



2.a.
5/26/2022

MINUTES
April 28, 2022

Present Michael Vargas, Chair
Commissioners: Nancy Wright
Jeff Hewitt
Steve Sanchez
Kevin Jeffries
Phil Williams
Via Teleconference: Stephen Tomanelli, Vice-Chair

Present Staff: Gary Thompson, Executive Officer
Crystal Craig, Assistant Executive Officer
Elizabeth Valdez, Commission Clerk
Melissa Cushman, Legal Counsel

1. CALL TO ORDER AND SALUTE TO THE FLAG.

Chair Vargas called the meeting to order at approximately 8:36 a.m.

1.2. ROLL CALL.

1.3. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

Counsel Cushman made a statement to the public regarding disclosure of contributions made to Commissioners.

2. APPROVAL OF THE MINUTES:

- a. March 24, 2022
- b. April 20, 2022 (Special Meeting)

Moved (Hewitt) seconded (Wright) to approve the Minutes of the March 24, 2022 and April 20, 2022 meetings.

Chair Vargas called for the vote.

AYES: Vargas, Tomanelli, Wright, Jeffries, Hewitt, Sanchez, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: Williams from Item 2.a.

3. PUBLIC COMMENTS ON ANY ITEMS NOT ON THE AGENDA.

There were no public comments.

4. CONSENT CALENDAR (NON-HEARING ITEMS):

a. LAFCO Monthly Expenditure Review.

Moved (Williams) seconded (Sanchez) to approve the consent calendar as recommended by staff.

Chair Vargas called for the vote.

AYES: Vargas, Tomanelli, Wright, Jeffries, Hewitt, Sanchez, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

5. PUBLIC HEARINGS:

Continued: There were no continued public hearing items.

New:

a. Fiscal Year 2022/23 Proposed Budget.

Mr. Thompson presented the Proposed Budget. He stated there has been some savings in expenditures this year mainly due to the vacant position, however, revenues are significantly lower than projected. He stated that the end of year carryover may be as low as \$15,000 for next year. He stated that next year there is no consultant budget and staff will complete the MSRs and SOI reviews in-house. Mr. Thompson stated that he is proposing an 8.4% increase to the Local Agency Share (LAS) and a reduction in the transfer to Pension/OPEB Reserve by \$50,000. He stated if the Commission chose not to reduce the transfer amount the increase to the LAS would be estimated at 12%. He stated he has lowered the projected revenues and expenditures for next year. He stated the Proposed Budget is balanced meeting all reserve funding requirements and no projected carryover in Fiscal Year 2023-24.

Commissioner Hewitt stated that he is in favor of increasing the LAS by 12% rather than lowering the Pension/OPEB transfer. He stated that the 8.4% is almost identical the current CPI. He stated that this is a good example of taking responsibility to continue pay down debt.

Commissioner Wright asked what changes by adding the \$50,000 back into the budget. Mr. Thompson stated that the LAS will have to be increased to approximately 12% and the overall budget will not be changed, except for the changes to the reserve amounts and LAS. He explained how the LAS is paid by the agencies.

Commissioner Jeffries stated that approximately \$16,000 to each agency category will be keeping LAFCO on track to paying down its long term debt.

Chair Vargas opened the public hearing there being no one wishing to speak he closed the public hearing.

Moved (Hewitt) seconded (Jeffries) to add the \$50,000 back into the Pension/OPEB account budget, increase the Local Agency Share, approve the Fiscal Year 2022/23 Proposed Budget, and bring back the resolution approving the exemption from Government Code Section 563781(a) as recommended by staff.

Chair Vargas called for the vote.

AYES: Vargas, Tomanelli, Wright, Jeffries, Hewitt, Sanchez, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

6. OTHER BUSINESS:

- a. Status Regarding the Draft Agreement - "State Water Resource Control Board - Governance and Electricity Service Study - Imperial Irrigation District".

Mr. Thompson presented this item. He stated that at the last meeting the Commission extended the time frame to May 11th to execute the agreement. He stated that he received a revised agreement just two weeks ago, and the dates would not allow for the funding to be received until August therefore delaying the consultant contract until September or later. Mr. Thompson stated that he, Commissioner Sanchez, and Assemblyman Mayes have had discussions to resolve the funding timeline issues. He stated that he is looking for direction to terminate the agreement on May 11th if funding issues are not resolved and language is not added to the agreement to guarantee full payment.

The Commission and Mr. Thompson discussed the importance of the study and resolving the funding issues to allow for the study to proceed without delays. They also discussed possible alternative funding sources including the cities and counties involved in the study area.

Mr. Thompson stated he would consider the creation of an MOU with affected agencies if the Agreement on May 11th terminates. He stated he would work with all agencies to set up how and if they would participate and fund the study.

Moved (Sanchez) seconded (Hewitt) if the May 11th date to execute the Agreement - "State Water Resource Control Board - Governance and Electricity Service Study - Imperial Irrigation District" expires then staff will work with the local agencies to fund the study through

an MOU and come back to the Commission with an update requesting direction on how to proceed.

Chair Vargas called for the vote.

AYES: Vargas, Tomanelli, Wright, Jeffries, Hewitt, Sanchez, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

- b. Renewing the Emergency Declaration pursuant to Resolution No. 01-22 Authorizing Virtual Commission Meetings for Thirty Days Pursuant to the Ralph M. Brown Act and establishing findings that state officials continue to impose or recommend measures to promote social distancing, justifying the ongoing need for virtual meetings. (Oral Report) (Link to Resolution 01-22)

Mr. Thompson stated that this item is to renew the emergency declaration and would allow for the May 26, 2022, meeting to be held pursuant to Resolution No. 01-22.

Chair Vargas asked that this item be placed on the consent calendar for future meetings.

Moved (Wright) seconded (Sanchez) to renew the Emergency Declaration pursuant to Resolution No. 01-22 Authorizing Virtual Commission Meetings for Thirty Days Pursuant to the Ralph M. Brown Act and establishing findings that state officials continue to impose or recommend measures to promote social distancing, justifying the ongoing need for virtual meetings as recommended by staff.

Chair Vargas called for the vote.

AYES: Vargas, Tomanelli, Wright, Jeffries, Hewitt, Sanchez, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

7. INFORMATION ITEMS: No action to be taken by the Commission.

- a. Proposals Received and/or LAFCO Initiated (Government Code Sections 56751 and 56857):

There were no new proposals received.

- b. Report on Conducting Authority Proceedings.

There was no Conducting Authority Proceedings Report.

8. LEGISLATIVE UPDATE AND POTENTIAL POSITIONS.

Mr. Thompson gave an update on pending legislation. He stated that AB 2957 was before the Assembly Local Government Committee, and SB 938 was now before the Assembly. He stated that there were no CALAFCO requests to take a position at this time. He stated he would continue to watch the items on the tracking list.

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson gave an update on the Murrieta Focused MSR. He stated that both Rancho California Water District and Western Municipal Water District reported they are entering into a MOU that they are taking to their district boards next month. He stated that Murrieta is looking at using funding to help with construction in the area. He stated he did not hear from Eastern Municipal Water District or directly from the City of Murrieta. Mr. Thompson stated that it appears the agencies were continuing to work together, focusing on the City's priority area of concern.

Ms. Craig gave an update on the City MSR stating the draft report was distributed for comment last month. She stated comments received would be incorporated into the draft that will be sent to the Commission one month prior to the June meeting so they have time to review it.

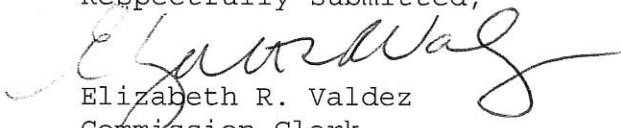
10. COMMISSIONER COMMENTS/FUTURE ITEMS.

There were no commissioner comments.

11. ADJOURNMENT.

The Commission adjourned the meeting at 9:29 a.m.

Respectfully submitted,



Elizabeth R. Valdez
Commission Clerk