to pay for fines, for past sins, which today I still have a real issue with. I think one of the things that we have been looking at with this particular district is, are they under compliance right now, and then also being able to negotiate with the regional board in the event that we do have to take it over.

Commissioner Michael Kelley

Those fines from Niland could not be waived?

IC Public Works Director John Gay

We could not waive those funds, no, and that was a liability that the county had to undertake. The regional board did allow us to stretch those fines out, and it was a was a huge impact for those residents. I will say this, and I think this is what Mr. Jurg had alluded to, anytime you go through a dissolution, you want to make sure the residents understand what they are going to pay for. Because it is not fair to the residents to say you are going to dissolve and not have them understand what they are going to have to pay.

Commissioner Michael Kelley

So, if you undertake it and it does not pass, you are in trouble?

IC Public Works Director John Gay

Correct. So, when we set Niland up, we had a 218, and they were part of that process. They understood what they were going to be required to pay and the dissolution was contingent upon that 218 passing. So, similar with this district it would not be fair to those residents to dissolve without understanding what they are going to have to pay. We already have a successful 218. I think looking at their finances, we would make a real effort to not have to go through another 218. The only way we would look at doing that would be in the event that their existing 218 is overturned in court, but we do not control that. We have the skill set inside. I have full competence in David Dale.

Commissioner West

Madam Chair, can I ask him a question?

Commissioner Froelich

Go ahead.

Commissioner West

It is more of a clarification. If you remember when we were in Niland, we had a couple of the members come to us because they did not understand the process, and so they asked, well, why can't the rest of the county pick up our share, as we are a poor area? They did not understand why they had to pay their fair share. Why can't they pay the same rate as El Centro? I reminded them in El Centro at that time, I do not know how many we had, but you take you take a big ball, the bigger the ball, the more amount of people you can spread the risk. If you have a small amount of people the risk is going to be high. I think some people on the 218 do not understand. There are some that might want the county to take over thinking that the rest of the county of Imperial Valley is going to help support that, and it is my understanding that is not necessarily the case. So, the 218 is necessary. This is not just here; this is all small communities throughout the whole state and throughout the country who are having lots of problems because they need help. There

is just only so much help out there. So, you can explain that that is why the 218. Even if it shows that they pay a high rate, it is because that area must pay their fair share for their services.

IC Public Works Director John Gay

Coming to this agency from the City of El Centro, I had to go through a learning curve when I started working at the county and that is true. Our town sites operate as little cities and so they are responsible for their own costs, whether it is lighting, a sewer district, or water and sewer. I can tell you that this district would be a very large district to take over. One of the things that we have looked at, and it will not happen immediately, would be to look at economies of scale and see if we can combine districts, but that is a public process that goes through a whole other LAFCO process. In the interim, what we would do is it would be its own agency with its own costs. Even if we did look at scaling, they would still probably have to pay their own costs, because someone in the south end would not want to pick up costs in the north end, that is not equitable.

Commissioner Froelich

I want to make a comment. So, I remember back in Niland, I was already living in Calipatria, but when Niland happened, they had passed a Prop 218. Prior to that, there were some violations. And then I believe, as well as the residents believe that the Niland Sanitary Board at the time was having a lot of infighting, there were a lot of discrepancies, and they eventually became insolvent. They were trying to do a lot of the work themselves to save. But when the county took over it was the best thing that happened to Niland because they had the staff and the professionals to be able to clean up the violations, and also apply for different grants. Now, where are we now? The county has it. It is the best thing that ever happened in Niland. Same thing with the Niland Fire Department. Now, back in the day the county said we really cannot take it. They came to the City of Calipatria. Our administration back then did not want it, and said why would we want Niland, no, no. But now that they are compliant the City of Calipatria has reached out to the county and said if there is an opportunity, we would like to now take the Niland Sanitary. So, just because we do move to dissolve, then later maybe looking at other options in the future, just like right now with Niland, Calipatria wants them. But I think that county taking over is the best thing because all of the other things get cleaned up. If I remember correctly, right before the board left, they did pass the Prop 218, and it was honored as the Prop 218 that stands today.

IC Public Works Director John Gay

Yeah, there is a history behind that. I think that it passed, but the board did not approve it. And then we ended up having to go through the process again.

Commissioner Michael Kelley

Madam Chair.

Commissioner Froelich

Yes, go ahead.

Commissioner Michael Kelley

Ryan would like.

IC Public Works Director John Gay

It was a process. I guess overall the difference is we have this experience in Niland, and we are looking at this with that experience in mind, and where we could have done things even better. We honor whatever action this board takes today. I do like local control. I believe in that. And as an agency of last resort, if we have to step in, we will, and we are ready.

Commissioner Froelich

Esperanza Colio has a comment. So, I am going to let her interject and then we will come back to Mr. Kelley.

Esperanza Colio-Warren, El Centro resident

Good Morning. I am Esperanza Colio, a resident of the City of El Centro. Just want to make a comment regarding Niland and the perception, because people have the perception that if the county takes it over, it will be cheaper. It is actually the other way around. Because the county will have to hire people specifically to manage those facilities. For the Prop 218 to fail whether it was the board or the citizens, the rates at that time, let us say it was \$54 when the county took over and we went to the Prop 218, it increases 4 or 5 dollars more. We told the community do not think that because the county is going to take over that it is going to be cheaper, it is going to be actually worse for you. And they did not listen. So, it is important for the community to understand that. The other misconception is that the grants are for maintenance. Grants are only for infrastructure improvements. It does not pay the long-term maintenance. One of the concerns that I have as a resident is that if the Prop 218 does not work well and it does not go through, the county will be on the hook to continue providing the services. And this is not Niland with 600 community members, Salton is a larger community of 12,000 residents.

Commissioner Michael Kelley

John did you say that taking over Niland was contingent on 218 passage?

Esperanza Colio-Warren, El Centro resident

No.

IC Public Works Director John Gay

Yes. So, at that time I told those residents that if this fails, it is going to be very bad for that particular community. The rates doubled in that community, and it was a big impact for that community. They were part of the process moving forward. The difference here for Salton City is you already have a 218 that has passed. We have employees there unlike Niland. There was a distrust in that community with regard to their employees. We were positioned with a private operator to go in and take it over. This is different. We are not going to use a private operator. We have talked internally in the event that this has to happen that we will keep the employees there. We will absorb those employees within our own department. We will not get rid of employees unlike Niland. So, they have more assets in place that will allow us to take over. The expectation that rates would double; I do not think that is the case in this particular case because the 218 has already been done. Now the issue is the infrastructure is old. If that does fail through litigation that 218 does not pass, there is a risk, Esperanza is right, we would end up having to go back through the process. But again, looking at their finances, and the prior board there if there was mismanagement, which I think there was, we would have to live within the means of the existing budget, and we would stretch the dollar the way we'd have to if we took it over, it wouldn't be ideal, but the likelihood is we go back out for a 218.

Commissioner Froelich

We are going to have one final comment, question to you Mr. Gay from Mr. Jurg.

Executive Officer Jurg Heuberger

Not actually a question to John. But my comment as I made earlier is if the Commission's inclination is to actually go for dissolution, my recommendation was that we get direction from you so that we can work out the details. One of the details is whether or not the 218, forget the litigation for a moment, whether that would transfer without question. I think John and I agree that it is possible that the current 218 conclusions could stay if the county took it over. Obviously if the litigation nullifies it, we have a whole different issue. But I also want to emphasize that if the Prop 218 fails through the litigation, we still have a major problem in Salton City that does not go away just because the county is not running it. It also means the district no longer has the funds. So, you have the potential of getting into the same box we were in in Niland, and in Niland we really were not anxious to dissolve the district, but it was a lack of choice. It was either the county takes it over or the system was just going to shut down. People would be evicted because there is just no way to salvage that system. We do not want to end up in that boat here. So, again, my comment to you as a Commission is if your inclination is to dissolve the district, that we bring this back, at

your next meeting, work out some details with the county in terms of what has to happen, and get a legal opinion on the Prop 218. Hopefully, as Mr. Patterson points out, we can get a decision from Judge Anderholt as to whether he is voiding it or not. And we may have to continue longer than say the next meeting, although our next meeting right now is not scheduled till the end of November, or December anyway. So, I would not recommend that you make the dissolution if that is your inclination today but make it as a direction to bring those details back, so at that point in time, you could say yes, let us dissolve it under these conditions.

Commissioner Michael Kelley

Okay, that makes sense.

Executive Officer Jurg Heuberger

There are, like I said, staffing issues that we have in this case. John has already said that if they took it over, they are willing to transition the staff and keep the staff on board because they are qualified to run the system. In Niland, we did not have that luxury. But under state law, we do have to address that, we cannot just wiggle our nose and say the district is gone, so employees tough luck, you are out. We have to address that. So again, I just want to caution the Commission that if that is your inclination, then give us that direction. We will work with the county, we will work with Mr. Walker and the county's legal to come to some definite answers on not only the Prop 218, and hopefully the courts will weigh in in time.

Commissioner Michael Kelley

That makes sense. Madam Chair.

Commissioner Froelich

Go ahead. Mr. Kelley.

Commissioner Michael Kelley

Thank you. You know, I have been on the county board of supervisors for 15 years. Correct me if I am wrong Jurg, I have been on the LAFCO Commission for the same amount of time.

Executive Officer Jurg Heuberger

Just about.

Commissioner Michael Kelley

Just about. This Salton Community Services District has come before us many, many times. It appears that it is full of chaos, disorganization, and potential embezzlement is continually coming up, raising its head. We have had past managers come and talk to us about the dysfunction of the community service. It has not looked good for several years. So, I would like to ask my colleague who represents the Salton Sea area, Mr. Ryan Kelley, if he could comment on his feelings, and relay some communications he has received from the community about this issue. Please.

Commissioner Ryan E. Kelley

Thank you, Mike. This is a tough one. I agree with the idea that local control is the optimum, that having representative of a community and being able to make choices that can benefit the people that live in the community. I have witnessed firsthand all of the dysfunction that has been going on over the last decade with some of the initiatives about trash service, fire service, and EMS service. It is not a fluent community to be putting all these assessments onto the property role. So, at every one of those junctures, I was asking, why are you doing this? Your community cannot support that kind of request. But I am only here to advise and say what I feel, but those choices were made. Then most recently, what was shared with us about the choices about one board and then the next board in regard to the previous manager, and what happened in that circumstance. I have heard a lot of feedback. I have heard the majority wanting the county to take control and to provide service without the conflict. I have also heard a minority of those that do want to be able to build something in the community, they want to still have a local input into the service

delivery. The current Administrator Emmanuel has been very responsive, and I felt very comfortable working with him trying to do the park project and desert shores. The county, up until most recently, was not even wanting to open the door or listen to anyone that wanted to say take over another district, but then as John just mentioned, most recently there was a change of view that it could be advantageous if you are creating a larger service area. So, to get to the crux of it, I think that the majority of the conversation I have had is that stability and moving forward is what I am hearing that they would like the county to be the one providing that service.

Commissioner Michael Kelley

I will make a statement. Ryan, you have heard me make the statement before but as elected officials and members of the Commission, our basic and foremost responsibility is to look out for the health, safety, and welfare of every resident of Imperial County. If the county takes over, I still view that as local control because we are one county and you are our residents, and we are responsible for you. So, I do not think that you will be throwing away local control. Any community still has a voice in how their district or how their community runs.

Commissioner Froelich

Okay, Mr. Moreno.

Commissioner Moreno

What is the timeline to dissolve the district in this particular case?

Executive Officer Jurg Heuberger

Well as I said, if your inclination is to dissolve it, then I would ask that you give that direction and we would bring back the various details including the conditions, the resolution of how the transfer would happen. We would work out with Mr. Gay's office, the transition of the employees to the extent that that has to be taken care of, and the management of the systems. We would also get Ms. Roy involved in terms of the grant transfers to see what could be done. We could bring that back and then you could pass a resolution saying it is dissolved under these conditions.

Commissioner Moreno

Okay.

Commissioner Ryan E. Kelley

Mr. Heuberger, are asking to be able to review the option to and have more depth in that with an implementation plan?

Commissioner Michael Kelley

And funding.

Executive Officer Jurg Heuberger

Yeah in essence, I think your motion ultimately, Council correct my English grammar, but in essence, I think the motion if that is the case, the motion will be give direction to staff that the Commission wants to dissolve the district subject to clarification on all these various issues we have talked about, which would be the transition plan with the county, the grants, and then also the Prop 218 issue. Again, we may not have an answer with the courts, but we will have a better idea as to whether or not those current approved rates and the Prop 218 that passed could be assumed by the county absent the court making a different decision.

Commissioner Ryan E. Kelley

Could we be non-predetermined in that direction and ask that the dissolution implementation be more fleshed out of what that means be presented at the next meeting.

Executive Officer Jurg Heuberger

Sure. And guys, you still have the option once we give you all that information and say okay, based on all the facts, we have decided it is not feasible.

Commissioner Ryan E. Kelley

Yeah, I am still going to be trying to find out more from the citizens.

Commissioner Froelich

Okay, for a matter, just a point of order, I am going to close public comment at this time. Everyone has had an opportunity to speak, and I am going to bring it back to the Commissioners. You had one final, because we are going to close public comment.

SCSD Vice-President Michael Friese

We were asked to be here, so I was long in my comments. I thought that we were not going to be under the three-minute rule. Anyway, one of the things I wanted to just remind the LAFCO is that a lot of this cloudiness of the past has been rectified. We have only really changed administrations in just the last year and a half. So, if you look at the actions of the district, in the last year and a half, all the things that were done in the district have been in compliance with LAFCO directives. We have also improved in every case the situations. We made everything better. Right now, the district is currently trending in a better direction. It is getting more stable. Our board meetings used to be chaotic, and now they are better, very good. Anyway, so I see it and I have seen a long view of what has been going on there. I have been very pleased by what I have seen happening in the district and just in the recent days. So, I would urge you if we were actually going in the correct direction, that maybe you could delay your action to give us a continuance of more of an opportunity to be the district we can be.

Commissioner Froelich

At this time, we are going to close public comment. We will bring it back to the Commissioners and discuss it. Any further comments or discussion? We will entertain a motion.

Commissioner West

Were you going to make a motion Mr. Kelley? Go ahead.

Commissioner Froelich

Can you make it?

Commissioner Ryan E. Kelley

I motion for option two, dissolution. That an implementation plan of how that would proceed be presented to us at the next meeting in consultation with the district, county, regional board, and any other regulatory agency that may have pending actions or any compliance actions with the service district.

Commissioner Michael Kelley

And the clarification of the 218 funding.

Executive Officer Jurg Heuberger

So, this item also is a continuation, so we do not have to give notices to people.

Commissioner Froelich

Okay.

Commissioner West

A verification Madam Chair. This will still give us the opportunity after listening to all that the Commission can say either way.

Executive Officer Jurg Heuberger

They will have a choice.

Commissioner West

They will have a choice. Okay. Thank you.

Commissioner Michael Kelley

This motion is just for direction.

Commissioner Froelich

Continuance.

Motion by Commissioner Ryan E. Kelley to approve option #2 of the Executive Officer’s report to proceed with the dissolution of the Salton Community Services district. To continue the hearing to November 16, 2023 to present an implementation plan of how that would proceed, and to provide clarification of the 218 funding.

MOTION: RYAN E. KELLEY
AYES: FROELICH, MORENO, WEST, MICHAEL KELLEY, RYAN E. KELLEY
ANO: NONE
ABSTAIN: NONE
ABSENT: NONE

10. Discussion/Action/Direction regarding Heffernan Memorial Healthcare District.

Executive Officer Jurg Heuberger

Good morning. So, at the last meeting there was a person that presented some information to you. We agreed that we would put the Heffernan District issue on your agenda, which it is today. I am passing out to you a little bit of history. If you will recall that back a few years ago in 2015, staff had recommended that we dissolve the Heffernan Healthcare District. Ironically, in light of all the other discussions regarding hospitals, you will note that item number four recommendation was that you initiate the reorganization, dissolve Heffernan, annex the territory to Pioneers, and then create one district on a countywide basis. As you recall your Commission at that time, and the infamous words of Mr. Mike Kelley said to put them on probation, which triggered a whole bunch of comments by itself. But anyway, we ended up going that route. Ever since we have been working with the district trying to get compliance and asking for reports. Obviously not as successful as we had liked, because we had hoped that we would be done within a year or two. We are now seven years later, and the issue is still before us. Now, ironically, if Assembly Bill 918 gets signed, or if your Commission under our current process with the Pioneers expansion goes forward as planned, the Heffernan District would be dissolved. So, either way, it appears that at some point in the not-too-distant future to Heffernan District gets dissolved or goes by the wayside. So, we are nearing what we had recommended seven years ago, either way. However, there are ongoing concerns as a result of the testimony that was given to you at the last Commission meeting. I did meet with Ms. Morales. Thank you, there you are, I did not see you earlier, apologies. I think your hairstyle changed from last time. Anyway, I did meet with her. She provided me with some information which I looked at and we are reviewing. Unfortunately, we have not had quite the time that we needed, given all the other things that we were dealing with at the time. But, at this time it is public comment time, and the Commission can give further direction.

Commissioner Froelich

Okay, so at this time are there any members of the public wishing to speak on this item on Heffernan? Come forward please.

Blanca Morales, Calexico resident

Thank you, Mr. Heuberger. Yes, I was here in August and presented some information. I am sorry, my name is Blanca Morales. I am a resident of the City of Calexico, business owner of a nonprofit Medical Center in Calexico and a thrift shop. In the last five years in my experience of working with the community and with other nonprofits, I have had nothing but negative experiences with Heffernan Healthcare District. We typically have just moved on and have been very successful with other nonprofits in the county and the City of Calexico. But in the spring of 2021, there was an announcement of 400 Mary Street. There was a project that was supposed to be announced which is an urgent care that is still not open. We are in October 2023 now. There are actually no

Zoom meetings when they have meetings, so people cannot attend those meetings. There is no transparency and no engagement with the community. I would like to request at this time also a forensic financial audit of Heffernan Healthcare District, as a public taxpayer in the City of Calexico due to questionable interest and lack of financial oversight. Thank you.

Commissioner Froelich

Thank you very much. Anyone else here for public comment on this item, related to Heffernan?

Elizabeth Martyn, City of El Centro Attorney

Yes, ma'am.

Commissioner Froelich

Okay, go ahead on Zoom.

Elizabeth Martyn, City of El Centro Attorney

I am on Zoom. My name is Elizabeth Martin. I am the city attorney for the City of El Centro. We agree with, this may shock you, what Mr. Heuberger said. This item will be addressed one way or another when we see the results of what happens with AB 918. So, it seems to me a little premature to take any action. I think you have another meeting on October 26 where it could be addressed.

Commissioner Froelich

Thank you, Ms. Martin.

Elizabeth Martyn, City of El Centro Attorney

Thank you.

Commissioner Froelich

Anyone else in the public wishing to speak on this item, either in support or not? Come forward please.

Tomas Virgen, HMHD Executive Director

Hi, my name is Tomas Virgen. I am the administrator for Heffernan Memorial Healthcare District. I am here more than anything if you have any questions. Just for the record, so that you understand, Ms. Morales has applied for multiple grants with Heffernan Memorial Healthcare District, all of them out of market, or the national sustainability. I even shared something with Mr. Heuberger, and he did agree with me. Mr. Moreno was on her board, and they came multiple times. A lot of the presentations they made, including their doctors coming to our meetings, said the program was unsustainable. And they were losing about \$30,000 a month. So, it is very hard to invest public funds into a business that is losing all that money and does not show a sustainable model. Whether that was involved in the decision making, I do not know, but I want to state that for the record. The other one is Heffernan has been working with LAFCO. LAFCO has been very instructive, actually very educational. We do tend to bug them a lot but then again, I want to make sure that before I present something to my board, I like to get a sense of whether that is a good thing or not. I have kind of been using Jurg the wrong way as a more of a help, a free consultant, than as his role here, which is a regulator for us. So, we have had a lot of issues with Heffernan, but we have been one by one cleaning them up. We have a new SAP draft. I do not know if you guys are aware, but COVID came along. COVID slowed down some things, it actually affected construction, and getting some of the supplies. I do have Mitchell Builders here who are the contractors that are doing our urgent care if you want to have an explanation as to why it is taking so long. I am sure they will be more than happy to answer your questions. As far as the financial audits are concerned, we do our audits every year. We have had one done, and the recent one is available, if we do not have the most recent one we will get it to Jurg. But as soon as they are available we get them to Jurg within a month's time. So, that has been done multiple times. We do have three big projects on which we are working. The main one was the urgent care that we believe will be ready in early January. Right now, the drywall is about to go up, then the painting,

and then it will go a lot faster. But we had shot for November 1st but there has been some delay with issues that are beyond our control, and they do happen in construction. But we are on track, and we are trying to do it the best possible in the most efficient and economical way.

Commissioner Michael Kelley

Long time coming, huh?

Tomas Virgen, HMHD Executive Director

It is, but do you know what, once it is open, I hope there is not another wave of COVID, but if there is, we know that we cannot sustain an emergency room. You cannot sustain a hospital in this city at this time. But the closest thing to it, Calexico needs an urgent care. Somebody that is true and tried that knows how to do urgent care but does not ask for you to help them start up a business that they have not run an urgent care before. One that has the ability to keep services on site, which includes for imaging, lab work, and urgent care services that Calexico needs. There were some questions when I met with Mr. Heuberger, and I am just waiting for one last letter from a project called Mega Park that we invested in. Once I get that letter, hopefully before next Wednesday, Jurg will have it and the responses to the questions that he asked. But, if there are any questions that you have about our project, about people coming to make complaints, please feel free to let us know, as we are very open in that service. Just so you know, having Zoom meetings for the public is not allowed, we consulted with Procopio when the emergency was lifted. When we did have Zoom meetings we had one or two individuals on the average, none once in a while, especially when some of the local folks brought in their folks to support them and say this is all Calexico and ten votes, which is not true. It is not allowed to have Zoom meetings available. Calexico is a small city and we do have that available in person, and people are free to come in if they want. If you have any questions for me, we are open, and like I said I do have my construction team here, and Mr. Rivera.

Commissioner Froelich

Mr. Virgen there is a question for you.

Tomas Virgen, HMHD Executive Director

Yes.

Executive Officer Jurg Heuberger

Tomas, thank you. As he did indicate he did meet with me, and we shared some information. One of the things that we have received a lot of inquiries on, let us put it that way, has to do with this building, and I relayed that information to you. One of the concerns that I had but also that we have been asked several times is the original contract on this project, I believe was around \$2 million to renovate. Subsequent to that, a change order in the same amount of \$2 million was also an issue. I wish John Gay were still there, oh he is. But typically, you do not have a project contracted out and then issue a change order for the same amount. It is a little unusual. So, I did ask for clarification on that, and Tomas indicated that they had looked at that, they had gotten I believe a legal opinion that it was okay, if I am not mistaken. Because it does beg the question why you would go out to bid for a project for let us say \$2 million and then issue a change order. Okay, typically, and I am not an attorney, so I got attorneys there, I got attorneys there, and I am sure we have attorneys on the line. Typically, the rule as I understand it is that change orders are pretty limited to certain amounts, not necessarily certain amounts, but to certain parameters. So, it is very unusual to have a project have a change order equivalent to or even bigger than the original project. Usually, you go back out to bid or something like that. When I did talk to Tomas about it, one of my questions was typically change orders are the result of the contract or finding something that was undiscoverable prior to the project being bid. So yeah, you do a change order because you now found that once you got into it, the foundation has, like in the Salton City building, okay. This here my understanding is that it was more of a change in use to trigger the change order not a change in a structural deficiency per se. Maybe you or the team that is here could address that because that has been repetitively brought to our attention, and you might as well air it out.

Tomas Virgen, HMHD Executive Director

We could address it now.

Eduardo Rivera, HMHD Attorney

Eduardo Rivera, for Heffernan Memorial. Mr. Heuberger is correct. That is the parameters of the contracting. There is an exception Health and Safety Code 32136 provides an exemption whenever a project encounters an emergency and the emergency exception in this case was COVID. We have the engineer and the builders here to address the particulars of that matter. But Mr. Heuberger is correct. The change in scope and use of the building caught us right in the middle of the COVID Era. IVC unfortunately got caught also. IVC was going to expand classroom participation to the Calxico area, and they in consultation with Mr. Virgen determine that 400 Mary would be an extremely well-situated location for IVC classes. COVID hit and everything stopped. Those plans went to the wayside. We were left with a half-constructed building. We had problems with the contractors getting supplies or employees, and they can address it better than I can. But based upon the emergency of an epidemic and that is what the coding section says, an emergency is quote unquote an epidemic. We all know that a COVID was an epidemic. Based upon that exemption to the contracting and bidding code section, we gave a recommendation to the board that based upon public policy, the waste of public funds up to that point in time, the change in purpose of the building, a determination was made by the board that instead of complying with the original contract and having a building that would only pertain to what we thought was IVC coming in, we would have an empty building. Or in the alternative, we could go and determine based upon what the district wanted to do since the get go in their particular strategic plan is an urgent care center. So, in the middle of COVID, in the middle of this emergency, in the middle of this epidemic, that determination was made that an urgent care center was going to be the ultimate use and purpose for this building. Having invested so many public funds in the building which were competitively bid for engineering and building, a determination was made. When the engineer came back and said it would take so much money, a determination had to be made by the board. Forget about the two million that we have already spent, or shall we spend two more million and get an urgent care center building ready so that we can place somebody in there and that is what the decision was made. Instead of using a different contract, who was not familiar with the work that had been done by the original contractor, the cost in fees whether or not we could get insurance or bonding for the new section of the building, it created too many impractical problems, and the decision was made to continue without a public bidding on the change order for the urgent care center. That is the reason that the cost doubled because the building was built specifically now for an urgent care center. Since we have an exemption in the Health and Safety Code, we utilized that emergency exemption to not go out and bid on the change. So, I hope I have explained it. But if you have any questions we have the builders and the engineer here to address the initial contract, the problems with COVID, and then the subsequent change of use.

Commissioner Froelich

Mr. Rivera, thank you.

Legal Counsel Steve Walker

What is the code section Eddie?

Eduardo Rivera, HMHD Attorney

32136 of the Health and Safety Code.

Commissioner Froelich

Thank you. Anyone else here for public comment on this item wishing to speak? Okay. Anybody on Zoom wishing to speak on this item? Any follow up questions at this time Mr. Jurg?

Executive Officer Jurg Heuberger

There is a lady wishing to speak.

Commissioner Froelich

Go ahead.

Sylvia Bernal, HMHD Vice-President

Good morning. Good to see all of you. It has been quite a while since we have been here. I just want to say a little bit about what was just said right now. We went out to bid.

Executive Officer Jurg Heuberger

Could you state your name for the record?

Sylvia Bernal, HMHD Vice-President

Oh, I am sorry, Sylvia Bernal from Calexico, California.

Executive Officer Jurg Heuberger

Thank you.

Sylvia Bernal, HMHD Vice-President

We went out to bid when we first started this project, we only had one bid, and it is the one that we are using right now. I want to clarify that because I want to make sure that you understand that we did go out to bid and they were the only ones that responded. I also have a question for Mr. Moreno. Mr. Moreno, do you still sit on the board on the wellness program that Blanca has?

Commissioner Moreno

Yes.

Sylvia Bernal, HMHD Vice-President

Okay.

Commissioner Moreno

I volunteer. I do not get paid.

Sylvia Bernal, HMHD Vice-President

Well, my question is.

Commissioner Moreno

I do, I just said that I volunteer.

Sylvia Bernal, HMHD Vice-President

Okay, thank you so much.

Commissioner Froelich

Thank you for your comment. Anyone else for public comment on this item? Hearing none. We are going to.

Commissioner West

Madam Chair, I have a question.

Commissioner Froelich

Go ahead.

Commissioner West

If 918 winds up standing, you can have a building built for what you think the community needs, and then whoever takes over could just say they do not want it. So, is that not like an extra \$2 million that may or may not need to be spent? I mean, is it something that could wait until this thing hits? Are you thinking this is going to take a long time to happen?

Eduardo Rivera, HMHD Attorney

The funds are expended, so in other words, we are going to have a finished product.

Commissioner West

Okay, so you are already almost there.

Eduardo Rivera, HMHD Attorney

We are almost done. Hopefully, we will see you January the second for the ribbon cutting. But the funds have been expended. Under 918, all of the assets of the district go to the Imperial County Healthcare District.

Commissioner West

Right.

Eduardo Rivera, HMHD Attorney

And the contracts from my understanding of the bill and the Assemblyman's comments on the bill, we have a contract that we publicly bid for the urgent care provider, and that contract goes through to the new healthcare district depending on whether it is signed, or it is not signed, whether or not the LAFCO application of Pioneers goes forward and so forth. The district is on board for a one Imperial County Healthcare District. All assets of Heffernan Memorial are going to be transferred over to the new district that we see will be in effect hopefully soon.

Commissioner Froelich

Thank you. Thank you for your comments. Okay, Jurg?

Executive Officer Jurg Heuberger

Mr. Moreno did you have a question?

Commissioner Moreno

Just for the contractors or the builders. So, what is the square footage of the building?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was sitting in the public.

Commissioner Moreno

Okay. As everybody knows, I am a city council member for Calexico. People ask me is there going to be enough parking where the building is situated, because of the surrounding neighborhoods?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was not at the podium.

Commissioner Moreno

So, are we okay with the parking there in the area?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Yeah. Could not hear what was being said, he was not at the podium.

Commissioner Moreno

Okay. Do have enough parking there on the site for those people that are going to show up there?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Yes.

Commissioner Moreno

Okay. Do you know how many parking spots you have proposed?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was not at the podium.

Commissioner Moreno

Okay. The other thing also is that we have a population of senior citizens, where most of them get to the medical facilities by ride. Is there a location for these people, for the handicap?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was not at the podium.

Commissioner Moreno

So, there is a site for them?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was not at the podium.

Commissioner Moreno

Right, I am asking you specifically for people who are in wheelchairs or are unable to walk, are they going to be able to park there? Is there going to be an offloading site for them?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was not at the podium.

Commissioner Moreno

Okay. That is fine.

Commissioner Froelich

Okay. Thank you.

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Could not hear what was being said, he was not at the podium.

Executive Officer Jurg Heuberger

Excuse me if we are going to have conversations, unfortunately, they have to be on the microphone, otherwise it does not record, sorry, I should have said that earlier.

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

I am Robert Pryor with George Mitchell Builders. So, in terms of this parking issue, there is diagonal parking that has been encroached upon the 400 Mary Avenue. There is going to be diagonal parking. The new contract has provided for one EV parking charge station, and all of the front area there is designated ADA. They will also have the new concrete work of truncated domes and everything to assist with the handicapped.

Commissioner Moreno

Okay, thank you.

Commissioner West

The other question I have is basic. Sir? I just want to make sure; I thought I heard you say it back there, but as a rookie we do not get the LAFCO into that, but has all been approved by the planning commission, City of Calexico, and by the city council of Calexico?

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

Yes.

Commissioner West

So, what you are doing has already all been approved.

Robert Pryor, Vice President & Secretary of George Mitchell Builders, INC.

That is correct.

Commissioner West

Thanks.

Commissioner Froelich

Okay. Are there any comments during this time on Heffernan, if not, we are going to close it, and bring it back to Commissioners?

Executive Officer Jurg Heuberger

We put this on the agenda when Blanca was here at the last meeting, as a courtesy and also as a follow-up. Like I said, we have looked at the information that Blanca gave us. I met with Mr. Virgen. There are some issues like I said one of the biggest that came to light and that we have been somewhat inundated with questions on has been addressed, which is the change order issue. Mr. Rivera has explained that to you at this point in time. I do not know what other direction that your Commission would like to give us, but it does appear that by default, either through AB 918, or to your action in the future on the application of Pioneers, that the district is dissolved within a matter of time. So, I am not sure that there is a lot more we can do. And any illegalities if there are any really would not be addressed so much by us as they would say by the district attorney or something like that.

Commissioner Froelich

LAFCO has continued to work with Heffernan?

Executive Officer Jurg Heuberger

We routinely call Mr. Virgen up.

Commissioner Michael Kelley

I say no action required on this item.

Executive Officer Jurg Heuberger

And I have to thank Mr. Michael Kelley for his motion way back in 2015 for getting us into this quagmire, excuse me.

Commissioner Michael Kelley

We give them an opportunity to survive and live and you know, give back to their community.

Commissioner Froelich

Okay, so with that said,

Executive Officer Jurg Heuberger

We are done.

11. Discussion/Action/Direction regarding an update on Assembly Bill 918 and the current progress on the application filed by the Pioneers Memorial Healthcare District.

Executive Officer Jurg Heuberger

Okay, so this is just a quick update as to where everything is. So, I do not really have anything on Assembly 918 that you do not already know, unless the Assemblyman's representative wants to say something, but it is on the governor's desk, and as of this morning, I do not think it has been signed, right. Okay. So that is the update at the time. As far as the Pioneers application, we are proceeding with that application. We did get preliminary data as to what a potential tax could look like if one were required for a healthcare district under a county wide tax that would be applicable

if a county wide district were formed. We have some preliminary numbers; we should get some more numbers today. I did send out an invitation to the county CEO, to the Pioneer CEO, to Mr. Cedric from the City of El Centro, and to Pablo from the ECRMC hospital for a meeting on Monday, to go over our preliminary findings. That invite either is going out or has gone out for 11 o'clock, I think it is on Monday. I got a response from everybody. Cedric just now told me that he can try to make that. So, what we are going to do on Monday is just share preliminary data as to what that tax would look like under different scenarios. Okay, which will then allow us to move forward. Our goal is still to have this matter before you, hopefully late November for discussion, decision, or direction item. Yes Sir.

Commissioner Michael Kelley

I have a question. I know that the all parties involved went through a mediation. I want to know whether or not the mediation will reoccur, or the results of the mediation will be made public for the community to understand and find out what the mediation was about, and what the conclusion of the mediation was.

Executive Officer Jurg Heuberger

So, at this point of time, I am not at liberty to disclose unless you have heard something different Cedric, but at this time, the mediation is still considered closed to the individuals who participated. The mediator, the judge, excuse me, did send a note to the assistant CEO for the county last Thursday, I think it was.

Commissioner Michael Kelley

The assistant?

Executive Officer Jurg Heuberger

I cannot think of her name now.

Commissioner Froelich

Rebecca.

Executive Officer Jurg Heuberger

Rebecca, oh excuse me, asking if she could make all that information public. So, you might want to talk to her?

Commissioner Michael Kelley

Because I would like to know what the results of the mediation were. If everybody concurred and if it is going in the right direction. It would behoove me to be in a position not to know. I do not understand that.

Commissioner Froelich

That is a good question.

Executive Officer Jurg Heuberger

Well, and I would love to share that with you. But we were all asked to sign a nondisclosure under penalty of perjury, and I do not want to violate that.

Commissioner Michael Kelley

Then why the hell have a mediation if we do not know what the hell is going on.

Executive Officer Jurg Heuberger

I would suggest you talk to Rebecca.

Commissioner Michael Kelley

Who?

Executive Officer Jurg Heuberger

Your assistant.

Commissioner Michael Kelley

Okay.

Commissioner Froelich

I have a question on that preliminary finding that you are going to meet on Monday, related to the tax. That would be in both scenarios, AB 918 and/or PMH Expansion?

Executive Officer Jurg Heuberger

Our analysis was not based on 918, because that just said go out and do whatever. What we originally told you and what we mentioned to all the stakeholders early on is that we would look at a couple of different ways of doing the county wide district. Number one was county wide, if ECRMC and Pioneers would be operated under one management structure, what would the cost and the necessary funds for that be? So that is one analysis. The second analysis was countywide but excluding ECRMC's participation. Meaning just like AB 918, it says there will be negotiations for the ECRMC to be part of the deal, but they are not required, or at least the last version said that they were not required to sell or give up their assets. So, we looked at it from that standpoint. So that is a different number. Then we also looked at what the exclusion of the City of El Centro from a county wide system would do in terms of the assessment. So, you have two numbers, that say under this scenario, it would be this much, and under this scenario that much.

Commissioner Froelich

What I am thinking, though, is that if ECRMC is not on board with that analysis, then we would have to wait until AB 918 would pass, and then to have both?

Executive Officer Jurg Heuberger

No.

Commissioner Froelich

No.

Executive Officer Jurg Heuberger

We are independent of AB 918 in terms of our process, the end result is the same, it would create a countywide district. So, either AB 918, or if you were to say vote today to create a countywide district, the information we are going to give you at some point of time here shortly, hopefully is what kind of an assessment would be required? All I can say is, if our numbers are correct, and that is what we want to share with the stakeholders on Monday. If numbers are correct, that number would be applicable to the 918 formation just the same.

Commissioner Froelich

I was just thinking about the different scenario once it becomes consolidated, then I was wondering if these would become obsolete, but you are making a point that you would still be able to use some of the numbers.

Executive Officer Jurg Heuberger

Yeah.

Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office

Could not hear what was being said, he was not at the podium.

Commissioner West

Can you step forward since we are making everyone else do it?

Commissioner Froelich

Yes, Guillermo.

Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office

I am Guillermo Hernandez with the office of Assembly Member Garcia. So, as I said, just now, with that being said, on Monday, can our office be included in the meeting that the Commission has convened, to go over the preliminary numbers from the feasibility studies, or Study.

Executive Officer Jurg Heuberger

At this point in time, what we wanted to do is have the technical people from the ERMC, preferably, in this case, also the El Centro city manager because they own the hospital, and Pioneers, sit down with our consultant, and make sure that those numbers make sense. So, I do not want to go with some big public meeting.

Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office

Understood, thank you.

Commissioner Froelich

Any other any other comments that you wanted to share?

Executive Officer Jurg Heuberger

No.

Commissioner Froelich

Guillermo, do you have an update to share with LAFCO?

Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office

There is nothing beyond as Mr. Heuberger mentioned, nothing significant beyond what the Commission already knows. The bill is currently at the Governor's desk. We have continued to receive support, and I will just go over some of the support that I think is significant for not only the Commission to know but folks viewing online and folks here in public to know. We have received support from the City of Imperial, City of Calipatria, City of El Centro, City of Calexico San Diego Regional Center, San Diego State University, Calexico Wellness Center, Dr. Vo, IBEW 569, Imperial County San Diego Building Trades Council, Dr. Afshar, Heffernan Memorial, Dr. Rudman, Dr. Velazquez, Dr. Strong, and the whole UC system for the state, in which we received a letter of support directly to the governor. And best step forward, California teamsters, Imperial County Medical Society, Imperial County Office of Education. We continue to have a support letter from Imperial LAFCO, and I just wanted to thank you for that, for your continued support, and continued collaboration for your openness to discuss AB 918. We have had conversations with the Department of Health and Human Services. As of last week, we had conversations with the Office of the Governor, his legislative director. We went into detail as to the rationale behind AB 918, the amendments, and details as to what is going on with perspectives. We had UCSD with us on some of those conversations to also offer their perspective as to the healthcare situation here in Imperial County. So that is it on our end. Thank you.

Commissioner Froelich

Thank you very much.

Commissioner West

I have one comment to make. At least from my point of view, we are neutral. LAFCO is not against anybody trying to get legislation. But at the same time, organizations, and people that we represent through the Cortese-Knox have the right to go through the process and that is exactly what we are doing with Pioneers. They have the right to do that. We are simply following what we are supposed to do, to do that. So, we are not trying to be competitive or against anyone, but they have a right to go through it. We need to do what we are supposed to do as LAFCO. That is all I wanted to say.

Commissioner Froelich

Any other members of the public wishing to say something on this matter on this item? Okay, we will take it to Zoom. Any members of Zoom wishing to speak on this item? Hearing none, we will bring it back to the Commissioners. Any further comments? Do you want to close with something?

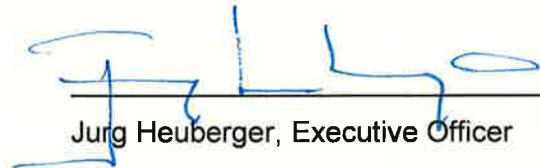
Executive Officer Jurg Heuberger

No, we are going to the executive session.

Commissioner Froelich

Okay, we are now going to the executive session, then we will come back and do item 8.

Maria Nava-Froelich, Chair



Jurg Heuberger, Executive Officer