



IMPERIAL VALLEY FOREIGN TRADE ZONE

IMPERIAL COUNTY WORKFORCE AND ECONOMIC DEVELOPMENT • 2799 S. Fourth Street, El Centro, CA, 92243

MEETING MINUTES

Wednesday, September 16, 2020 @ 2:00 P.M.
Zoom Meeting

PROCEEDINGS

A meeting of the Imperial Valley Foreign Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on September 16, 2020 @ 2:00 P.M. utilizing the Zoom meeting application due to the coronavirus pandemic. Members of the public were encouraged to submit their comments via email prior to the day of the meeting.

ATTENDEES

JPA Members

City of Brawley
City of Calexico
City of Calipatria
City of El Centro
City of Holtville
County of Imperial

Primary

Miguel Figueroa
Romualdo Medina
Adriana Nava
Nick Wells

Alternate

Esperanza Colio Warren

Consultants

(None)

Coordinating Staff

I.C. Workforce & Economic Development
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Priscilla Lopez
Jade Padilla
Tyler Mayo

Other Invites

None



IMPERIAL VALLEY FOREIGN TRADE ZONE

MINUTES

I. Call meeting to order

- a. Roll call.

Meeting was called to order by ADRIANA NAVA at 2:07 P.M. Roll call was performed by J. PADILLA with five (5) JPA members present; it was determined that quorum was met.

- b. Approval of 07/15/2020 minutes.

R. MEDINA motions to approve the minutes as presented. M. FIGUEROA 2nd the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

II. Discussion/direction/action/update

- a. Discussion regarding corrected FY 20-21 budget.

J. PADILLA presented the approved budget submitted on July 15, 2020; noting a percentage of original membership credit was accidentally applied to the City of Holtville. She proceeded to show how this mistake was made on the budget excel sheet. She then proceeded to show the corrected excel sheet and the budget. J. PADILLA also explained that, as 25% of the Year End Budget credit was approved to be utilized on the budget, the formula made the budget a living document as this available amount changed the membership dues and vice-versa until the number is consistent. Thus, the budgetary numbers for the Membership Fees and Year End Balance changed slightly. It was also noted that the remaining Original Member Balance was able to be divided evenly among the original members and the balance has been depleted. Ms. PADILLA also clarified that what is being presented is the corrected budget.

A. NAVA noted the City of El Centro submitted a membership form and payment recently and asked if it was received. J. PADILLA explained that the recent payment was for the previous year as they hadn't been charged. Since there wasn't an adopted budget until the end of the fiscal year, the invoicing wasn't done until the end of the year. ESPERANZA COLIO WARREN noted that the budgets for the previous year have already been closed and requested staff check the balances as well as ensure that the amount was encumbered from last year. E.C. WARREN also noted it would be the same situation for each city because every city has to close their books. ADRIANA NAVA asked when the invoice was sent, to which J. PADILLA couldn't recall the actual date, but was able to verify the invoices were sent prior to the end of the fiscal year. JADE



IMPERIAL VALLEY FOREIGN TRADE ZONE

PADILLA was able to confirm that the 19-20 Membership payments were received from the City of Holtville, County of Imperial, and the City of Calexico.

M. FIGUEROA motioned to approve the revised corrected budget dated September 4, 2020. R. MEDINA 2nd the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

- b. Authorization for IVFTZ-JPA Chair to execute the contract with IMS Worldwide to provide consulting services.

J. PADILLA reminded the IVFTZ-JPA of the previous selection of IMS Worldwide for consulting services as well as contract complications regarding insurance requirements. She further notes that those issues have been resolved. ADRIANA NAVA, in reference to page one, asked for clarification on ICCED. P. LOPEZ confirmed that this was a typo and clarified that this was the department, but should read IVFTZ. A. NAVA also noted that the contract notes Vertiv on the top. J. PADILLA confirmed that this was the correct contract and the correction will be made. E.C. WARREN indicates that the title for Priscilla Lopez needs to note that she is the manager for IVFTZ in Section 22.1. A. NAVA inquires if the project manager in Section 2.2, Trey Boring, was correct, to which staff noted the information will be checked. A. NAVA asks if the JPA can still proceed and obtain the services if the changes need to be made; to which P. LOPEZ notes the vote can be to proceed contingent upon the revisions recommended by the board. E.C. WARREN notes that the agreement will need to be brought to the next meeting as miscellaneous. A. NAVA mentioned if it was to be ratified, which was agreed upon.

ADRIANA NAVA asks if this contract was needed as a rush to assist Calexico to activate. E.C. WARREN noted they had another consultant to assist them through the process. J. PADILLA noted there was a rush to have the Coppel application reviewed and utilized the on-call contract with ITC Diligence, which expired this month. She verified that the review of the application was a task that ITC Diligence was assigned and completed. J. PADILLA proceeding in providing an update in the application to the National FTZ Board as well as the U.S. Customs & Border Patrol (CBP). She noted that there was miscommunication between the County, Coppel, and CBP as Coppel does not intend on activating the expanded zone. P. LOPEZ confirmed they wanted to proceed with the application for the expanded FTZ zone, but they did not want to activate at this time due to the current situation. E.C. WARREN found this information interesting as the activation of the extension is not costing them any money and they shouldn't be spending any more money by proceeding. P. LOPEZ noted it was their direction but agreed that it didn't make sense if there was no cost; unless they were under the impression that the expansion would cost them more. E.C. WARREN request that staff find out with Coppel. P. LOPEZ notes that they can clarify there is no additional costs in hopes that this will assist them. J. PADILLA continues that these misunderstanding of proceeding with the application and not the activation ultimately caused a delay in receiving a response from



IMPERIAL VALLEY FOREIGN TRADE ZONE

CBP that was needed in order for the National FTZ Board to finish their process. She noted that this process is now back on track and proceeding.

ADRIANA NAVA motioned to execute and approve the contract with IMS Worldwide to provide consulting services so long as the changes discussed for the agreement are made. M. FIGUEROA 2nd the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

c. Discussion/Action regarding execution of Vertiv Operator Agreement.

J. PADILLA presented the item noting that, after a year since showing interest and back-and-forth during that time, terms for an agreement were able to be made. Prior to any action by the JPA, it was also noted that Vertiv is applying as a Subzone rather than a General Purpose Zone. In terms of budget, the operator's fee is \$10,000 annual instead of the \$5,000 paid by the current zone operators. A. NAVA asked if there were any ramifications associated with them operating as a Subzone and how could it potentially affect the JPA. J. PADILLA admittedly could not answer these questions, only noting the differences in the annual fee. A. NAVA asked E.C. WARREN for her expertise in what the advantage would be, to which she noted it may depend on the activities they will be doing in the zone. ESPERANZA COLIO WARREN recommended staff reach out to the National FTZ Board and ask for a description for the differences between one and the other, if there were additional reporting criteria, if there were additional fees, and if there were limitations. As the IVFTZ has not had a Subzone operator before, we will need to know this information as it is generally in the best interest to do a Zone and not a Subzone. E.C. WARREN proceeds in expressing they may be trying to save funds. A. NAVA furthers that they may be trying to save money somewhere else on their end. E.C. WARREN clarifies that the IVFTZ does not pay any fees to the National FTZ Board for the activations. We are only required to have paperwork and reports on the type of zones we have. E.C. WARREN requests information from the National FTZ Board, based on the situation, what difference between one and the other is and the reporting ramifications will be. She presumes that our reporting will change and be extended; thus, we need to know in advance what extended reporting we need to do and comply with. P. LOPEZ notes we will reach out to our adviser. She also notes, after some research, the only difference is that a Subzone is focused on a single-driven usage site, for a single site and a single company. P. LOPEZ suggests we request information from the consultant as well, to which E.C. WARREN notes the consultant doesn't really work with the designation as they work with us, but we want to make sure that they have the same understanding that we have. She further notes that there are so many changes with the Foreign Trade Zone that we want to make sure we are following with those changes.

A. NAVA noted that they had been working with the IVFTZ since last November and inquires if we will need a special meeting to advance this item. N. WELLS notes that, with the way Zoom has been working and the shortness of the agenda, perhaps we only



IMPERIAL VALLEY FOREIGN TRADE ZONE

need to physically meet once a year. The JPA had a short discussion regarding the pros and cons of the Zoom meeting and then proceeded to discuss the postponement of the action until additional information is provided. P. LOPEZ noted the next meeting is scheduled for November and recommended a meeting in October so the item is not further delayed.

E.C. WARREN motions to table the action on the execution of the Vertiv Operator's Agreement for October. N. WELLS 2nd the motion. **Vote:** 5 in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

III. Future agenda items and other business

The JPA noted the Vertiv Operator's Agreement as a future agenda item. No additional future agenda items were discussed.

IV. Next meeting date

Per the last agenda item, A. NAVA noted the next meeting will be held in October; preferably at the same time. This was agreed upon by all present members of the JPA. A. NAVA also pointed out that this meeting will most-likely be a Zoom meeting.

V. Meeting adjourned

- a. Meeting adjourned at 2:36 P.M.