



**FINAL MINUTES**

**LAFCO REGULAR MEETING  
Wednesday, December 09, 2009, 9:00 a.m.  
Planning Commission Hearing Room, Hall of Administration  
10 Civic Center Plaza  
Santa Ana, CA**

**1. CALL TO ORDER**

**Chair Susan Wilson** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:01 a.m.

**2. PLEDGE OF ALLEGIANCE**

**Vice Chair Peter Herzog** led the pledge of allegiance.

**3. ROLL CALL**

The following Commissioners and alternates were present:

- **Chair Susan Wilson**
- **Vice Chair Peter Herzog**
- **Commissioner Cheryl Brothers**
- **Commissioner John Moorlach**
- **Commissioner Arlene Schafer**
- **Commissioner John Withers**
- **Alternate Commissioner Patsy Marshall**
- **Alternate Commissioner Derek J. McGregor**
- **Alternate Commissioner Charley Wilson**

The following Commissioners were absent at roll call:

- **Commissioner Bill Campbell** (Arrived at 9:05 am)
- **Alternate Commissioner Pat Bates** (Arrived at 9:05 am)

The following LAFCO staff members were present:

- **Legal Counsel Clark Alsop**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Bob Aldrich**
- **Senior Project Manager Carolyn Emery**
- **LAFCO Analyst Joe Serrano**

#### 4. APPROVAL OF MINUTES

##### November 18, 2009 – Regular Commission Meeting Minutes

**Chair Wilson** called for any changes of the November 18, 2009 regular commission meeting minutes. There were none.

**MOTION:** Approve November 18, 2009 Regular Commission Meeting minutes without revision. (Peter Herzog)  
**SECOND:** Susan Wilson  
**FOR:** Bill Campbell, Peter Herzog, Susan Wilson, and John Withers,  
**AGAINST:** None  
**ABSTAIN:** Cheryl Brothers, John Moorlach, and Arlene Schafer  
**MOTION PASSED**

#### 5. PUBLIC COMMENT

**Chair Wilson** requested public comments on any non-agenda item. No public comments were made.

#### 6. CONSENT CALENDAR

None

#### 7. PUBLIC HEARING

##### 7a. – Proposed “Southern Island Annexation to the City of Fountain Valley” (IA 09-16)

Senior Project Manager Carolyn Emery summarized the proposed Southern Island annexation of approximately 10.45 acres to the City of Fountain Valley. She noted that upon annexation, the City would assume the provision of municipal services to the subject territory. Ms. Emery pointed out some revisions regarding the terms and conditions that were made after the release of the staff report and draft resolution. She added that City Manager Ray Kromer requested to read into the record the City’s proposed revisions. Senior Project Manager Emery concluded with thanking staff from the Second District’s office, County and City for their assistance in bringing the proposal forward and recommended that the Commission approve the proposed annexation.

**Chair Wilson** called for questions from the Commission.

**Commissioner Campbell** asked whether the County of Orange agreed to these changes. Ms. Emery reassured him that the changes were acceptable to all parties.

**Chair Wilson** opened the public hearing.

Ray Kromer, City Manager of Fountain Valley requested the Commission to revise Section 2c of the draft resolution to clarify that all OCFCD owned and operated facilities would remain the responsibility of OCFCD.

**MOTION:** Approve the proposed “Southern Island Annexation to the City of Fountain Valley” (IA 09-16) with noted and revised conditions.(John Moorlach)  
**SECOND:** John Withers  
**FOR:** Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**7b. – Proposed “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19)**

LAFCO Analyst Joe Serrano summarized the proposed annexation to the City of San Juan Capistrano. He noted that the 132-acre property is currently being used for equestrian, recreation and open space and that if approved, the City would maintain and preserve the open space areas. He stated while there were no comments sent by affected agencies opposing the annexation, a resident of the City did contact LAFCO regarding issues with the Purchase and Sale Agreement. Mr. Serrano stated that both parties, the City and Rancho Mission Viejo, submitted an implementation agreement to address the LAFCO-related issues raised by the resident.

He recommended that the Commission adopt the resolution and approve the concurrent sphere amendment and annexation of the proposed territory to the City of San Juan Capistrano.

Executive Officer Joyce Crosthwaite noted that representatives of San Juan Capistrano and Rancho Mission Viejo were present at the meeting.

**Chair Wilson** called for questions and comments.

**Commissioner Bates** requested that LAFCO staff to inform her with any further information on the timing of future events within the subject territory, including the close of escrow. Ms. Crosthwaite described the detailed calendar currently used for the project and agreed to notify her with any updates.

**MOTION:** Approve the proposed “Ortega/La Pata Annexation to the City of San Juan Capistrano” (CA 09-19) (Peter Herzog)  
**SECOND:** Bill Campbell  
**FOR:** Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers

**AGAINST:           None**  
**ABSTAIN:           None**  
**MOTION PASSED**

## **8. COMMISSION DISCUSSION AND ACTION**

### **8a. – Review of the City of Costa Mesa Island Annexations**

Costa Mesa City Manager Allan Roeder provided the Commission with a brief history of the City's successful annexation of unincorporated islands. Mr. Roeder explained how the City conducted outreach programs to educate residents prior to annexing the unincorporated islands. He further noted that the City has been able to increase the level of services within the areas that were annexed.

Mr. Roeder referenced two unincorporated areas, the Santa Ana Country Club and the South Mesa Island, which the City will continue to study as potential annexation areas. He also noted that the unincorporated Banning Ranch area, located between Costa Mesa and Newport Beach, is still the subject of ongoing discussions between both cities.

**Chair Wilson** called for questions and comments.

**Commissioner Brothers** questioned whether the City or the County accepted responsibility for infrastructure project expenses upon annexing of these islands. Mr. Roeder indicated that the City and County formed a joint agreement to improve certain areas of unincorporated territory.

**Commissioner Moorlach** updated the Commission on discussions involving the County and Newport Beach regarding planning and preservation of the Banning Ranch area. He added that the Santa Ana Country Club and the residents in the South Mesa island prefer to annex to Newport Beach. **Commissioner Moorlach** suggested that a global solution may still be possible for these areas. He indicated that would like staff to consider these alternatives when Banning Ranch is discussed at future LAFCO hearings.

**Chair Wilson** thanked City Manager Roeder for his presentation.

### **8b. – Quarterly Adoption of Changes to the 2010 LAFCO Calendar**

LAFCO Analyst Joe Serrano summarized the revision of the 2010 LAFCO Calendar. During the November Hearing, the Commission asked staff to compare the calendars of both LAFCO and the Board of Supervisors for potential conflicting dates. Mr. Serrano indicated that the proposed LAFCO Calendar has been adjusted to avoid such conflicts.

**Chair Wilson** asked for a motion.

**Commissioner Wilson** left the meeting at 09:40am.

**MOTION:** Approve the revised 2010 LAFCO Calendar. (John Moorlach)  
**SECOND:** Arlene Schafer  
**FOR:** Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach,  
Arlene Schafer, Susan Wilson, and John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**8c. – Quarterly Project Calendar**

LAFCO Analyst Joe Serrano explained that the Quarterly Project Calendar will serve as an informative resource to the Commission as well as the public. Mr. Serrano summarized the contents of the project calendar.

**Chair Wilson** questioned the status of the Bolsa Chica project. Senior Project Manager Carolyn Emery explained that the Huntington Beach City Council held a study session in October and realized there were too many unanswered questions regarding the financial liabilities for the area. The City Council decided to suspend further discussion of annexation of the reserve at this time.

**Commissioner Moorlach** reiterated the need for staff to illustrate possible alternatives for Banning Ranch and other unincorporated areas between Costa Mesa and Newport Beach. **Commissioner Moorlach** asked about the status of the Island Village area, located between the City of Long Beach and Seal Beach, with respect to the County Boundary Report. Ms. Crosthwaite stated that the progress is still ongoing and the residents are currently discussing their options..

**Commissioner Moorlach** updated the Commission on Sunset Beach. He discussed the poll results of residents regarding future governance options. Executive Officer Crosthwaite updated the Commission on the residents' preparation of Preliminary Fiscal Analysis exploring incorporation of the Sunset Beach area.

**Chair Wilson** asked for a motion.

**MOTION:** Receive and file the December 9, 2009 LAFCO Project  
Calendar.  
(Arlene Schafer)  
**SECOND:** Peter Herzog  
**FOR:** Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach,  
Arlene Schafer, Susan Wilson, and John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**8d. – CALAFCO**

Executive Officer Joyce Crosthwaite briefly summarized the issue of regional representation on CALAFCO Board raised by the Southern California LAFCOs. Ms. Crosthwaite referenced Commission discussion that took place during LAFCO's November 18<sup>th</sup> LAFCO meeting. She added that a meeting with all the Southern California LAFCOs is scheduled for Friday, December 11, 2009 to describe potential alternatives for regional coordination and would further update the Commission after the meeting

**Chair Wilson** called for questions and comments.

**Commissioner Schafer** suggested a sub-regional committee for CALAFCO. **Commissioner Schafer** stated that the ideal solution would be to stay a member of CALAFCO and to address the current issues with the Board.

**Commissioner Herzog** stated that he believes CALAFCO does not have enough resources to focus on Southern LAFCOs. **Commissioner Herzog** explained his observations as a previous member of the CALAFCO Board and cited long-standing issues with the organization's funding structure and representation. **Commissioner Herzog** made a motion to not pay the 2010-2011 dues unless the CALAFCO Board of Directors makes serious efforts to resolve the issues raised.

**Chair Wilson** called for further questions and comments.

**Commissioner Campbell** asked staff whether there is an established direction to proceed if the Southern LAFCOs decide to withdraw from CALAFCO. Ms. Crosthwaite explained that the Southern LAFCOs favor a sub-regional committee approach.

**Commission Moorlach** referred to CSAC's urban, suburban and rural caucus. He noted that this model could be another governance structure possibility.

**Commissioner McGregor** asked if the other Southern LAFCOs would also follow Orange LAFCO's recommendation of not paying dues. Ms. Crosthwaite explained that the other LAFCOs are in agreement but a concrete answer will be determined after the December 11<sup>th</sup> meeting. She noted that San Diego LAFCO has requested an amicus brief from CALAFCO and would participate in both the Southern LAFCO committee and CALAFCO for the time being.

**Commissioner Marshall** requested staff clarification on Action 3b in the Strategic Plan for Regional Implementation. The action should specify the bylaws for geographic diversity in the nominations procedures.

**Commissioner Withers** would support the Commission's decision, but would like to create guidelines for a sub-regional committee. Mr. Withers recommended the Commission place the funds set aside for CALAFCO dues in a reserve.

**Commissioner Brothers** described the rejection of restructuring models by the CALAFCO Board.

**Chair Wilson** asked staff to report back to the Commission regarding the December 11<sup>th</sup> meeting.

**MOTION:** Approve staff recommendations, withholding payment of CALAFCO's 2010-2011 dues and direct staff to report back to Commission after December 11<sup>th</sup> meeting.  
(Peter Herzog)

**SECOND:** Arlene Schafer

**FOR:** Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED**

**8e. – Consultant Contract with Stanley R. Hoffman & Associates**

Executive Officer Joyce Crosthwaite briefed the Commission about the South County Fiscal Study which is exploring potential government structure options for south Orange County. The firm of Stanley R. Hoffman & Associates was selected through a competitive RFP process to prepare the study at a cost not to exceed \$25,000. The study will be jointly paid for by LAFCO, the County, the City of Rancho Santa Margarita, and the homeowners' associations of Coto de Caza and Las Flores. Each party has agreed to pay \$5,000.

**Chair Wilson** asked for a motion.

**MOTION:** Ratify contract with Stanley R. Hoffman & Associates for the South County Fiscal Study.  
(Bill Campbell)

**SECOND:** John Moorlach

**FOR:** Cheryl Brothers, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, and John Withers

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED**

**Commissioners Campbell and Moorlach** left the meeting at 10:05am.

**9. COMMISSIONER COMMENTS**

**Chair Wilson** congratulated **Commissioner Herzog** for being reelected as Mayor of Lake Forest for the 5<sup>th</sup> time.

**10. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

**10a. – Island Tours**

Senior Project Manager Carolyn Emery offered the Commission the opportunity to tour the unincorporated islands in Orange County.

**11. CLOSED SESSION**

None

**12. ADJOURNMENT OF REGULAR COMMISSION MEETING**

The meeting adjourned at 10:19 am.

Susan Wilson, Chair  
Orange County Local Agency Formation Commission

By: \_\_\_\_\_  
Joe Serrano  
Policy Analyst

