



**Item: Minutes from May 25, 2023**

**Meeting Date:** Thursday August 24, 2023

**Meeting Time:** 08:30 a.m.

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

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**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

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**SUMMARY OF THE LAFCO HEARING**

**May 25, 2023**

**8:30 a.m.**

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

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<b>VOTING COMMISSIONERS PRESENT:</b>	Maria Nava-Froelich, Chair Javier Moreno, Vice-Chair David H. West Michael W. Kelley Ryan E. Kelley
<b>ALTERNATE COMMISSIONERS PRESENT:</b>	NONE
<b>ABSENT:</b>	NONE
<b>STAFF PRESENT:</b>	Jurg Heuberger, Executive Officer Julie Carter, Accountant Paula Graf, Sr. Analyst Lori Zinn, Clerk / Analyst

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

1. Roll Call
2. Pledge of Allegiance
3. **Approval of Consent Items:**
  - A. Minutes from March 23, 2023
  - B. Project Report update

## **Motion by Commissioner West to approve the Consent Items**

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

### **4. Public Comments:**

Salton Community Services District Resident Lilian Garcia spoke about the non-compliance of the wastewater facilities and violations, in which she was asked to wait to speak about this until we are discussing item 8 on the Salton Community Services District.

Calexico resident Blanca Morales asked to have an item on the next agenda on Heffernan Memorial, to present their financials and discuss information about the Urgent Care that still has not opened.

## **ANNOUNCEMENTS**

### **5.A. Announcements by the Commissioners.**

Commissioner Michael Kelley reminded everyone about the upcoming Annual CALAFCO conference.

Commissioner Froelich let everyone know that the SCAG General Conference that she attended on May 4<sup>th</sup> was well attended, that she attended an ICTC meeting last night, that there was a League of Cities meeting & dinner this evening at the IV Fairgrounds in Imperial, and that she is going to the Calexico's New River groundbreaking tomorrow.

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

Executive Officer Mr. Heuberger let everyone know that the Annual CALAFCO conference is in October in Monterey, and soon to come is information on the agenda and registration. Most likely in August we will be asking if you wish to attend, so we can make the travel arrangements. He also announced that Commissioner Michael Kelley's seat on the CALAFCO Board is up for election this year.

## **EXECUTIVE SESSION ITEM(S)**

### **6. Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to § 54956.9(b): (1 matter)**

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

## **PUBLIC HEARING ITEM(S)**

### **9A. Public Hearing regarding Initial Study 2023-01, a project to consider the expansion of the Pioneers Memorial Healthcare District.**

Commissioner Ryan E. Kelley announced that he will be recusing himself regarding the expansion of the Pioneers Memorial Healthcare District and that his alternate Jesus Escobar would be taking over this item, however he was not able to attend today.

The Executive Officer provided and went over the details of the Initial Study 2023-01. The El Centro City Attorney, El Centro City Interim General Manager, ECRMC Board President, a public member, and the PMHD Board Treasurer made comments.

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

**Motion by Commissioner West to prepare a negative declaration**

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

**Motion by Commissioner West that there is nothing there for the California Department of Fish and Wildlife de minimis impact finding**

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

**DISCUSSION/ACTION/DIRECTION ITEM(S)**

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

Executive Officer Mr. Heuberger provided an update on the Imperial Irrigation District Study. The final report should be ready soon, and will be on the September or October agenda as a final document.

**8. Discussion/Action/Direction regarding an update on the Salton Community Services District.**

Executive Officer Mr. Heuberger provided an update on the Salton Community Services District. The Salton Community Service District Interim General Manager, Finance Officer, Board Secretary, Vice President, and three residents made comments.

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

**9. Discussion/Action/Direction regarding Assembly Bill 918 Health Care District.**

Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office provided an update on AB 918. The El Centro City Attorney, ECRMC President, and PMHD Compliance Legal Counsel made comments.

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

**10. Discussion/Action/Adoption of the updated Personnel Policies and Procedures.**

Executive Officer Mr. Heuberger presented the updated Personnel Policies and Procedures.

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

**Motion by Commissioner Kelley to approve the updated Personnel Policies and Procedures**

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

**11. Discussion/Action/Adoption of the Final Budget for Fiscal Year 2023-2024.**

Executive Officer Mr. Heuberger presented the Final Budget for FY 2023-2024.

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

**Motion by Commissioner Moreno to approve the Final budget for Fiscal Year 2023-2024**

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

Maria Nava-Froelich, Chair



Jurg Heuberger, Executive Officer

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**COMMISSIONERS**

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

**LEGAL COUNSEL**  
Steve Walker

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**TRANSCRIPT OF THE LAFCO HEARING**

**May 25, 2023**

**8:30 a.m.**

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

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**VOTING COMMISSIONERS PRESENT:** Maria Nava-Froelich, Chair  
Javier Moreno, Vice-Chair  
David H. 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

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

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Consent Items:**
  - A. Minutes from March 23, 2023
  - B. Project Report update

**Motion by Commissioner West to approve the Consent Items**

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

**4. Public Comments:**

**Commissioner Froelich** - Public Comments. This is the time for the public to address the Commission on items that are within the jurisdiction of LAFCO but are not on the agenda. Members of the public may comment on items that are on the agenda when the item is being addressed by the board. Speaking time is limited to three minutes. The Commission is prohibited from discussing or taking any action on any item that is not appearing on the agenda. Are there any public comments at this time on items that are not on the agenda?

**Sr. Analyst Paula Graf** - Madam Chair, we have two comments via zoom.

**Commissioner Froelich** - Okay, we will go with the first one.

**Sr. Analyst Paula Graf** - Go ahead for the comments online. Lilian Garcia, go ahead.

**Lilian Garcia, SCSD Resident** - Good morning, everyone. So, my comments are based on the last meeting. I did provide public comments regarding the wastewater facilities, the non-compliance, and I just want to make sure that the Commissioners are taking this seriously. As I have mentioned prior, the Salton Sea has been a great issue, the past decades, including the New River, and I hope that each one of you takes this seriously. The Communities within the West Shores are the ones that have been greatly affected. I think the noncompliance, those notice of violations which is almost about six hundred from the City of Calexico.

**Commissioner Froelich** - Miss Garcia that is an item on the agenda.

**Lilian Garcia, SCSD Resident** - I did not see it on the agenda.

**Commissioner Froelich** - It is item number 8. It has to do with a Salton Community Services District. Is that what you are speaking about?

**Lilian Garcia, SCSD Resident** - No, I am just addressing the notice of violations of all the wastewater facilities into the Salton Sea. This was a comment I gave the last time around.

**Commissioner Froelich** - Right. It is all part of the same thing. We would like for you to wait and make comments at that time when it comes up on the agenda.

**Lilian Garcia, SCSD Resident** - Okay. All right.

**Commissioner Froelich** - Thank you. Anyone else for public comment?

**Blanca Morales, Calexico Resident** - Yes, this is Blanca Morales.

**Commissioner Froelich** - Go ahead please.

**Blanca Morales, Calexico Resident** - I would like to make a comment in regard to whether we can have Heffernan Healthcare District Board Members up here, in your next meeting. I was in their meeting on May the 17th. There is a lot of confusion on what is happening with the Urgent Care that is supposed to have been there by now. Also, I would like to have them present their financials.

**Commissioner Froelich** - Go ahead and make arrangements with Paula.

**Blanca Morales, Calexico Resident** - Thank you, Maria.

**Commissioner Froelich** - Just a minute.

**Executive Officer Mr. Heuberger** - Hold on a minute. I am not clear what you are asking. We cannot have an entire Board appear before us. What specifically are you asking to have at our next hearing?

**Blanca Morales, Calexico Resident** - The Heffernan Board Members to present detailed information on where they are with their Urgent Care that was supposed to have been opened. It is apparently costing more money to open it, and it is not going to open till August. There has not been any transparency on the expenses for that Urgent Care and what the issues are. Number two, their financials. They presented their budget on May 17th, and there were some questions regarding a \$500,000 deposit for Mega Park. I know I started my clinic five years ago, and it has been on their agenda ever since. I did request a copy of their financials regarding that particular deposit and their bank statements, because apparently, they are accumulating interest.

**Executive Officer Mr. Heuberger** - Okay, what we can do is put an item on our agenda to discuss issues related to the Heffernan Healthcare District that you just pointed out. If you would be so kind as to contact me or my office, sometime in the next few days, we can discuss exactly what it is that we are going to ask them to present.

**Blanca Morales, Calexico Resident** - Very good, thank you Mr. Heuberger.

**Executive Officer Mr. Heuberger** - Thank you.

**Commissioner Froelich** - Thank you Miss Morales. Anyone else for public comment? Do you see anyone else on Zoom? No. Anyone else here in the public wishing to make a public comment? Seeing none, we will continue.

## ANNOUNCEMENTS

### 5A. Announcements by the Commissioners.

**Commissioner Michael Kelley** - I think we all got advised of the upcoming Annual CALFCO Conference, that I am sure we will all be in attendance for, just put that on your radar.

**Commissioner Froelich** - On my behalf, I would like to announce that I did attend the SCAG General Conference on May 4th. I am happy to report that it was very well attended by Imperial County elected officials and many of the City's department heads. Also, I attended an ICTC meeting last night. I want to share that there is a League of Cities dinner meeting and dinner tonight, it is going to be hosted by the City of Imperial, and it is going to be held at the IV Fairgrounds. Tomorrow Calexico is going to be hosting a New River groundbreaking and I plan to be there.

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

**Executive Officer Mr. Heuberger** - Good morning Madam Chair and members of the Commission. I am Jurg Heuberger, Executive Officer. Just to follow up on Commissioner Michael Kelley's comment about the conference. It is scheduled for October. It is scheduled to be in Monterey. We will be getting notices from the CALAFCO staff to register you if you plan to attend, as well as hotel reservations and other things. As soon as we get that, it is usually three to four months in advance when we get the notices, so probably I would say around August we will be asking you if you wish to attend, so we can make arrangements. The conferences are usually pretty well attended. We have not yet developed an agenda for this conference, that is being done right now, but, as soon as we have that, we will also share it. Lastly, Mr. Michael Kelley is a representative on the CALAFCO Board, his seat is up for election this year before the CALAFCO Board. It will be up to him to decide whether he wants to seek another term or not. He has about a minute and a half after this meeting to let me know, so I can forward that information to our staff. Thank you.



## EXECUTIVE SESSION ITEM(S)

### 6. Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to § 54956.9(b): (1 matter)

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

## PUBLIC HEARING ITEM(S)

### 9A. Public Hearing regarding Initial Study 2023-01, a project to consider the expansion of the Pioneers Memorial Healthcare District.

**Commissioner Ryan Kelley** - Madam Chair, I would like to announce that I am going to be recusing myself. I have asked Supervisor Escobar to step in and I will step away. This is only the second meeting I have been to, but I guess I will not be back for a while. I do want to say that I am not going to be an impediment to trying to bring the Health Districts and the hospital of El Centro together. I will not be used as that pawn. Also, that for whatever actions come through LAFCO, or through the Assembly, I do believe that now the City of El Centro will be the sole responsibility for the success or failure of bringing this together. With that I will leave you. Mr. Escobar will not be able to join you today.

**Commissioner Froelich** - Thank you, Mr. Kelley.

**Executive Officer Mr. Heuberger** - For the record, Mr. Ryan Kelley is a permanent member of LAFCO. The alternate for his position, as you know, every position on this Commission has an alternate position, including the public member. The alternate that would normally sit here, as he indicated, would be Mr. Escobar, who was duly appointed as the alternate to either Ryan or Michael Kelley's position, should either one not be in attendance. Thank you. Okay, so just to make that clear, the alternate that is already on the LAFCO system would be Mr. Jesus Escobar, who gets all the information anyway, but apparently he had a personal commitment today that he could not make it. With that said, as I mentioned earlier, this is a CEQA item primarily. By that I mean that under California statutes, the California Environmental Quality Act, more commonly referred to as CEQA defines what a project is, and basically it is a for lack of better terms of discretionary action, as opposed to say, an administrative action like a building permit. With that said, typically, there are a couple of alternatives. If the proposed project before you qualifies for an exemption, and there are specific exemptions within the statute, such as categorical exemptions, etc., the lead agency in this case being LAFCO, has the opportunity to implement that. If you cannot fit into any one of those defined exemptions, then you go through what is called an Initial Study, and then you reach a decision as to what type of environmental document needs to be prepared for the project. Essentially, there are three options at the end of an Initial Study. Those options are a negative declaration, meaning no significant environmental impact is identified. A mitigated negative declaration, which essentially means that you have some potential impacts, but there are mitigation measures that have been proposed to reduce them to a level of significance or otherwise resolved. Last but not least, there is an environmental impact report, which is a Study that goes through another identified process, preparing draft, sending it for public comment, and bringing it back to the lead agency for a decision. So today, all we are doing is your Commission is acting as the reviewing body to determine what type of environmental document would be appropriate. You have within this document several pages of information, which if you want me to read it, I can certainly do that, but it is publicly available, and we can go into it in more detail.

**Commissioner Froelich** - Can you provide a summary?

**Executive Officer Mr. Heuberger** - Yes, I will just a second. Things that are in this document that I will be asking you to basically go through page by page, through the process is a checklist. In that checklist, there are comments which your commission will need to basically identify or excuse me, agree, or disagree with. In other words, there are checklists for aesthetics, checklists for traffic, and various other things. So, bear with me, but we will go through that whole checklist. Let me go to that document. This is entitled Initial Study 2023-01. Again, for the Commission and the audience's benefit, most of the projects that you folks hear, the lead agency is typically a city because we deal with annexations. Because the cities have to go through the land use entitlements in advance of us considering it, they become lead agencies, we become an effective responsible agency. As a

reminder, though, many years ago, this Commission decided, and we implemented a somewhat informal process with the cities that we would be in effect somewhat like co-lead agencies. The reason for that was because we were getting environmental reports, especially IRs, that in the end, we could not accept because the cities did not address certain issues. And so, this Commission at that time said, hey, why put the applicant through this Chinese fire drill of having to do everything twice? Lay everything. Why can't we get an agreement with the cities that when they start their land use process, that we essentially work hand in glove with them through the CEQA part of that process, so that when that environmental document comes before you, it will already have had the input of the LAFCO staff, and presumably, it meets your requirements, assuming the LAFCO staff did their job. That resolves a lot of delays, a lot of antagonistic comments and things between the agencies. In fact, that's why documents usually come before you that are pretty much worked out. In this case, there is no other agency out there that has a step that they have to take prior to coming to us. So basically, we are lead agency, for lack of better terms, that is what it is, which requires us to go through this sort of step-by-step process. What we have today is a request to address an expansion to a countywide Healthcare District level. The application was filed by the Pioneers Healthcare District, and it is essentially doing exactly what AB 918 also says that the new district would have to do. I am sure there is an argument to be made by somebody that, you know, this is a Pioneers District, and that is not the way LAFCO is treating it. This is simply the applicant, being Pioneers. This Commission will ultimately decide what type of Healthcare District, what the range of the district is, what the boundary of the district is, what the makeup of the district is, etc., etc.. That will all be determined as part of the process that we will be going through. However, to initiate the process, the application was filed. It was actually filed on February 2, when there was a meeting in the LAFCO office between Pioneers, El Centro Regional, El Centro City Council, Heffernan, County Elections, and various people. At that time Pioneers did submit an application. However, as a result of AB 918 being filed shortly thereafter, we mutually agreed to place this on a hold pattern, because there seemed to be some confusion as to the intent of AB 918, how it would fit, how LAFCO would fit, and what ultimately would have to be done. As you all know, AB 918 was subsequently amended from its first version, which essentially, again required this district to file an application on or before January of next year, and for LAFCO to go through the process. The uniqueness in one regard is that the bill basically says LAFCO shall go through the process, but you cannot deny it, which normally you have the opportunity to either approve or deny. In this case, the legislation says you cannot deny it. Then it directs that LAFCO send this to a vote through the County Board of Supervisors. Again, there is a little bit of uniqueness here, under normal LAFCO regulations, at the end of your process, there is a process called a Protest Hearing. Essentially, again, it can go to a vote under a so-called protest, somewhat akin to a Prop 218, but it is along the same lines of basically people filing a protest. The difference here with AB 918 is that it automatically goes to a direct vote of the public on the formation of a district and may or may not include a special assessment. Basically, though, all things aside, and you know, we can argue the nitpicky parts of it, the end result is the same, and that is create a countywide Healthcare District to essentially have the citizens of the Imperial County have the availability of a Healthcare District that is from border to border. Now, we have two Healthcare Districts, one is Heffernan, and one is Pioneers. We also have a Regional Medical Center and that is not a district, that is a city owned facility, a city owned hospital. People are making a lot of hay out of different differentiation, and the reality is, this Commission has jurisdiction over special districts, it also has jurisdiction over cities. You can argue that till hell freezes over, but we do. We do not need to get into that unless we are forced to, but certainly we are willing to. The bottom line that I want to make clear to everybody, should your Commission ultimately vote whether it is under AB 918, or as we are doing right now, to create a countywide Healthcare District, it is not an automatic that ECRMC is part of that, because we are dealing with a countywide special district. ECRMC again, is a city owned facility, and we cannot tell the city to give up its hospital and give it to somebody else, and that is not our intent. It is certainly available to be part of the district. There have been many discussions on how that would work or could work, but it is simply an opportunity for ECRMC, Pioneers, and Heffernan to operate under one entity. We do have full jurisdiction, just so to be clear. We have full jurisdiction to dissolve Heffernan, and we have full jurisdiction to dissolve Pioneers. I am not suggesting we think about that, but I am simply telling you what your authority is. We do not have the authority to dissolve ECRMC, nor have we ever suggested that that is what our plan was, or that is what our program was. The bottom line is, we are doing an analysis of, if we formed this new district, this new countywide Healthcare District, what environmental impact it will create. As I said earlier, within your document is an Initial Study, which is set out under CEQA, which basically lists all types of environmental related categories, if you will. The very first one on page 16 is air quality. Excuse me, I jumped one page, page 15, the very first one is aesthetics. What we are going to do is go through

each of these categories, look at them, and basically say, will the creation of this new entity create an environmental impact? The checklist has been filled out by staff, you have an opportunity as the public to say, well, we think. So, let us just as an example, just to get you used to this, because you have never done this, all right, or I assume you have not done it anyway. Apologies if I made an assumption that I should not have. Let us just take the very first one aesthetics. Will the creation of this new district have an adverse effect on a scenic vista or a scenic highway? If you think it does, then you will have to tell me how you think that has an impact so we can put it in there. Right now, the staff has gone through this and said there is no physical change and there is no impact to any scenic vistas. I cannot possibly see how, but anyway, the process calls for us to go through this, and get public input to make a case as to why it creates an environmental impact. We are not talking about political impacts, we are not talking about those kinds of things, strictly what this checklist talks about is the environment. A lot of times, there are arguments made that are tangent to this, and I want to focus you on what is before you. What I would like to do, so that we cover it, first of all, Madam Chair open it to the public, then anyone that wants to comment as we go through this, they have an opportunity.

**Commissioner Froelich** - Sure. So, at this time, we are going to open it up to the public, to allow you the opportunity to provide input on this topic. Anyone, a member of the public would like to come forward?

**Executive Officer Mr. Heuberger** - We are going to go through page by page, and at each page there is an opportunity to come forward and speak.

**Commissioner Froelich** - Comments as we go, thank you.

**Commissioner West** - Is it comments on the actual CEQA process? And you are going to state it and then a person makes comments?

**Executive Officer Mr. Heuberger** - We are going to focus on the Initial Study.

**Commissioner West** - Okay, just the Initial Study.

**Elizabeth Martyn, El Centro City Attorney** - Excuse me, may I ask a question? My name is Elizabeth Martyn. I am the City Attorney in El Centro. I need to ask two questions. First of all, is your item only the Initial Study? Or does it include the adoption of a negative declaration?

**Executive Officer Mr. Heuberger** - It is their determination at the end of the Initial Study what type of document to pick.

**Elizabeth Martyn, El Centro City Attorney** - But it is an initial Study followed by possible action on it?

**Executive Officer Mr. Heuberger** - Yes, ma'am.

**Elizabeth Martyn, El Centro City Attorney** - Thank you. Are you saying that if we object to the item, you want us to put on the record our objection as you go through the items in the CEQA checklist?

**Executive Officer Mr. Heuberger** - Page by page, yes.

**Elizabeth Martyn, El Centro City Attorney**  
Okay, then you will see me a bunch. Thank you very much.

**Commissioner Froelich** - Thank you.

**Executive Officer Mr. Heuberger** - Okay, with that, what we are going to do is start off with the first page, which is page 15. Oh, I am sorry.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - I am Guillermo, with Assemblyman Garcia's office. Will LAFCO allow me to comment on the bill itself? Is that something that you guys would allow? I am respectfully asking.

**Commissioner Froelich** - At this time, we are only doing in regard to the analysis on the mitigation. Right?

**Executive Officer Mr. Heuberger** - I would say that at the end.

**Legal Counsel Steve Walker** - There is an item 9.

**Executive Officer Mr. Heuberger** - Yeah, there is an actual item.

**Commissioner Froelich** - At the end.

**Commissioner West** - Item 9 is about the bill.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Thank you.

**Commissioner Froelich** - Thank you.

**Executive Officer Mr. Heuberger** - All right, so I have page 15, it has two categories, which are aesthetics in agriculture and forest resources. The questions are listed. I read the first one. Have a substantial effect on scenic vistas or highways? Next one is scenic resources, etc., etc. I am hoping I do not have to read every one, but I certainly will if needed.

**Commissioner Froelich** - Thank you.

**Executive Officer Mr. Heuberger** - The staff has gone through these and has basically said, because we are creating an entity, and that entity is not doing anything physically, it does not have a direct environmental impact on this category.

**Commissioner Froelich** - Are you speaking on page 15?

**Chuck Jernigan, Public Member** - No ma'am. I am a little disadvantaged and I think everybody else is as well. We do not have anything in front of us that you have. When you are talking about pages, we do not have it.

**Commissioner Froelich** - Are there documents in the back, Paula?

**Elizabeth Martyn, El Centro City Attorney** - No, there is no checklist.

**Sr. Analyst Paula Graf** - We did have copies, but those have already been picked up, I have an extra here.

**Chuck Jernigan, Public Member** - I got this when I came in, and I was the first one in.

**Sr. Analyst Paula Graf** - We had part of them over there, but if they are not there, then they have already been picked up.

**Elizabeth Martyn, El Centro City Attorney** - Do you have a checklist? People need the checklist. If you have a copy of it, I can have it copied.

**Sr. Analyst Paula Graf** - We did have them out, but like I said they.

**Elizabeth Martyn, El Centro City Attorney** - We need it for this hearing. Can I have it copied please?

**Sr. Analyst Paula Graf** - Excuse me.

**Elizabeth Martyn, El Centro City Attorney** - We need it for this hearing.

**Sr. Analyst Paula Graf** - Yes, I will provide you, absolutely I will provide you.

**Elizabeth Martyn, El Centro City Attorney** - Would you like me to have the city make copies?

**Executive Officer Mr. Heuberger** - Yes.

**Sr. Analyst Paula Graf** - Yeah, that is fine.

**Elizabeth Martyn, El Centro City Attorney** - How many copies?

**Commissioner Froelich** - How many are needed? Let us see, raise your hand if you need a copy?

**Elizabeth Martyn, El Centro City Attorney** - Why don't we make 10 or 12?

**Executive Officer Mr. Heuberger** - That is fine.

**Elizabeth Martyn, El Centro City Attorney** - It is not much per page.

**Executive Officer Mr. Heuberger** - Why don't we, in the interest of time, since Assemblyman Garcia's staff is here, maybe we can take a quick divergence from item 9A.

**Commissioner Froelich** - Should we go to item number 9? Go ahead.

**Executive Officer Mr. Heuberger** - I will take up the Assembly Bill.

**Commissioner Froelich** - So, while those copies get made for the members of the public, we are going to go ahead and take comments on item number 9.

**Commissioner Froelich** - We did receive the copies. We are going to come back to the public hearing to finish this portion, then we will go back to item number 9. So, we were on page 15.

**Executive Officer Mr. Heuberger** - Does everybody have the documents that we are looking at now? Thank you, apologies. All right, so no changes on page 15. Page 16 talks about air quality and biological resources. They are all marked no impact unless there is a change.

**Commissioner Froelich** - No comments on page 16, continue.

**Executive Officer Mr. Heuberger** - Page 17 talks about cultural resources, energy, geology, and soils. Again, no impacts have been identified.

**Commissioner Froelich** - Is there a comment on page 17?

**Elizabeth Martyn, El Centro City Attorney** - Unfortunately, yes.

**Commissioner Froelich** - Go ahead.

**Elizabeth Martyn, El Centro City Attorney** - Number one. You mentioned, I believe, tribal consultation. I do not see the record of tribal consultation here. Not my job to decide if it is needed. Number two, we object that there is no impact on geology and soils. If this Study goes forward, and Pioneers were to be the chosen hospital to survive, because that is what this really is about, it is about who survives. That is why you get this kind of rhetoric. Then in fact, there will be no identification of their failure or refusal to comply with seismic requirements, that has impact on geology and soils. Because geology and soils, although it says geology and soils is actually in the first box about seismic impacts. Again, all I am doing is telling you what is in the documents we have submitted.

**Commissioner Froelich** - So, you are making reference to item number one, under geology?

**Elizabeth Martyn, El Centro City Attorney** - I am.

**Commissioner Froelich** - And then what other item?

**Elizabeth Martyn, El Centro City Attorney** - Tribal consultation.

**Commissioner Froelich** - Okay.

**Elizabeth Martyn, El Centro City Attorney** - I will point out again, all of this is in what I submitted to you, but apparently since we have to also submit this into the record for purposes of future litigation, I am complying with that.

**Commissioner Froelich** - Noted.

**Elizabeth Martyn, El Centro City Attorney** - Thank you.

**Commissioner Froelich** - Continue.

**Executive Officer Mr. Heuberger** - So, does the Commission wish to make any changes?

**Commissioner West** - No.

**Commissioner Moreno** - No.

**Executive Officer Mr. Heuberger** - Okay. Page 18 greenhouse gas emissions and hazardous materials and hazards.

**Elizabeth Martyn, El Centro City Attorney** - Would you say that again?

**Executive Officer Mr. Heuberger** - Page 18 item greenhouse gas emissions and hazards and hazardous materials.

**Commissioner Froelich** - No Comment. Will continue.

**Executive Officer Mr. Heuberger** - Item page 19 hydrology and water quality and then land use and planning.

**Commissioner Froelich** - Is there a comment?

**Elizabeth Martyn, El Centro City Attorney** - Yes.

**Commissioner Froelich** - Go ahead.

**Elizabeth Martyn, El Centro City Attorney** - In addition to the other comments we have made, which again are entered in the record without me having to read this whole thing to you, and I am pretty sure you do not want me to do that. There is no analysis of the impact on general plans or zoning of the other jurisdictions which we included. I will also point out that it is unclear from what you have submitted what the scope of the district would be. It says countywide, but it also says that it may not be countywide. Are public services on the next list?

**Commissioner Froelich** - What are you proposing on that one, on land use?

**Elizabeth Martyn, El Centro City Attorney** - On land use and planning, I am objecting that the box that says there is no impact on the far-right hand side of the page was checked. I am saying that you need to stop, take more time with your Initial Study, and determine if there are additional, there could be potential environmental impacts, as a result of the Initial Study, if the scope that Mr. Heuberger has proposed for it is followed.

**Commissioner Froelich** - We will make a note of it.

**Executive Officer Mr. Heuberger** - What impacts do you foresee from land use? I am trying to follow your argument.

**Elizabeth Martyn, El Centro City Attorney** - Land use and planning and zoning are there. There has been no attempt to analyze, remember, I am commenting on the breadth and scope of your, or lack thereof, of your Initial Study. There has been no attempt to analyze any kind of zoning or land use issues, even though this is a countywide district. And we cannot really tell whether it is countywide or not, because when you read the project descriptions, they are somewhat overlapping and in cases contradictory. So, I am saying that before you move forward, you need to make a more thorough analysis of those impacts, and that is the kind of thing that LAFCO does.

**Executive Officer Mr. Heuberger** - LAFCO has no land use jurisdiction, as you well know.

**Elizabeth Martyn, El Centro City Attorney** - I realize that.

**Executive Officer Mr. Heuberger** - We cannot dictate what the zoning is. Nor does this project dictate zoning.

**Elizabeth Martyn, El Centro City Attorney** - No, we are not dictating zoning, you are looking at the impact of your proposed countywide district.

**Executive Officer Mr. Heuberger** - Right, but it does not change any land use whatsoever.

**Elizabeth Martyn, El Centro City Attorney** - The issue is not whether it changes land use, the issue is does it have an impact? The purpose of your Initial Study is to look at these and say, do these have impacts? Do they have direct impacts? Do they have indirect impacts? It is something where you normally would solicit input from other agencies before you do this. That is my comment on land use, whether you agree with it or not, it is my comment.

**Commissioner Froelich** - She has a right to comment.

**Elizabeth Martyn, El Centro City Attorney** - Yeah. So, when you get to public services, I have a comment.

**Commissioner Froelich** - Appreciate it. I have a question. Is there anybody here who is a member of the public from Pioneers Memorial Healthcare district? Okay, so just feel free if you ever need to comment, come forward. Okay, continue here.

**Executive Officer Mr. Heuberger** - Okay, so does this commission wish to make any changes on that?

**Commissioner Moreno** - No.

**Executive Officer Mr. Heuberger** - Page number 20 mineral resources, noise, population & housing and public services.

**Elizabeth Martyn, El Centro City Attorney** - Public services, I have a similar comment. The question is whether or not the project would result in substantial physical impacts associated with governmental facilities? The answer, I believe, is yes because you are looking at hospital facilities. Whether you agree with me or not, my comment again, is your Initial Study is inadequate in not looking at that. I would also add one final comment. A lot of times when you do a CEQA checklist and CEQA suggests that as you deal with each category, you make a comment to explain your responses, that has been done in an overall sense, but it has not been done on a specific case by case basis.

**Executive Officer Mr. Heuberger** - Anybody else want to comment?

**Commissioner Froelich** - Anybody else on page 20.

**Cedric Cesena, El Centro City Interim General Manager** - I apologize, I like to add to a comment under hazardous materials and hazards on page 18. I just received this, so I am actually, you know, reading through it. I believe that if there is a significant change in the makeup of a hospital components, facilities, or campuses, there is going to be a significant change in the transportation or use of disposal

of hazardous materials. In particular biohazardous disposal and components. For example, providing services and things like that, sharps and you know, those kinds of things have to be transported in and processed off site most of the time.

**Executive Officer Mr. Heuberger** - Cedric, before you go on, can I ask for clarification?

**Cedric Cesena, El Centro City Interim General Manager** - Yes.

**Executive Officer Mr. Heuberger** - So right now, El Centro Regional, Pioneers, Scripps, and Sharps, are all involved in transporting, as you said, biohazards and others.

**Cedric Cesena, El Centro City Interim General Manager** - Correct.

**Executive Officer Mr. Heuberger** - They each do that already.

**Cedric Cesena, El Centro City Interim General Manager** - They do.

**Executive Officer Mr. Heuberger** - Okay. So, because now you have a different governance structure, how does that change?

**Cedric Cesena, El Centro City Interim General Manager** - So, the potential would be that if you have a different governance structure, you are actually going to create that economy of scale in particular to services and contracts that there might be. So, maybe our transport provider handles most of the hazardous materials that are created at El Centro Regional through interstate 8, for example. Versus if the agreement were to use the one that Pioneers uses, or either way, the transportation routes for those particular biohazardous components that are created would change. Today, they might be going north from Pioneers, and they might be going east from El Centro.

**Commissioner Froelich** - The fact that it is expanding.

**Cedric Cesena, El Centro City Interim General Manager** - Right.

**Commissioner Froelich** - You have a right to comment.

**Cedric Cesena, El Centro City Interim General Manager** - In addition to that, under public services, I think that it does tend to impact response times and transport times. As far as I know, EMS is not a particular component of public services, because it calls up for police protection, fire protection, schools, and parks. But there are other public facilities or services, I think where there is a potential change, if you actually create the economy of scales, and you move specific services to different locations. It will be the Pioneers, for example, the transportation time now of OB patients, for example, from the south end of the county would be increased and different or it could be another. I just used OB for this example, but it could be Oncology, it could be Urology, whatever it is, a specialty that is created once this new district has been created.

**Executive Officer Mr. Heuberger** - But excuse me Cedric. So, are you making the assumption that because there is one governing body, which, let's just say for the sake of discussion, and I know Miss Martyn will jump up, assumes that the El Centro facility continues to operate whatever services they do, and Pioneers continues to operate the services they do at their existing facilities, with that, the new district would somehow change where ambulances go.

**Cedric Cesena, El Centro City Interim General Manager** - Yes, so for example, the idea of a single Healthcare system is to create an economy of scale. That means that instead of us doing the same thing at both facilities, now we are going to say, hey, you know what, at the Pioneers hospital campus we are going to go ahead and specialize in XY and Z, and the south end at the El Centro campus we are going to specialize in A, B, C and D, so there is no duplication of efforts at either one. So, if there was a specialty being provided in the south end of the County at El Centro Regional campus, and somebody from the northern part of the County requires that Specialty Care, that usually happens today in other Counties where there are Specialty Care Centers. Whether it is a STEMI Center, which is for patients having heart attacks, or you are talking about a Trauma Center for patients. Patients get



bypass from regular emergency departments to the Specialty Care Center. If that was created, which is I believe the goal of the single HealthCare system is to improve Healthcare in the Imperial County, there would be that the potential exists that ambulances would have to bypass the Pioneers hospital campus in order to get a patient to Specialty Care in El Centro, or vice versa, they would bypass.

**Executive Officer Mr. Heuberger** - See I heard just the opposite argument, that the whole purpose of this was to try to keep services local, and not drive them to San Diego, or Palm Desert, which is even worse.

**Cedric Cesena, El Centro City Interim General Manager** - Right. And that is not what I am suggesting. I am saying that those are examples that happens in other Counties.

**Executive Officer Mr. Heuberger** - They happen right here, right? By your own testimony not too long ago, a significant number of people get transported or have to go outside of the County. In other words, they have to go long distances to get that Specialty Care, because it either is not available or whatever. So, it seems to me that if we can create a Healthcare system here. Excuse me.

**Tomas Olivia, ECRMC President** - Madam Chair.

**Executive Officer Mr. Heuberger** - May I finish?

**Tomas Olivia, ECRMC President** - Madam Chair, I have a comment to direct to you, and that is I find it highly irregular, that you would allow the Executive Director to constantly question public comment. I believe public comment is for the purpose of public comment, and I would ask, clarifying is one thing, but questioning the comments that are made.

**Commissioner Froelich** - I understand. I totally agree. In reality, Jurg if we are allowing public input, whether they are right or wrong, they have a right to make the comment. We do not have to challenge every time a person is going to comment.

**Executive Officer Mr. Heuberger** - I am not challenging, I am trying to understand how we would change or address their concerns and without clarification.

**Commissioner Froelich** - Right, and just because Cedric made a comment regarding the expansion, or the transportation does not mean it will change the impact. He still has a right to comment. We do not have to like, question on every comment.

**Executive Officer Mr. Heuberger** - The comment that Cedric and everybody else has made is that the checkmarks are incorrect.

**Cedric Cesena, El Centro City Interim General Manager** - I agree. Yes, that would be a correct statement. I disagree with the way this looks.

**Executive Officer Mr. Heuberger** - What Cedric is saying is that we did not analyze, in this case, transportation.

**Commissioner Froelich** - What are you countering it with?

**Cedric Cesena, El Centro City Interim General Manager** - My counter is that I believe that there would be an impact.

**Executive Officer Mr. Heuberger** - I did not argue with him. I am not disagreeing with him. I am asking for clarification, so that if you want to change the Initial Study, you as a Commission want to change this Study, we know what we are changing and why.

**Commissioner Froelich** - Right.

**Executive Officer Mr. Heuberger** - I am simply trying to find out how his position, I respect his position, how he sees the transportation between El Centro and Pioneers changing, when in fact, it is already being done between El Centro, Pioneers, and San Diego or Palm Desert. I am trying to understand, I am not challenging him.

**Commissioner Froelich** - Okay because it is very like you are.

**Executive Officer Mr. Heuberger** - I have never said he is wrong.

**Commissioner Froelich** - Right. Okay. So, are you done, Mr. Cedric?

**Cedric Cesena, El Centro City Interim General Manager** - I am.

**Commissioner Froelich** - Yes, you are done, okay. And you are done with your question to him? So, then we will ask the LAFCO Commissioners, do you want to change this page?

**Commissioner West** - No, I am happy with it.

**Commissioner Froelich** - No, Okay.

**Chuck Jernigan, Public Member** - Excuse me. I have a question. In my previous life, I participated in several of these EIR studies, that they go out to all the stakeholders that this would impact. At that point in time, all the stakeholders make comments, and they send them back to the agency, in this case it would be LAFCO. My question is, did the City of El Centro participate in this and respond back with comments on this questionnaire? They did not. So now they are electing to come up here in a public forum and object all their questions when they could have made all these recommendations, questions, and things earlier, and they could have been addressed not taking up all this time. Is that correct?

**Executive Officer Mr. Heuberger** - No. Well, the purpose of doing this publicly is exactly to allow everybody to come in and comment.

**Chuck Jernigan, Public Member** - And they missed the boat?

**Executive Officer Mr. Heuberger** - No.

**Chuck Jernigan, Public Member** - But they did not respond you said.

**Executive Officer Mr. Heuberger** - Well, they do not have to respond.

**Chuck Jernigan, Public Member** - But they did not participate in it.

**Executive Officer Mr. Heuberger** - They do not have to respond.

**Chuck Jernigan, Public Member** - I am not saying, they elected not to participate in it.

**Executive Officer Mr. Heuberger** - No.

**Elizabeth Martyn, El Centro City Attorney** - It was not sent to us. We got it in the agenda packet.

**Commissioner Froelich** - Mr. Walker, will we still allow an open time, like if they take it back, and be able to submit comments, or will it close today?

**Legal Counsel Steve Walker** - This is the time for the public hearing on it. If the Commission wanted to continue the public hearing, I suppose you could, if there was a good cause to do so. But this is the time and place for those comments.

**Commissioner Froelich** - But since they are looking at it for the first time, maybe we should allow a window where we can allow them to submit, or any member of the public, PMHD included, to submit the comments to LAFCO. Because otherwise, it is the first time they are looking at it.

**Chuck Jernigan, Public Member** - Or otherwise, they are going to sit here and take all day going over every little checkbox. And for everybody else who participated in it when it was sent to them, it is a waste of their time.

**Commissioner Michael Kelley** - When Mr. Jernigan said that in these litigation reports, these environmental impact reports, aren't they sent to the people that are interested, or concerned or affected by what these things involve? i.e., didn't the City of El Centro get or the hospital get a copy of the fact that we are doing this Study, and give them a chance to respond like Pioneers or Heffernan or anybody else?

**Elizabeth Martyn, El Centro City Attorney** - No, we received this only, I only got this because our Community Development Director is on the list to receive the complete LAFCO agenda. We received it either late last Thursday or early last Friday.

**Commissioner Michael Kelley** - Just the agenda?

**Elizabeth Martyn, El Centro City Attorney** - No, the Agenda, and then we downloaded all of the documents. So, the first time I saw this was last Friday. It was not sent to us at any time, any of us. Nor was it sent to ECRMC, correct? Correct. I am sorry, go ahead, I just wanted to clear that up. This is our first shot at it, last Friday.

**Chuck Jernigan, Public Member** - Well, it has been my experience that the email is sent out to all the stakeholders, whoever they might be.

**Commissioner Froelich** - Appreciate your comments, sir.

**Linda Ruben, PMHD Board Treasurer** - I am Linda Ruben. I just have one question. In AB 918, there is a LAFCO process, would this not be the exact same thing you would do during January 24th when the state brings it to LAFCO?

**Executive Officer Mr. Heuberger** - If AB 918 has not changed from the way the last time I read it, it said the application shall go to LAFCO. I asked earlier if it had changed, and he was not able to answer that. But assuming it has not changed.

**Linda Ruben, PMHD Board Treasurer** - It would go through the same process.

**Executive Officer Mr. Heuberger** - Then it would come to LAFCO, and we would still have to go through the CEQA process. There is nothing in the bill that I saw that exempted it from CEQA.

**Elizabeth Martyn, El Centro City Attorney** - Actually, there is.

**Executive Officer Mr. Heuberger** - There is?

**Elizabeth Martyn, El Centro City Attorney** - The bill which I re-read in preparation for this, which may change, mandates LAFCO to proceed in a certain way. It does not provide for a Feasibility Study, nor does it address, it does not preclude, it does not address CEQA. But it does not give LAFCO discretion, and it does not include at this point in the process a Feasibility Study. I do not know what the upcoming issues may be, if you want we can get you a copy. I mean, I have a copy of the bill and am happy to provide it to you.

**Commissioner Froelich** - When I spoke to Guillermo though, he told me that it would come back and there would be an analysis to answer Miss Rubin's question. It will eventually come back.

**Elizabeth Martyn, El Centro City Attorney** - It begins with LAFCO. The way the bill is written, as I read it, it is the May 1<sup>st</sup> version, provides that, it follows the same path that Assembly Member Garcia

did for the Desert Healthcare District. It gave LAFCO a role, because CALAFCO insists on a role, but it mandates what LAFCO does. It says by a certain period of time, Pioneers would file an application, then it says within a certain period of time, LAFCO is mandated to take certain actions that will lead to an election at a certain time. If the election passes, then it describes the steps for the formation of the first district and anything subsequent to that.

**Commissioner Froelich** - But it also includes a Fiscal Analysis.

**Elizabeth Martyn, El Centro City Attorney** - It does not include a Fiscal Analysis in the bill.

**Commissioner Froelich** - It would be an analysis very similar to the one that is taking place.

**Executive Officer Mr. Heuberger** - Can I make a clarification? We are not talking about a Fiscal Analysis here; we are talking about an Initial Study which is a CEQA document.

**Elizabeth Martyn, El Centro City Attorney** - There is no mention in the bill of CEQA.

**Executive Officer Mr. Heuberger** - Okay, can I ask you a question without it being considered argumentative?

**Elizabeth Martyn, El Centro City Attorney** - I do not know till I hear it.

**Executive Officer Mr. Heuberger** - Good. Is there anything in the bill that you know of that allows an exemption for the CEQA process, because as you probably would agree, any public agency that as a project has to comply with CEQA.

**Elizabeth Martyn, El Centro City Attorney** - I believe that because this would be mandated by law, there would be a CEQA exemption, and I believe that would be the Ledge Council Analysis.

**Executive Officer Mr. Heuberger** - But it is not in the bill right now.

**Elizabeth Martyn, El Centro City Attorney** - No, for the reasons that I, for those reasons, I believe, based on that, but as I understand that that would be the answer. Again, it is probably a good idea to read the bill and form your own conclusions. But when you have an action that is mandated, it can provide a CEQA exemption, as I am sure you know.

**Commissioner Michael Kelley** - I have a quick question. The bill specifically deals with Pioneers.

**Elizabeth Martyn, El Centro City Attorney** - Yes, there is no mention of the ECRMC.

**Commissioner Michael Kelley** - So why even get into discussions with El Centro Regional Medical Center, if the bill is going to come back and direct LAFCO to do what we have to do simply with Pioneers, then we do it with simply Pioneers.

**Elizabeth Martyn, El Centro City Attorney** - We are not objecting to the bill; we support the bill. What we are objecting to is this effort by LAFCO for the reasons I have explained. We support the bill, and we have all along. But we do not believe that this LACO should be involved in the process, except as set out in the bill, for the reasons I have explained.

**Commissioner Michael Kelley** - But the bill is going to require LAFCO to step in.

**Elizabeth Martyn, El Centro City Attorney** - It requires LAFCO to behave in a specific and narrow way that is set out in the bill. The reason it does that is because the Assembly Member is using language similar to what was used to fix a similar problem in Riverside County, which mandated certain actions by LAFCO, it gave LAFCO extremely limited discretion.

**Commissioner Michael Kelley** - So, they are going to give us detailed directions and limited directions when the bill finally passes the Senate?

**Elizabeth Martyn, El Centro City Attorney** - It sounds to me like that, if it is amended that that could be the case, yes. But I cannot speak to what the Assembly Member can do.

**Commissioner Michael Kelley** - Going back to your original statement, this Commission is fair, balanced, and not one sided.

**Elizabeth Martyn, El Centro City Attorney** - I believe the Commissioners are, I am not going to respond to your statement out of respect for you elected officials and Mr. West who sits on the board.

**Commissioner Froelich** - Okay, Miss Martyn we are going to continue.

**Elizabeth Martyn, El Centro City Attorney** - I think we are done, right, with your checklist?

**Commissioner Froelich** - At this time, we are looking at the public hearing, we are going to continue.

**Elizabeth Martyn, El Centro City Attorney** - Are you done with your checklist?

**Commissioner Froelich** - No, we are going to continue with the checklist.

**Executive Officer Mr. Heuberger** - Okay, so I believe we are on page.

**Chuck Jernigan, Public Member** - I would just like to say one thing, and I am going to leave, as I have some other stuff to do. I was born and raised in the Imperial Valley, and I am going to die in the Imperial Valley. I just beg you to keep the focus on the ball, that is to improve health quality care for the Imperial County. Whatever you have to do, do not get wrapped around the axle. Focus on getting to the Healthcare District, and everybody could benefit from it, because I do not like these carpetbaggers coming in from out of town trying to tell us how to do our business. This is the same argument they had when Wayne Van De Graaff had forty acres donated on the other side of IVC about 30 years ago to build a hospital. If we do not stay focused our kids are going to have the same argument with other people.

**Commissioner Michael Kelley** - I agree there with you Chuck.

**Chuck Jernigan, Public Member** - Put all this nonsense aside, focus on the hospital, and go build something that we can all be proud of that can take care of us.

**Commissioner Michael Kelley** - And we need.

**Chuck Jernigan, Public Member** - That we need. Go and do it.

**Executive Officer Mr. Heuberger** - Chuck, that is exactly what we are trying to do, and at every step of the way, we have made it obvious that we are willing to work with just about anybody.

**Commissioner Froelich** - For the purpose of the record, can you state your name?

**Chuck Jernigan, Public Member** - My name is Chuck Jernigan.

**Commissioner Froelich** - Chuck Jernigan, okay.

**Chuck Jernigan, Public Member** - Jurg you have been all the way fighting this battle and I appreciate that, thank you.

**Executive Officer Mr. Heuberger** - As I said earlier, you can lead a horse to water, but you are not going to make it drink, and that is exactly where we are.

**Commissioner Froelich** - Appreciate your comments, thank you.

**Chuck Jernigan, Public Member** - Just keep your eye on the ball, Thank you.

**Commissioner Froelich** - We are on page 21.

**Executive Officer Mr. Heuberger** - So, page 21 has recreation, transportation, and tribal resources.

**Commissioner West** - I have no changes.

**Commissioner Michael Kelley** - I have no changes on any of the pages.

**Executive Officer Mr. Heuberger** - Okay, the next page is page 22 utilities, services, and wildfires.

**Commissioner Froelich** - Any comments from the public? Hearing none, we will continue.

**Executive Officer Mr. Heuberger** - Okay, so that brings us to what is considered under CEQA mandatory findings of significance, and there are three specific ones. For the record, the first one is A. Which says does the project have the potential to substantially degrade the quality of the environment, substantially reduce habitat of fish or wildlife species, cause fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of rare or endangered species, plants or animals, eliminate tribal cultural resources or eliminate important examples of major periods of California history. It is currently marked no impact. Does the Commission agree or disagree?

**Commissioner West** - I agree.

**Commissioner Michael Kelley** - Fine.

**Commissioner Moreno** - No.

**Executive Officer Mr. Heuberger** - Okay, the next one is B. Does the project have impacts that are individually limited, but cumulatively considerable means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects? Again, it is marked no, does the Commission agree or disagree?

**Commissioner West** - I agree.

**Commissioner Froelich** - Okay.

**Executive Officer Mr. Heuberger** - Okay, the last one is item C. Does the project have an environmental effect, which will cause substantial adverse effects on human beings, either directly or indirectly?

**Commissioner Michael Kelley** - No.

**Commissioner Froelich** - Are there any comments from the public on this item, page 24? Okay, we will continue.

**Executive Officer Mr. Heuberger** - Okay, so, with that, we need to go back to the page number 10. On page number 10, you have to reach a determination after going through this Initial Study process. Basically, as I said, at the very beginning, you have three choices. The first one being the project does not have and could not have a negative effect on the environment. The second one found that although the project could have significant effects, there are mitigation measures imposed that would minimize those or eliminate them. The third one, that there are significant projects identified in the Initial Study that an EIR should be prepared. Keep in mind that an EIR is a comprehensive, fairly lengthy process that would go through all of these in great detail. Staff has recommended that based on your Initial Study, and since you did not change anything in the Initial Study, that a negative declaration is appropriate. However, as I said, before your Commission can change that.

**Commissioner West** - Do you need an action on that Mr. Heuberger?

**Executive Officer Mr. Heuberger** - I am sorry.

**Commissioner West** - Is there an action to be taken or just making a statement?

**Executive Officer Mr. Heuberger** - No, you need to decide which category that is, whether it is a negative declaration, mitigated negative declaration, or we should do an EIR.

**Commissioner West** - The first one, so, I will make a motion to be found that the project could not have a significant impact on the environment and a negative declaration will be prepared. I make that motion please.

**Commissioner Froelich** - I don't want to counter it, but I do want to say because some people may have not had the opportunity to provide input, or have not seen it, I think we could take a motion to do action, but at the same time, allow a window like 10 days to be able to receive any additional comments.

**Executive Officer Mr. Heuberger** - Go ahead, I am sorry.

**Elizabeth Martyn, El Centro City Attorney** - Your agenda does not reflect the adoption of a negative declaration. You noticed only, I am sorry Mr. West, you noticed only an Initial Study. You did not notice a negative declaration. It violates the Brown Act, to act on an item that is not on your agenda. You could not tell from the agenda that you are going to vote on a negative declaration. If I had not read every page of this because that is my job, I would not have known that you were going to do that. So, if you vote on it, it is a Brown Act violation. It is your choice how you choose to proceed.

**Commissioner Froelich** - Thank you, take it back to Counsel.

**Legal Counsel Steve Walker** - I think the agenda description is sufficient to allow you to take the action.

**Executive Officer Mr. Heuberger** - Let me add to that. So, the Initial Study is done by staff, the decision as to the type of CEQA document is left up to the Commission. Staff do not have the unilateral authority to decide if it is a negative declaration, mitigated, or an EIR. That is why the public hearing to determine what type of CEQA document should be prepared. So, at the end of the Initial Study, somebody has to make the decision whether it is a negative declaration or mitigated negative declaration, that is the whole purpose of the Initial Study.

**Commissioner Michael Kelley** - Let me ask Counsel, could you speak into the mic clearly? Is it a violation of the Brown Act if we take action on this issue today?

**Legal Counsel Steve Walker** - I think the agenda is sufficient to allow you to take the action that is being requested.

**Commissioner Michael Kelley** - Thank you.

**Executive Officer Mr. Heuberger** - So again, I'm asking for your Commission after hearing all the public comments, going page by page, item by item, and making no changes, whether you can find that this is a negative declaration, which staff has proposed, but you do not have to adhere to, or mitigate negative declaration, or that we should go out and do an EIR. That is your decision.

**Commissioner West** - I made a motion to have a negative declaration be prepared.

**Motion by Commissioner West to prepare a negative declaration**

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

**Executive Officer Mr. Heuberger** - Okay. Could you also make a motion to make a de minimis finding under the fish and wildlife requirements?

**Commissioner West** - I will make that motion that there is nothing there for the California Department of Fish and Wildlife de minimis impact finding.

**Motion by Commissioner West that there is nothing there for the California Department of Fish and Wildlife de minimis impact finding**

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

**Executive Officer Mr. Heuberger** - Thank you.

**Commissioner Froelich** - I want to ask the Counsel if we could maintain the window open for another 10 days? Would we have to modify for those that voted open window for 10 days or at least a few days in case we do get some kind of written?

**Legal Counsel Steve Walker** - I suppose that is up to the Commission. This is the public hearing. You certainly had public and written comments and objections to it. But it is really up to the Council whether or not you want to receive any more information.

**Commissioner Froelich** - It would not hurt to keep it open for at least 10 days.

**Legal Counsel Steve Walker** - It is up to the Commission whether or not you want to keep this public hearing open for the receipt of written information.

**Commissioner West** - What would be the purpose?

**Legal Counsel Steve Walker** - I do not know because you have already taken the action.

**Commissioner West** - That is my point. What would be the purpose, we have already taken the action? Yeah, I do not know what the purpose would be. Anybody is allowed to send more comments if they want to send comments to the office. They can make all the comments they want.

**Commissioner Froelich** - Will they still be accepted?

**Commissioner West** - We are never going to turn comments down, they have a right to send comments on anything.

**Commissioner Froelich** - That is fine.

**DISCUSSION/ACTION/DIRECTION ITEM(S)**

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

**Executive Officer Mr. Heuberger** - This item is simply a quick update and I asked for this to be moved up, so that Mr. Ortega, who is here representing the I.I.D. does not waste a lot of valuable government time, sitting here listening to stuff. As you know, we were required by state law, we meaning the LAFCO from Riverside and the LAFCO from Imperial, to do a Study about how the I.I.D. should be governed, essentially for lack of better terms. Long and short of that is, after many, many months, and again, this was through special legislation, it started out that way, and ultimately it was vetoed. Then ultimately, it became part of the Governor's budget order through which the Governor authorized \$500,000 for this Study to be done. Bottom line is, the Riverside LAFCO Executive Officer Gary Thompson, me,



and our respective staffs went out to RFPs for consultants to actually do this Study. Did a scope of work, ran it by everybody, the scope of work was acceptable, and we had the Study done. The group that did that Study did a lot of public outreach, a lot of public input, ultimately came up with a draft that we have provided to you as Commissioners, but we have also provided it to anyone that has asked for it, so to speak, and it is available. We are now at the point where we are getting to the wrapping up stage, which means we will have a series of meetings with various stakeholders. The next meeting will be with the I.I.D., with Mr. Ortega, and whoever from the IID is going to be there. We will go through that and take their comments. If necessary, adjust the report although so far, the response that we have gotten from most of the stakeholders has been that the report is reasonably good. That is not to say it will not change from what we presented to you because that was a draft report. We would hope to have this report finalized by October at the latest. This is just a quick update that we are still working on that report, and it has been publicly circulated. We have met with like I said, numerous stakeholders, and we have presented this to the Energy Committee and Coachella which included many stakeholders about 12 or 14. That group included, you know, mostly like Mayors or City Representatives from the Coachella Valley area. We have met with them almost every meeting, maybe not everyone, but almost every meeting, and updated them as well. We have made an effort between the two LAFCOS and the Consultant to be again as available and as far outreach as we can. Barring anything that I do not expect right now, we would hope to have a final report, which ultimately your LAFCO and the Riverside LAFCO will have to accept. So, probably I would say in the September or October range this will be on your agenda as a final document. Any questions?

**Commissioner Froelich - No.**

**Executive Officer Mr. Heuberger - Anything that I misstated Mr. Ortega?**

**Antonio Ortega, I.I.D. Government Affairs and Communications Officer - No, thank you.**

**Executive Officer Mr. Heuberger - Okay, thank you for being here.**

**Commissioner Froelich - Thank you Mr. Ortega.**

**8. Discussion/Action/Direction regarding an update on the Salton Community Services District.**

**Executive Officer Mr. Heuberger -** Item 8 is an update on the Salton Community Services District. As you recall, back almost a year ago, you voted to give notice of a potential dissolution of the district because of the problems that the district was having. We gave notice to the district and subsequently the district and the staff have worked together along with RCAC and others dealing with the funding issues, as well as the physical issues mainly of their sewer plants since the district principally operates just a sewer plant and no other like water plant. We have worked closely with the district's staff, the district's board, and the Attorneys for the district. Most recently, well, I should not say most recently, within the last few months, RCAC became involved to provide them with funding, with a funding opportunity, I should say, to improve their sewer system. However, it required a Rate Study to be done and that Prop 218 be done in order for the public to vote on a rate increase. They went through that process, and we were hopeful that that process would be done before this meeting. It technically was, except the Board decided that there might be some irregularity in the notification, so the Board has decided that they would do the process over. So, it now moves to I believe July. Do we have the date? July 17th, I think it is something like that.

**Sr. Analyst Paula Graf - Yeah, mid-July.**

**Executive Officer Mr. Heuberger -** Yeah, by mid-July is when the next conclusion of their Prop 218 will be. So, having said that, if you recall, we gave them a target date of August or September of this year to make a decision on the dissolution. Because of the progress that they have made, both financially and technically, it really kind of hinges on this Prop 218 passing. If Prop 218 passes with the Rate Study that they did, it appears, and I emphasize the word appears, that the district's financial capabilities would be adequate to continue operations. If the Prop 218 fails, then it is questionable as to whether or not they have the financial wherewithal to meet the statutory and regulatory requirements of operating their system to code or to regulations. There are a number of people there that are against

the Prop 218 process, or to the increase in rates I should say, not to the process, but to the potential increase in rates. However, the two alternatives that we will eventually have to address are do we allow the district to continue, or do we dissolve the district. If the district dissolves it falls on the shoulders of the County to take it over. So, at this point in time, we do not have a clear answer on their financial viability, because we do not know whether Prop 218 and their rates will be sufficient.

**Commissioner Froelich** - When is the vote for that?

**Executive Officer Mr. Heuberger** - Sometime mid-July. So, most likely we will not be bringing this back to you in August as planned, it will probably be more like September at best.

**Commissioner Froelich** - Okay. There was a comment from the public earlier when we asked her to come back. Miss Garcia, are you on Zoom? Lilian?

**Sr. Analyst Paula Graf** - Madam Chair, we have Pam.

**Commissioner Froelich** - Okay, so at this time, we will take public comments and then bring it back. Okay, members of the public at this time, we are going to take comments, we will start off with the people on Zoom. Go ahead.

**Pam Eckert, SCSD Resident** - My name is Pam Eckert, and I am a resident of Salton City. I am coming to LAFCO because I do have great concern on the Prop 218, the process, and what they are trying to pass right now. My understanding is that there were approximately 1900 protests sent out. Only two hundred came back. Two hundred redeemed undeliverable. So, with those numbers that leaves us about 1500 unaccounted for. And I personally had gone out to about fifty households, and only a handful, five maybe knew about what was going on. These numbers do not add up. You are not going to convince me that there are 1500 households that are okay with this when it is one of the poorest Communities and pretty much no one can afford this increase. Some other barriers, this process started when snowbirds are leaving for the season, so tons of issues with the mail being forwarded. The Attorney at the last public hearing did recommend to redo the Prop 218. While I am happy for that, I think it is going to create a lot of mass confusion. The Attorney did state that those protests that had already been turned in will count and we will not have to redo those. But one of our residents had received other information from Jurg. I really strongly suggest that this be put on hold until this winter when residents are back and there is some break in this. Because right now is not the time to be contacting people when that many people are out of town. My other concern real quick here is that at the public hearing, a Financial Committee was suggested to be put back on the Board or to have a Financial Committee reinstated, and the Board denied this. I am really concerned because of the past Administration, the misappropriation of funds, and the inexperience of the current Board of Directors. How are the residents given any guarantee that this is not going to be a repeat of history and we cannot afford this? Just one last closing statement. The last public hearing was primarily run by the Attorney, which confirms the inexperience of the Board of Directors, so this is a great concern. Thank you.

**Commissioner Froelich** - Thank you very much. Next public comment on Zoom. Go ahead.

**Jose Luis Fuentes, Attorney/SCSD Resident** - Good morning Commissioners. Unlike El Centro, we have full faith in LAFCO. This is Jose Luis Fuentes. I am the Legal Counsel for Rostros y Corazon based in Salton City. We have been as the previous speaker looking at dissents from Desert Shores to Salton City. These have a population of five thousand people. Not all of them are on the sewage district. But they are all concerned about the ability of Salton Community Services District to manage itself. This is why this Board last year, started the dissolution process because it is not able to manage itself. It does not have the talent. As the previous speaker said the Attorney has to run the meetings, because the new people in charge, which are different from last year, are unable to. Just to update LAFCO and the Commissioners. You had told them to keep the Interim General Manager. Well, they lost the previous Interim General Manager, David Dale. Not only did they lose him, but they also lost the President Rogelio Ramos. So, they have a new President of the Board, a new Vice President of the Board, and they are not able to run the meetings. Furthermore, they will not self-audit themselves. They got rid of the Financial Committee who had found inappropriate mismanagement of public funds by the previous General Manager, and that is why they let go of the previous General Manager. So,

what did they do? They put in place the son of one of the Board members to run the district. So, we have nepotism problems now that you did not have last year. Unlike Mr. Ryan Kelley, who excused himself on the previous vote, Mr. Ramos would not excuse himself from overseeing his son, the General Manager when it comes to votes. He voted not to institute the Financial Committee that would review whether his son is misappropriating funds, using funds correctly. Furthermore, the Attorney we found out from the Board members at the Prop 218 hearing is billing the district at over \$8000 a month, and the Board members do not have access to the billings to review if the billing is correct or not. The Financial Committee which was doing that before will not be instituted to review the billings, they are just rubber-stamping Mr. Patterson's legal bills without anyone looking at them or having the Board Members ability to look at them. Lastly, we have the Board Secretary, who is the sister of the previous Board Secretary who was found to have been involved in mismanagement of public funds along with the Interim Executive Director. These were all Mr. David Dale's findings. Of course, Mr. David Dale is gone, and he has filed a complaint against the district for discrimination. So, instead of fixing the problems that you all told them to fix, they have exacerbated them by losing Mr. David Dale, losing the President, putting new people in, getting rid of the Financial Committee which they had before and won't reinstituted it, and now they're asking the public to tax itself increasing the sewage rates to supplement the funds that have been squandered in the past over \$2 million. This is the second rate increase in the last six years, and with the last rate increase they lost all that money by misappropriation. They have not gone to the Attorney General to look into any of the malfeasance by previous Directors or the District. And no one is looking into the previous Interim General Manager before David Dale and his misappropriations.

**Commissioner Froelich** - Okay Jose, go ahead and wrap it up now, please.

**Jose Luis Fuentes, Attorney/SCSD Resident** - Thank you. So, I urge the Board not to wait till September, you need to make a decision, because they are bleeding the public, and they are bleeding public money. With this whole Rate Study, they already lost \$4,000, have to redo it again, and will be another \$4,000, because they could not get the notice correct. They cannot manage themselves. Thank you.

**Commissioner Froelich** - Thank you very much. Next, public comment from zoom.

**Christina Sutton, SCSD Finance Officer** - My name is Christina Sutton. I am the Finance Officer here for Salton Community Services District. I would just like to comment, as I started here, the current governing body approved a consolidated fiscal policy created by Urban Futures, Inc. We also have a third-party accounting firm, the Pun Group, who oversees every transaction entered and created by the district, along with a third-party accounting or auditing firm, the O'Connor and Company who also oversees every single transaction of the district. So, I am held accountable to two outside sources that are independent, and they deal with Government Agencies as far as finances, regulations, policies, and auditing. Thank you.

**Commissioner Froelich** - Thank you very much for your comment. Anyone else for public comment on Zoom? Hearing none, we will take it here to the people present. Any members of the public wishing to have a public comment on this item? Come forward, please.

**Emmanuel Ramos, SCSD Interim General Manager** - Almost good afternoon.

**Commissioner Froelich** - Good afternoon.

**Emmanuel Ramos, SCSD Interim General Manager** - My name is Emmanuel Ramos, Interim General Manager for Salton Community Services District. I am here with Thania Garcia, our Board Secretary, and you have already heard our Finance Officer. We just want to let the public know and let you guys know that we are doing everything we can to make sure that the district carries on. Whereas Christina was saying we are always being looked at. We have to present all of our financials to several people. As a matter of fact, we also present them to LAFCO to make sure that we are doing everything right. As Mr. Jurg has stated before, we are doing everything to move forward, and not to go backwards. We are not the prior administration. I am very proud of our staff because we have been doing everything we can to please our residents, which is our job. We are dealing with all the sewers;

we are dealing with parks. Once again, we are grateful that you guys are giving us the opportunity to carry on with Salton Community Services District. Thank you.

**Commissioner Froelich** - Thank you for your comment. Okay, any other member of the public wishing to speak? Go ahead.

**Sr. Analyst Paula Graf** - Madam Chair, we have public comments online.

**Commissioner Froelich** - Okay, go ahead zoom.

**Michael Friese, SCSD Vice President**- Hello, this is Michael Friese, Vice President of SCSD Board. I just want to mention a couple of things. Regarding the Finance Committee, we declined to re-instate it, because we are now publishing the entire financials for every month so that the public can look it over and find errors if there are errors or malfeasance in there. We are trying to be extremely open about that. So, it seemed like to us that the Finance Committee possibly was redundant and taking too many resources. Another thing that is important to know about the previous Administration, one of the last things that the outgoing Board did was, they voted a \$200,000 gift of public funds to the outgoing General Manager. Since then, we have initiated a civil action to recover those monies. That is some of the things that are actually affecting the Attorney costs at this point. We take this loss of public funds very seriously, and we are going to recover them. Thank you.

**Commissioner Froelich** - Thank you. Anyone else for public comment on Zoom? Do we have anybody else Paula?

**Sr. Analyst Paula Graf** - We have two more.

**Pam Eckert, SCSD Resident** - I do have one more question. Jurg, if you can just clarify. The Attorney said the existing protests that were in, that we are going to count them. I believe Amari stopped by and spoke to you at your office, and that you said they would not count. It is very important to us that we know that.

**Commissioner Froelich** - Can you state your name for the record, please?

**Pam Eckert, SCSD Resident** - Pam Eckert resident of Salton City.

**Commissioner Froelich** - Okay, go ahead.

**Executive Officer Mr. Heuberger** - There have been several discussions. Keep in mind that the district decides what counts and what does not count, not LAFCO, we are not overseeing the Prop 218. The first set of information that I got was that the prior votes would count, then I was told, or excuse me would not count, and then they would count. It is really up to the district how they handle that. Different agencies have done it differently. What I explained before is that when we were involved in this process at another district, and the Prop 218 had to be done over, the decision there was that the entire thing was redone, and no part of the first hearing was used. It is my understanding that your Board or the Board there decided that they would allow the votes from the first process to still be counted during the second process, which is not something we have jurisdiction over. It seemed a bit odd to me, but it is certainly I guess an option that the district has.

**Pam Eckert, SCSD Resident** - Okay, thank you.

**Commissioner Froelich** - Thank you. Next public comment on Zoom.

**Lilian Garcia, SCSD Resident** - Hi, good morning, everyone, I am Lilian Garcia. So, my comments in the beginning of the meeting were regarding all the wastewater facilities that are discharging into the Salton Sea. I addressed this concern the last time around. Unfortunately, I do not see anything on the agenda. This situation needs to be handled because all the Communities within the West Shores are being exposed to the nuisance of all the wastewater facilities. I think that it is unfair that your EO has not apologized to the Board Members that he was very disrespectful towards. It is against the law to tell Board Members how to vote. If the district is in the situation it is in right now, it is because your

EO has caused this. I think it is very disrespectful. He is representing each one of you. I will suggest for you guys to look into the minutes from December, I think it was 2021. Like I said, this process has been very unfair. There are court cases that are landmarks with other districts that are similar to what is happening with the Salton Community Services District. I hope that you guys look into what happened in Niland and this is not repeated. The Communities deserve respect and dignity. Thank you.

**Commissioner Froelich** - Thank you for your comment. Anybody else for public comment on zoom? See anybody else? No. Okay, bringing it back here. Any one for public comment, come forward please.

**Thania Garcia, SCSD Board Secretary** - Hello, everyone, this is my first time talking in public.

**Commissioner Froelich** - State your name for the record please?

**Thania Garcia, SCSD Board Secretary** - I am Thania Garcia. I work for the Salton Community Services District as the Board Secretary. I have been present at the Salton Community Services District for about a year and a few months already. So, I have been through all three Interim General Managers. I do believe that how James Parks handled the district was not the correct way. I am very glad that David Dale stepped in and was able to help us go in the right direction with all of this. Unfortunately, he did have to leave the district for certain reasons. Right now, we are under the lead of Interim General Manager Emmanuel Ramos. What I can say is that the district in my opinion is moving in the right way, with the guidance of everybody. We are listening to the Community as loud as we can. We are trying to do our best to stand by our community. But there is a terror in the Salton Community Services District between people, and I wish we could bring them all back together, because we are a community and as a community, we have to stand together and see the best for the future of our, sorry, I get really nervous. So, what I am saying is that I wish that everybody would come together instead of tearing each other down. I am the sister of Christopher Murrillo, someone that was at the district before I was, and he was both Board Secretary and Finance Officer. As Board Secretary, I do not have access to any of the financials. Anything that is purchased in our district has to go through a purchase order, and it has to go through two signatures, one from the Interim General Manager and one from the Christina Sutton. So, anything that is purchased in our district is well documented by Christina Sutton. If anybody in the Community wants access to see our records for purchases and things like that, they have the right to request those. All the Board of Directors in the Community have access to our documents. So, all they have to do is ask, we are not hiding anything, we are being as transparent as we can, and everything that is provided to our Board of Directors for financial reports is provided to the Community as well. So, those are my comments. I just wanted to clarify a few things.

**Commissioner Froelich** - Thank you for your comments.

**Commissioner Michael Kelley** - You did a good job.

**Thania Garcia, SCSD Board Secretary** - Thank you.

**Commissioner Froelich** - Thank you. Okay, so we will bring it back to the Commissioners.

**Executive Officer Mr. Heuberger** - Before you do that, as I indicated to you, our original track, so to speak, was to try to get this back to you by August of this year. But, because the financial implications of the Prop 218 have a direct effect on whether or not the district will continue to be financially viable, I am telling you that it is more than likely going to be later, possibly September or October. So, if there is direction from your Commission to do something in addition to that, or separate from that, or based on your public input, now is the time to tell me.

**Commissioner Froelich** - I have a question. What is the proposed increase, from what to what will it go to, if Prop 218 would pass?

**Thania Garcia, SCSD Board Secretary** - For the first one it is going to be 30% and then from there I think it is 4%.

**Commissioner Froelich** - 30%. What is it in dollars?

**Christina Sutton, SCSD Finance Officer** - So, the initial increase the first year would go to \$838.41. The following four years would only see a 4% increase each year.

**Executive Officer Mr. Heuberger** - One of the problems is that this District is different than say the cities, or most of the cities anyway, is that they do not get a monthly bill for their service, it gets put onto the tax bill. It is a little awkward because your tax bill represents an increase, but a portion of that tax bill is the sewer fee. It is a little awkward because you do not get a monthly bill as to what your sewer is costing you, you get an annual bill. So yeah, numerically, it looks a lot worse, but increased.

**Jose Luis Fuentes, Attorney/SCSD Resident** - This is Jose Luis Fuentes. To answer your question, we are looking at the end of five years close to \$1,000 a year being charged for sewage. That from the last sewage increase five years ago to this one, that means we have gone over 150% increase to the residents. It increased in 2013, I believe, for five years, and now they are hitting us for a second one. So, it is over 150% increase once we are done, and so we will be paying almost \$1,000.

**Commissioner Froelich** - Thank you for clarification. So, we are bringing it back to the Commissioners. So, I have another question for you Jurg. If Prop 218 does not pass, it would seem that Salton Community Services District would be insolvent.

**Executive Officer Mr. Heuberger** - Well, I will not say that they are insolvent, but they are certainly in significant financial difficulty, because they have an obligation to fix and make changes to their sewer system pursuant to the regulations. It is questionable whether they would have other finance ability or finances. The other thing is, if the Prop 218 does not pass, my understanding is that RCAC cannot provide them with the funding that they are currently offering. Am I Right? Yeah.

**Commissioner Froelich** - My concern is that a lot of the information has been returned because the mailboxes are incorrect.

**Emmanuel Ramos, SCSD Interim General Manager** - It was only two hundred.

**Commissioner Froelich** - From the 1500 homes 200 have been returned.

**Emmanuel Ramos, SCSD Interim General Manager** - Yeah. They were sent by Hoffman Grove, which they actually sent the taxes, so, if they received their taxes, then they had to have received that mail, so that is why we went that route. I want to say that it was a about 100 that came back, but everybody else got the rest. But, what we have right now, for the people that did not get them, we provide the services where we will reprint a new one for them and they can fill it out and submit it. No matter what we are going to be able to help them out, so they can submit.

**Commissioner Froelich** - Right, but if it does pass, it would be about \$80 a month per family?

**Emmanuel Ramos, SCSD Interim General Manager** - At the beginning it would be \$69.89.

**Commissioner Froelich** - But, then it will go up 4% every year?

**Emmanuel Ramos, SCSD Interim General Manager** - The highest it would go up, if I am not mistaken, Christina is out there, it will be around \$80, again it will be like \$85.

**Commissioner Moreno** - It would be \$83.

**Executive Officer Mr. Heuberger** - At the end of 5 years.

**Emmanuel Ramos, SCSD Interim General Manager** - At the end of 5 years. A lot of people feel that because they see it on their taxes that it is a lot of money, but we pay them for a cell phone, this is an actual necessity that you have to have sewer, and a lot of people don't understand that, because they do not see where everything goes, or the process that we have to go through.

**Commissioner Froelich** - Thank you. So, bringing it back to the Commissioners.

**Commissioner Moreno** - Madam Chair.

**Commissioner Froelich** - Go ahead.

**Sr. Analyst Paula Graf** - Are we still accepting comments from the Public?

**Commissioner Froelich** - We have closed public comment for the purpose of bringing it back.

**Sr. Analyst Paula Graf** - Okay.

**Commissioner Moreno** - Okay, so, I guess my question for you is what kind of outreach are you doing for the citizens there so you can make sure they understand exactly what is impending?

**Emmanuel Ramos, SCSD Interim General Manager** - So, on the Prop 218, we have actually done some workshops to let them know. Unfortunately, at one time a lot of people were affected, we had a power outage in some of the cities, so we had to postpone it. But, we have all the information on our website. When they come, a lot of people bring their letter, they are like, okay, so can you explain it? We explain it to them, and they just tear it up, because they are like, oh, we understand. So, we have been doing everything we can to give them the information. Like I said it is on our website, we have it at our office, in English and Spanish.

**Commissioner Moreno** - Okay. My next question is, in the meantime, if this gets approved or not approved, are they sustainable? Are they okay?

**Executive Officer Mr. Heuberger** - Right now, they have adequate funds to continue operations, yes, but they do not have the funds to make the necessary improvements in every other category.

**Commissioner Froelich** - The Prop 218 would go to a vote between August and September, and you are proposing to take it during winter?

**Executive Officer Mr. Heuberger** - No, the Prop 218 is being redone right now, and it would come to a vote around July 17.

**Commissioner Froelich** - Okay. I guess we just have to wait.

**Executive Officer Mr. Heuberger** - Yeah, and keep in mind, we are not running the Prop 218, the district is.

**Commissioner Froelich** - So, we will just continue to monitor. Right?

**Executive Officer Mr. Heuberger** - Yes unless you have other direction.

**Commissioner Froelich** - We will continue to monitor at this time. Okay, Thank you, everyone for your comments.

## **9. Discussion/Action/Direction regarding Assembly Bill 918 Health Care District.**

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Thank you Madam Chair, members of the board, I am Guillermo with Assemblyman Garcia's office. Real quick, just so you know that if the Member was not in session today, he would be here today in person to provide you an update on the bill. I am here in his representation. The bill is off the Assembly Floor 770 where we now will enter into the Senate process. It is there where we will begin to look at the amendments that have been discussed over the past few weeks with the Assemblymember meeting with certain stakeholders throughout the County. The bill's objective again is to establish a Healthcare District prioritizing improved healthcare services based on a consensus among stakeholders. Once the Healthcare District is established, we are requesting LAFCO's involvement in establishing the governance structure. The analysis and studies being conducted by El Centro are crucial in helping

us to make informed decisions moving forward. The analysis information will be utilized to determine a viable financial revenue source and explore how ECRMC can be integrated into the new Healthcare District, while considering the assumption of any existing debt, of course, which had been often mentioned here during discussions. It is important to note that the bill does not impose any obligation for ECRMC to become part of the district. Additionally, the Member would like to offer the opportunity for a discussion, maybe a Study session format with the Board where he can personally explain these details further and engage with all of you together. Thank you.

**Executive Officer Mr. Heuberger** - Do not be excused for questions.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Yes Sir.

**Executive Officer Mr. Heuberger** - May I ask a question?

**Commissioner Froelich** - Sure, go ahead.

**Executive Officer Mr. Heuberger** - As you have indicated, the bill has changed from its initial to the current and has currently passed the Assembly.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - It is on its way to the Senate.

**Executive Officer Mr. Heuberger** - Right. So, now it goes to the Senate, and God knows what happens after all this, so we will find out in the future. The way I read it, at least, the last version that I got, is the bill says that this new district is created, and essentially renames Pioneers to Imperial Valley Healthcare, I believe it is called.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - It establishes a new district, the Imperial Valley Healthcare District.

**Executive Officer Mr. Heuberger** - Right, but it essentially renames the Pioneers District to be that district the way I read it.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - It is a very specific question, and I think I feel more comfortable with our lead staff answering that question.

**Executive Officer Mr. Heuberger** - Okay. The way I read it, that is kind of what it says. Anyway, point being, the next thing it says is that that district shall file an application with LAFCO, and then LAFCO shall go through its process. Or has that changed?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - I am not, again, 100% sure with that language there.

**Executive Officer Mr. Heuberger** - All right. The last version I got, unless it changed overnight, basically, just for public record says this district shall file an application on or before I believe it is January 5, I cannot remember the exact date, to have LAFCO go through the process. So, since we are already going through the process, we are essentially doing what the bill says needs to be done on or before January 5, and obviously we are before January 5. So, we are doing what the bill says. I see no difference. This is maybe a rhetorical question, but I see no difference between what the bill wants done, and what we are currently doing, and what I think most of the, well, all of the Commissioners for sure, but certainly, the stakeholders, Pioneers and El Centro have already said they want, which is form this countywide district. Essentially, it seems to me we are doing exactly what the bill wants us to do. What I am asking is why the confusion? Now, you just mentioned something which I have said all along, which I just repeated a minute ago, and that is we as LAFCO have jurisdiction over the special districts. We also have jurisdiction over the cities, but we do not have direct jurisdiction over a city like El Centro, saying, give up your hospital any more than we have jurisdiction to say give up your sewer plant. Right?

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



**Executive Officer Mr. Heuberger** - Okay. But, we do have jurisdiction over a city just like we do over districts. The difference is we have more direct jurisdiction over special districts than we have over a city. Again, we have approached this from the standpoint that we will form this new district. Ultimately, of course, the electorate is the one that is going to say whether it gets formed or not, because they are going to have to pay the bill. El Centro has an opportunity and has had an opportunity to be part of the solution, if you will, from day one, from February 2 on. So, why?

**Elizabeth Martyn, El Centro City Attorney** - Why do not you let me. Stop.

**Executive Officer Mr. Heuberger** - No, excuse me I am asking the Assemblyman's representative.

**Elizabeth Martyn, El Centro City Attorney** - I realize it, but you are asking Guillermo things that are a political matter that the city needs to respond to.

**Executive Officer Mr. Heuberger** - But you can respond after him, please.

**Elizabeth Martyn, El Centro City Attorney** - Just so you know.

**Executive Officer Mr. Heuberger** - That is fine. I am simply asking how the Assemblyman who introduced this bill, which originally was tailored to El Centro sees the outcome being different than what we are doing?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Well, this bill is Assembly Member Garcia's bill, and then to maybe clarify your answer, maybe I did not understand your question fully, but this bill is going to be further refined and amended. Based on those amendments that I am not 100% sure of, this bill will ensure that the countywide Healthcare District be established versus the LAFCO route, and in the past, not being accomplished.

**Executive Officer Mr. Heuberger** - Okay, I am not trying to put words in your mouth, all right. Would you mind being a little clearer?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Okay, I think I would feel more comfortable, and like I mentioned the Assembly Member is open to discussion with you all together for those questions to be asked, again even with our Legislative Counsel that is working directly on that language. But that is just to my understanding.

**Executive Officer Mr. Heuberger** - Let me make it really simple for you. Is it not the intent of the Assemblyman to have this County have a countywide, single countywide Healthcare District?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - That is his intent.

**Executive Officer Mr. Heuberger** - That is the intent. Right?

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

**Executive Officer Mr. Heuberger** - Okay, you would agree with me, that is exactly the intent.

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

**Executive Officer Mr. Heuberger** - Okay. Which is exactly the intent of what we are trying to do. So, I do not see the intent that at the end of this being any different. Whichever route you take, the same goalpost is to give the citizens of this County, hopefully, a better Healthcare system. Right now, we are calling it a Healthcare District, whatever you want to call it. But that seems to me that is what your boss's goal is, and what this Commission's goal is by going through the process we are going through.

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

**Executive Officer Mr. Heuberger** - Okay, thank you. That is really what I wanted to establish. I think we are on the same goal. Apparently, we are not on the same track on how to get there, so we are taking I-5 and I-15 to get there, but we are trying to get there.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - If I may ask, has this process been attempted in the past? The same process that you are doing now, has it been attempted in the past?

**Executive Officer Mr. Heuberger** - To form a countywide Healthcare District? Yes, it has.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Thank you.

**Executive Officer Mr. Heuberger** - It was attempted when a Supervisor named Van De Graaff, who was also a Commissioner of LAFCO, spent about a year along with me, trying to convince both ECRMC and Pioneers to join forces and become one. Yes, it was.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - Thank you.

**Commissioner West** - Madam Chairman, can I ask a question?

**Commissioner Froelich** - Hold on.

**Commissioner West** - Okay.

**Commissioner Froelich** - Guillermo, is Assembly Member Edwardo Garcia on Zoom?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - I am not 100% sure. He should be in session.

**Commissioner Froelich** - Oh, he is in session at this time, okay.

**Commissioner Michael Kelley** - How about your Legislative Counsel?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - No, but we can definitely like I said, schedule a meeting in the future.

**Commissioner Michael Kelley** - You cannot get him on today?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - The Assembly Member or Legislative Staff?

**Commissioner Michael Kelley** - Legislative Staff. If need be Mr. Heuberger.

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - I can shoot her a text to see if that is possible.

**Commissioner Froelich** - Let us know.

**Commissioner Michael Kelley** - Do you think that is necessary Jurg, because like you said we are doing the same thing that the bill requests us to do, unless it changes.

**Executive Officer Mr. Heuberger** - We have the same goal. Like I said, I think we are all trying to get to Riverside except we are using interstate 5 and they are using interstate 15.

**Commissioner West** - One question I had Madam Chairman.

**Commissioner Froelich** - Okay, Mr. West has a question. Go ahead.

**Commissioner West** - Jurg one question. He mentioned that yeah, twice he mentioned, I do not believe an application has even been made to LAFCO before.

**Unknown Speaker** - Can you guys talk into the mic please so that everyone can hear?

**Commissioner West** - I am sorry, I apologize. I am asking has an application ever been come before LAFCO to form a countywide district before?

**Executive Officer Mr. Heuberger** - No.

**Commissioner West** - I want him to understand those meetings, because I was on the hospital in the nineties, and we had meetings at that time too. There were meetings between both areas, but there has never been a LAFCO application. So, to say that LAFCO had failed in the past is incorrect, because no LAFCO application had ever been formed.

**Executive Officer Mr. Heuberger** - That is correct. The goal of Supervisor, Commissioner Van De Graaff was to get the parties together to file an application because he felt that if both of them agreed LAFCO would have a successful chance of doing it. But, when that was torpedoed he gave up.

**Commissioner West** - Thank you.

**Elizabeth Martyn, El Centro City Attorney** - Yes, ma'am, hi, I am Elizabeth.

**Commissioner Froelich** - Go ahead Miss Martyn.

**Elizabeth Martyn, El Centro City Attorney** - Once again, I am Elizabeth Martyn City Attorney.

**Commissioner Froelich** - Speak a little louder, please.

**Elizabeth Martyn, El Centro City Attorney** - People usually do not say that about me. My name is Elizabeth Martyn. I am the El Centro City Attorney. Can you hear me Steve?

**Commissioner Froelich** - Yes.

**Legal Counsel Steve Walker** - I am just getting old and deaf.

**Elizabeth Martyn, El Centro City Attorney** - Okay.

**Commissioner Michael Kelley** - Get closer to the mic.

**Elizabeth Martyn, El Centro City Attorney** - Okay, is this better?

**Commissioner Froelich** - Yes

**Elizabeth Martyn, El Centro City Attorney** - I am usually on the other side, I apologize. So, the City of El Centro objects to this LAFCO proceeding. I do not think that is a surprise to any of you. You have received our materials; they are entered in the record. Let me be blunt, and it is not meant to be offensive in any way, we do not trust the LAFCO process. We object to the Feasibility Study, we object to the scope of your Initial Study, for the reasons that I believe I have entered in the record. I think as we go through the checklist, one by one, I can express my additional objections. Again, they are in the record. Should you proceed with a negative declaration, the chances are high that the city will challenge it. Here is why. We do not believe LAFCO is neutral. We do not believe LAFCO is neutral, and I do not mean you the Commissioners, from our experience with LAFCO. We have gone through the tax sharing Study which resulted in a Study unfavorable to all the cities in the County, with BAE who is the proposed consultant here. BAE is not a Healthcare Consultant. They are consultants who routinely work for LAFCO. They are the consultants who do the Municipal Service Reviews, which you call SAP. We do not believe that is neutral. By the way, all of the information about El Centro Regional Medical Center is available from El Centro online, from its public audits, and there are public meetings in which the information is available. We also are supporting AB 918, because it is neutral. It has none

of the incredible rhetoric that has surrounded this process. The City Council stepped in as the Hospital Board because they needed to. Since then, they have taken nothing but grief, I was going to use another word, but it is inappropriate. They are trying to do their best here. Instead, they have constant negative, factually incorrect rhetoric from Pioneers whom they are trying to work with. That is what is driving this process. We do not support it for that reason. We do not support it because our annexation apparently is tied to our cooperation here. For that reason, we will continue with our objections. I think all of you know that the city is generally a non-litigious and rather, I will not call it low key, but I would call it a business-like city. They have to be pushed very hard before they react this way. They have to be pushed very hard before they would let me put in these documents. For those reasons, all of the reasons in the record, and I am not going to go over them now, because you all received them, and I am sure you have all had a chance to read them. We object and we continue to object. Again, it is absolutely nothing personal about you, it is business, and it is the protection of the city. I would also like to correct the fact that the hospital belongs to the city, it does not. It is a separate legal entity. It is treated separately. It has its own staff, its own budget, and its own CEO. It is formed under a law, and there is no other district like it, unfortunately, in California. So, saying it is part of the city is inaccurate, financially, and legally, and something that needs to be corrected.

**Commissioner Froelich** - Thank you, Miss Martyn.

**Commissioner Michael Kelley** - Quick question. Why isn't El Centro Regional Medical Center here today opposing?

**Elizabeth Martyn, El Centro City Attorney** - They are. Dr. Tomaszewski is here.

**Commissioner Michael Kelley** - I mean, that is the city, right?

**Elizabeth Martyn, El Centro City Attorney** - No. Dr. Tomaszewski is a Board member of El Centro Regional Medical Center. He works for UCSD.

**Commissioner Michael Kelley** - Shouldn't he be representing the hospital?

**Elizabeth Martyn, El Centro City Attorney** - I am not representing the hospital. I am representing the city.

**Commissioner Michael Kelley** - I said, shouldn't he be representing the hospital?

**Elizabeth Martyn, El Centro City Attorney** - Yes, absolutely.

**Commissioner Michael Kelley** - Should he be making a comment on it?

**Elizabeth Martyn, El Centro City Attorney** - I am sure he will be, as well as the Board President and Vice President. Also, one more point though, you do have as I have received a letter from ECRMC joining our remarks.

**Commissioner Froelich** - Miss Martyn.

**Elizabeth Martyn, El Centro City Attorney** - Yes, ma'am.

**Commissioner Froelich** - Go ahead and stay there, Mr. Heuberger has a question for you.

**Executive Officer Mr. Heuberger** - I have several questions for you if you do not mind.

**Elizabeth Martyn, El Centro City Attorney** - I am sure.

**Executive Officer Mr. Heuberger** - Thank you. So, let us start with, is El Centro supportive of a countywide Healthcare District? Yes or no?

**Elizabeth Martyn, El Centro City Attorney** - I am sorry.

**Executive Officer Mr. Heuberger** - Is El Centro supportive of a countywide Healthcare District?

**Elizabeth Martyn, El Centro City Attorney** - The city is supportive of a countywide Healthcare District more in pursuant to AB 918.

**Executive Officer Mr. Heuberger** - Okay. Let us address your comment just to set the record straight, about your comment about BAE on the Tax Sharing issue. BAE was selected by the cities and the County's representative at the request of the City of El Centro. They requested, and your city requested that a Tax Study be done. The cities and the County got together and decided that LAFCO needed to oversee that special Study. We spent a year going back and forth with every city in attendance. Mr. Salcedo is here; he can correct me if I am wrong. We spent a year meeting with the City Managers and the County Managers going over page by page of the Study, ultimately getting to a point where the Study in its semifinal form was presented to every member in a meeting and ask specifically, are you okay with the results of the Study? The answer was, yes. We continued and had a second final meeting before the report was published, and every single city, including the City of El Centro, said yes to the Study. We did not do the Study, the cities and the County oversaw the Study, they provided the information, and they agreed to the final results. No city has come to me, except for El Centro saying they now do not agree with the Study, first of all. Second of all, we did not solicit or excuse me, BAE did not solicit as your letter indicates additional work. In fact, the first conversation with them was, we do not do Hospital Studies, you need to find somebody else. The task that we asked them to look at was not to do a Hospital Study, the task we have asked them to look at is to do an Independent Study on what tax structure would be necessary to support a countywide hospital, healthcare, whatever you want to call it, district. To that end, we asked you along with Pioneers, and anyone else that knows anything about healthcare, what would it cost to run this countywide system? And whatever that number is, is what BAE is being asked to look at on a countywide property basis of a tax or an assessment or whatever you want to call it. So, I disagree with your assertions, first of all. Let me finish.

**Elizabeth Martyn, El Centro City Attorney** - Can we go one by one, because I will forget otherwise?

**Executive Officer Mr. Heuberger** - Well, I did not forget them, so let us just go on, okay.

**Elizabeth Martyn, El Centro City Attorney** - Okay.

**Executive Officer Mr. Heuberger** - I will defer to you. What is the question?

**Elizabeth Martyn, El Centro City Attorney** - Okay, so, in response, number one, your explanation is exactly the reason we are opposed to this. What you have described is your view of the process. How LAFCO got into doing it, I believe, has to do with a meeting at which Mr. Walker's wife was instrumental in suggesting LAFCO do it. I have seen the Study. I have seen its result as to the city's. I do not agree with your characterization, let us agree to disagree. I have read the BAE scope, remember, you sent it to the city.

**Executive Officer Mr. Heuberger** - Right.

**Elizabeth Martyn, El Centro City Attorney** - And we disagreed with it. It is a Hospital Study. It is not a Financial Study. It should not be a Financial Study. It is a Study of what would it cost, for example, to build an all-new hospital if Pioneers could not be retrofitted. That is one of the questions. It assumed a scenario based on Pioneers. It did not properly represent El Centro. So, we agree to disagree on that. But please go ahead.

**Executive Officer Mr. Heuberger** - So, what you responded to was the first draft that I asked for input on from you and everybody else. That draft changed, and I sent it to everybody. Again, I never heard from you. I heard from Pioneers. What the Fiscal Analysis says, the request that we have filed, very clearly says, we want the Consultant to look at five variations of what that tax would be.

**Elizabeth Martyn, El Centro City Attorney** - Yeah, I saw that.

**Executive Officer Mr. Heuberger** - It does not say, look at what, figure out what the hospital is going to cost. What it says is, whatever that cost is determined by Pioneers, and preferably El Centro, if they want to participate, what their projection is to what that is. Take that number, and then spread it out and see what it is. It goes a step further, it basically says, let us look at variations of that. Let us assume that it only includes Pioneers, let us assume that it includes a certain percentage of depth, let us assume this. There are five versions of numbers that are looked at, independent of what the cost is, because that cost is whatever the two entities tell us that number is. So, you know, just to be clear.

**Elizabeth Martyn, El Centro City Attorney** - And we did, yes, I did read that. It is those five iterations that cause the city to be here and enter the strong objections. LAFCO has no authority over a Healthcare District. You do not have Healthcare powers, and you have no authority over the distribution of the debt of ECRMC, possibly and probably to the City of El Centro. I think there is something, and I think the Council agrees with me, else going on here, that damages the city. I think you see that in the vehemence of our response. I mean how unusual is it to have the City of El Centro's Lawyer arguing with you? It has only happened once before, when I have been here, and that was Los Ranch. So that is why we are here, because those five assumptions are outside LAFCO's power, and we intend to argue with you about those if you proceed.

**Executive Officer Mr. Heuberger** - So, what you are saying is, we cannot look at things to get information?

**Elizabeth Martyn, El Centro City Attorney** - No, I did not say that, and do not twist my words. You have every right to get information. We will provide you with public information. Do not make up the scenario that you want to go to in a way that harms the city, or we are going to argue with you, and we are going to argue with you about your power to do that. Which is, as you can understand the reason I am here and the reason for my comments.

**Executive Officer Mr. Heuberger** - Okay, so let us go through your argument that you do not own the hospital.

**Elizabeth Martyn, El Centro City Attorney** - I am sorry. We own the land, and we own the license. We do not own the personal or what you would call it, equipment property.

**Executive Officer Mr. Heuberger** - You are saying you are not responsible for the hospital?

**Elizabeth Martyn, El Centro City Attorney** - We are not responsible for the hospital debt. If you have read the Municipal Hospital District Act, you know what the structure is of a board that has independent members versus a board that has City Council members, they have the same jurisdiction. I agree that the act is unusual. I also agree as you do that it is outside the scope of LAFCO. This is something of an anomaly that the city is not responsible for the hospital debt. We do not interact with the hospital. We do not run the hospital. I am sure you disagree.

**Executive Officer Mr. Heuberger** - No, I am asking you a question. So, when you say that the City of El Centro is financially accountable for El Central Regional Medical Center.

**Elizabeth Martyn, El Centro City Attorney** - We are not financially accountable.

**Executive Officer Mr. Heuberger** - That is what your document says. Your own document on fifteen pages refers to El Centro Regional Medical Center.

**Elizabeth Martyn, El Centro City Attorney** - It is part of the city's audit; I believe you have.

**Executive Officer Mr. Heuberger** - Well, what I am saying is, whatever it is, it says, the City of El Centro.

**Elizabeth Martyn, El Centro City Attorney** - Is it the audit?

**Executive Officer Mr. Heuberger** - Pardon?

**Elizabeth Martyn, El Centro City Attorney** - What does the front page of it say?

**Executive Officer Mr. Heuberger** - It is your Annual Comprehensive Report.

**Elizabeth Martyn, El Centro City Attorney** - Okay, so, it is part of the audit. El Centro is an independent enterprise operation of the city for the purpose of the audit.

**Executive Officer Mr. Heuberger** - Well, I am just saying, I am reading what it says, the City of El Centro is financially accountable for El Centro Regional Medical Center.

**Elizabeth Martyn, El Centro City Attorney** - Well, then the document is wrong. The documents we have regarding the bond debt are what I am referring to.

**Executive Officer Mr. Heuberger** - Okay, then it goes on to say that El Centro operates El Centro Regional Medical Center as an enterprise system, exactly like the sewer plant and the water plant.

**Elizabeth Martyn, El Centro City Attorney** - It operates as an enterprise system; it does not operate exactly like the sewer plant or water plant.

**Executive Officer Mr. Heuberger** - That is what it says.

**Elizabeth Martyn, El Centro City Attorney** - I realize it said that, but it is wrong. They have an independent board. The independent board members are here, three of them.

**Executive Officer Mr. Heuberger** - Okay, so, you are saying your financial audit is bogus.

**Elizabeth Martyn, El Centro City Attorney** - I am saying what you read appears to be inaccurate. I am not saying the financial audit is bogus.

**Executive Officer Mr. Heuberger** - Well, it is kind of hard to say that part of it is bogus.

**Elizabeth Martyn, El Centro City Attorney** - Okay, Mr. Heuberger, I am sort of tired of your rhetoric. Do you have more questions? And can we get on to our objections?

**Commissioner Froelich** - We need to continue. So, at this time, we have.

**Elizabeth Martyn, El Centro City Attorney** - You will see me again, I am sorry, as we go through the checklist.

**Commissioner Froelich** - That is fine. So, at this time because we did receive the copies, Paula, right?

**Sr. Analyst Paula Graf** - Yes.

**Commissioner Froelich** - We did receive the copies, so we are going to go back to the public hearing to finish that portion. Then we will come back to this one.

**Commissioner Froelich** - Okay, we are coming back to this item. We will open up with Jurg.

**Executive Officer Mr. Heuberger** - I thought we already did this one.

**Commissioner Froelich** - But, then we closed it. We had opened it temporarily. Are there any other comments regarding AB 918 Healthcare District? Guillermo were you able to contact anybody from your office?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - No, unfortunately they would like to meet at a later time.

**Commissioner Froelich** - Thank you. Okay, go ahead Mr. Olivia.

**Tomas Olivia, ECRMC President** - Hi, I am Tomas Oliva with the El Centro Regional Medical Center. I just wanted to state for the record that both, El Centro Regional Medical Center as well Heffernan Memorial Healthcare District have taken formal action to support AB 918. We support the concept of having one Healthcare District, and we believe that the legislation is the best avenue to do that. So, at the very least two of the three Healthcare institutions in the Valley formally support the legislation, and we hope that you would as well. Thank you.

**Commissioner Froelich** - Thank you very much. Anyone else here to comment on AB 918?

**Guillermo Hernandez Jr., Field Representative with Assemblyman Garcia's office** - To end with these comments. If the Assemblyman were here, he would likely observe today's display of fragmentation among the principal parties engaged in deliberation and debate as a compelling illustration of why local handling of this effort has not yielded the desired result, thus far. This serves as a testament to the importance of a broader coordination and support to ensure its successful realization. Thank you.

**Commissioner Froelich** - Thank you very much. Anyone else here for public comment on this item? Go ahead.

**Sally Nguyen, PMHD Compliance Legal Counsel** - Hi. My name is Sally Nguyen, I am with Pioneers Memorial Healthcare District.

**Commissioner Froelich** - Speak louder, please.

**Sally Nguyen, PMHD Compliance Legal Counsel** - Hi, my name is Sally Nguyen, I am with Pioneers Memorial Healthcare District. I do have to say that in response to saying that we are fragmented, Pioneers has sat here, and we have not said a word. We have never been against El Centro. I think the LAFCO process is the way to go. I think it is the way to go, because we do not know what AB 918 is going to do. We do not know what the outcome of the amendments are. And frankly, El Centro says, you know, you LAFCO do not have the power to do anything with the medical center, that is fine, we are not asking El Centro to do anything. We are asking to expand our District, and we are asking LAFCO, and we put our application for LAFCO to do so. AB 918 is doing the same thing, expanding the district for Pioneers, changing the name, blah, blah, blah, and going through LAFCO. El Centro Medical Center has every opportunity to come to us and say, hey, let us negotiate, let us do something, and they have not. And that is up to them. They need a bill to force them to the table, I do not know why, that is up to them. We have not said a word. We are going forward, and we do not think AB 918 is the way to go. We do not want any surprises. We know the process of LAFCO. We know the voters will get their say if they want to be annexed or not, and that is fine. That is all we have to say.

**Commissioner Froelich** - Okay. Anyone else here for public comment on this item?

**Elizabeth Martyn, El Centro City Attorney** - I want to make a note of record on your meeting that our comments on the bill are in the materials we provided to you earlier and not to repeat them here.

**Executive Officer Mr. Heuberger** - I am sorry I did not hear you.

**Commissioner Froelich** - What did you say?

**Elizabeth Martyn, El Centro City Attorney** - Our comments on the bill are in the materials we provided, and we do not see a need to repeat them here.

**Commissioner Froelich** - Thank you. Okay, with that said, any other members of the public wishing to comment on this? We will bring it back to the Commissioners. Any Commissioners want to comment on this? No, okay, I just want to say this. I was hoping that we would all be neutral on this item moving forward. I know that Pioneers and El Centro both have a good heart in regard to the best interest to the health and welfare of the general public of the Imperial Valley. So, with that said, I just want to say that I know a lot of work is being handled here at the LAFCO. Pioneers has submitted an application at the same time. I know that Assemblymember Eduardo Garcia has made amendments to try and be



fair across the board to establish whatever it is that has, you know, the hope the final goal will most likely be the same. With that said, I am going to bring it back. Did you want to comment anything here?

**Executive Officer Mr. Heuberger** - No.

**Commissioner Froelich** - Okay. Anybody else? Okay. What do you need from us?

**Executive Officer Mr. Heuberger** - Nothing, this is just information.

**Commissioner Froelich** - Okay

#### **10. Discussion/Action/Adoption of the updated Personnel Policies and Procedures.**

**Executive Officer Mr. Heuberger** - Madam Chair, members of the Commission, we have presented you with a document which essentially updates the policies that have not been updated for some time, on LAFCO's Personnel matters. As you know, over the years, things have changed. Rules, regulations, lawsuits, you name it, things have changed. We have tried to go through this pretty detailed. You can see from the document; we have given you a version that actually shows all the changes that are highlighted in there. I am not going to sit here and tell you that we have caught everything, and we need the latest Personnel Policies across the board. We have tried, we are hopeful that we have most of them. Some of our bigger concerns of course, are we adhering to all the latest things about harassment, threats, and things like that, like any agency has to deal with. So, with that, it is before you, I can certainly answer your questions or go through them. Again, this is intended to update the policy. It is also intended to address the fact that we are going to transition from a very part-time Executive Officer to a full-time Executive Officer. If there are questions, you know, I mean we have been here a long time, and I do not want to bore you with reading this to you.

**Commissioner Froelich** - Any questions or comments?

**Commissioner Michael Kelley** - No. I move for approval on the Personnel Policy adoption.

#### **Motion by Commissioner Kelley to approve the updated Personnel Policies and Procedures**

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

**Executive Officer Mr. Heuberger** - Thank you. We will publish a clean copy and make that available.

#### **11. Discussion/Action/Adoption of the Final Budget for Fiscal Year 2023-2024.**

**Executive Officer Mr. Heuberger** - Okay, so under LAFCO regulations we presented to you in March, I believe it was a draft budget, which was then published on the web and made available to all the agencies. Just a footnote with that is in the past we would send the budget to everybody, and then the cities basically said, and the County said, well, we can read it on the website, so we have made it available on the website. Plus, you had a public hearing on it in March. We are here before you today with the Final Budget, it has been adjusted slightly to again, reflect, like I said, the fact that presumably at the end of this year, there will be a change in management.

**Commissioner Froelich** - I have a question. The building where LAFCO is in, is that being leased or is it bought?

**Executive Officer Mr. Heuberger** - In fact, in the budget, it says we are probably, and I will not swear to it, but I think we are the only LAFCO in the state that actually owns our own office building.

**Commissioner Froelich** - Does that have the capability of having a forum like this?

**Executive Officer Mr. Heuberger** - No, we do not have a boardroom. We have individual offices. We lease out three of the three offices. There are three tenants, if you will, within the building that provide roughly \$60,000 in income every year.

**Commissioner Froelich** - How much?

**Executive Officer Mr. Heuberger** - About \$60,000 I think it is somewhere in there. So, that offsets part of our budget. That is one of the reasons we bought the building years ago. We paid if I recall correctly, we paid about \$800,000, I think, for the building. We obtained a loan to do that. We paid the loan off within a matter of a few years. We own the building outright. Our expenses right now are basically repairs, maintenance, and renovations. We did incur some costs due to wind damage this year, and some substantial costs. We also had to upgrade the restrooms from non-disabled access to disable access. So, we have had some costs. But overall, it is still giving us revenue that is helping offset the budget. It has been a positive move.

**Commissioner West** - Jurg, I see we have about \$51,000 in reserves for contingencies and benefits.

**Executive Officer Mr. Heuberger** - Yes.

**Commissioner West** - So, looking at the possibility of lawsuits in the future, is this going to be enough? I got to ask. Is this something that may have to come back to us to re look at?

**Executive Officer Mr. Heuberger** - Yes, thank you. We do set aside money for contingencies. We have always maintained a certain amount in there. Again, for the potential of litigation, obviously, we have never put enough money away for litigation to be handling the litigation, because we would have to put several \$100,000 in contingency. That has not generally been favored by the agencies because it would raise our annual dues substantially to put that kind of kiddy away. Now, keep in mind, LAFCO is funded by the agencies, by the County, and by the cities. Right now, the County pays 50%. The seven cities pay the other 50%. So, any costs that are caused beyond our control, so to speak, in case of litigation, yes, we would have to pay those, but they would then be billed against the member agencies.

**Commissioner West** - Okay. Immediately we would not have to come back for a meeting.

**Executive Officer Mr. Heuberger** - Well, no, if we actually face litigation, we will have to come and augment your budget. Here is the problem. Once this budget is approved, all the agencies get an invoice for the amount of the budget share. If we during the process then incur an unexpected, well, let us say we had major, let us use structural damage to the building, I hate to use litigation, but let us use structural damage. If we suddenly had a major earthquake and we incurred \$400,000 or \$500,000 in damages, we would come to your Board and get authorization to spend that money. But, the County would then have to loan us that money until the next budget year, at which time it is then built against the rest of the agencies to pay the County back. The County by law has to provide us with interim funding should we fall short. It is a strange situation. So yeah, you know, whether we get litigated or not, of course, is always a guess every year.

**Commissioner Froelich** - Any other comments or questions? No. Is there a motion on the table?

**Commissioner West** - Do we need a motion to adjourn, or does she just adjourn?

**Executive Officer Mr. Heuberger** - Did we approve the Budget? Oh, I did not hear a motion to approve the budget.

**Commissioner Froelich** - Yes.

**Commissioner West** - If you are going to do it, go for it.

**Commissioner Moreno** - Motion to adjourn?

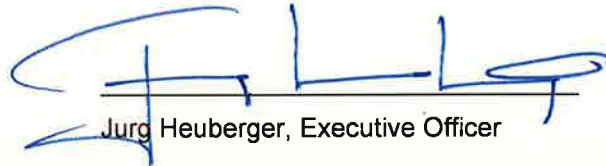
**Commissioner Froelich** - No, motion to approve.

**Commissioner Moreno** - Oh, I am sorry, motion to approve the Budget

**Motion by Commissioner Moreno to approve the Final budget for Fiscal Year 2023-2024**

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

Maria Nava-Froelich, Chair



Jurg Heuberger, Executive Officer