



IMPERIAL COUNTY FARM BUREAU

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September 26, 2005

Elston Grubaugh, Interim General Manager
Imperial Irrigation District
333 East Barioni Blvd.
Imperial, CA 92251

Dear Mr. Grubaugh:

The Imperial County Farm Bureau has been involved in the Local Entity fallowing mitigation process for quite some time now, as the fallowing program directly impacts many of our members. We have several questions regarding Local Entity procedures which we have not received sufficiently clear answers to. It would be most appreciated if we could get answers to these questions in writing from appropriate Legal Counsel as public information.

1. The Local Entity has taken it upon themselves to name their group the "Imperial Valley Socioeconomic Improvement Committee." Several members have stated that, like their name indicates, their function is to improve the economy, which means it is within their discretion to use funds to assist businesses that may not actually be impacted by fallowing. The Revised Fourth Amendment to the QSA states in Section 14.5 (i), "*The Local Entity shall receive socioeconomic impact payments from the Authority and the IID sufficient to pay the estimated and measured annual and cumulative socioeconomic impacts of land fallowing.*" This leads us to believe that the intent of the Local Entity should be to only expend funds on businesses with "*estimated and measured annual and cumulative socioeconomic impacts of fallowing.*" If this statement is true, the Local Entity would be out of line in developing a plan that allows for businesses without measured impacts from fallowing to be considered for mitigation. **Please clarify.**
2. The Local Entity's Bylaws state in section I (vii) that they are to, "*Assist IID and the County of Imperial to satisfy the obligations established in section 2 of Chapter 612 of the Statutes of 2003 that require IID to consult with the County of Imperial and obtain its assessment of economic impacts prior to IID's adoption of a land fallowing conservation plan.*" **Has this been done?**
3. The Local Entity Bylaws state in section II (a), "*The Local Entity shall consist of eleven members, each of whom shall serve at the pleasure of the member's appointing agency as follows...*" It goes on to describe each position on the Local Entity. We don't find anywhere in this section where it allows for alternates to fill in during a meeting. This

did occur with the County Supervisors when the appointee could not attend and they sent an alternate in his place. **Please clarify whether this is permissible. Also, if it is permissible, shouldn't all appointees to the Local Entity have the same option in case they cannot attend a meeting?**

4. **How are sub-committees of the Local Entity formed and how can members of those committees be changed or added? Are there any limitations, requirements or guidelines to the formation of these committees? Who appoints the committees?**
5. We have suggested to the Local Entity that they establish economic sector oversight committees consisting of knowledgeable peers of the particular sector represented to review proposals and recommend funding to be awarded. **Is this allowable?**
6. The Local Entity Bylaws state in section II (iv), "These members shall serve one year terms..." **Does this one year term apply to all eleven members of the Local Entity or only the non-governmental members? What should occur when the one year term has expired? If a member's term is expired, how would an interested member of the public have an opportunity to serve on the Local Entity?** It certainly does not seem like an appropriate procedure to allow a public service committee to be endlessly self-appointing without any means of allowing new people to serve.
7. The Local Entity bylaws section VI (c) states, "*IID shall provide the Chief Administrative Officer and Chief Financial Officer of the Local Entity who shall attend all meetings of the Local Entity.*" **Who is currently acting in these positions?**
8. Kimberly Collins has stated that once mitigation recipients have been awarded funding, their names and the amounts awarded will be published in the newspaper. We believe that this should be public information and that anyone who requests it should be able to retrieve a copy; however we do not feel that it is prudent or necessary to publish this in the newspaper. **Is this necessary?**
9. **When an entity receives mitigation funding, who has domain over how that money is spent? Is the money taxable?**
10. **Is there a policy that would prevent a conflict of interest situation from occurring?** For example, a Local Entity member voting on a funding program that would benefit the very organization that he or she is representing on the Local Entity.
11. Monies from the IID and the San Diego County Water Authority are limited to being spent on impacts caused by fallowing for the IID/SDCWA water transfer only. **Does the Local Entity's current mitigation plan distinguish between fallowing programs in order to prevent funding from being used to mitigate for impacts caused by overrun paybacks or a farmer's personal decision to fallow based on economic reasons? If not so, should this be taken into consideration?**
12. **If the Local Entity chooses to begin expending mitigation funds prior to an approved economic report and completed arbitration with San Diego, could there be ramifications of the illegal dispersing of the money? If so, what would those ramifications be?**
13. **Who is the Local Entity acting on behalf of?**
14. **Does the Local Entity have a tax status?**
15. **Does the Local Entity provide liability insurance for their members to indemnify them from litigation?**
16. **Does the current Mitigation Plan adopted by the Local Entity fully comply with the guidelines in the Revised Fourth Amendment of the QSA?**

We look forward to hearing from you soon with answers to these questions which are of great importance to the agriculture community. Thank you.

Respectfully;

Nicole M. Rothfleisch
Executive Director