



FINAL MINUTES

LAFCO REGULAR MEETING
Wednesday, May 14, 2014, 8:30 a.m.
Planning Commissioner Hearing Room, Hall of Administration
10 Civic Center Plaza, Santa Ana

1. CALL TO ORDER

Vice Chair Pat Bates called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 8:43 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Todd Spitzer led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- **Vice Chair Pat Bates**
- **Commissioner Charley Wilson**
- **Commissioner John Withers**
- **Alternate Commissioner James Fisler**
- **Alternate Commissioner Todd Spitzer**
- **Alternate Commissioner Derek McGregor**

The following Commissioner was delayed:

- **Commissioner Cheryl Brothers** (arrived at 9:50 a.m.)

The following Commissioners were absent:

- **Chair Joe Carchio**
- **Commissioner John Moorlach**
- **Commissioner Susan Wilson**

The following LAFCO staff members were present:

- **Executive Officer Carolyn Emery**

- Assistant Executive Officer Ken Lee
- Project Manager Benjamin Legbandt
- Commission Clerk Cheryl Carter-Benjamin
- LAFCO Accountant Lynne Netty
- Legal Counsel Clark Alsop

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS
(Received After Agenda Distribution)**

None

5. APPROVAL OF MINUTES

April 9, 2014 - Regular Commission Meeting Minutes

The minutes were approved with no revisions.

MOTION: Approve the April 9, 2014 Regular Commission Meeting Minutes (John Withers)

SECOND: Charley Wilson

**FOR: Pat Bates, Derek McGregor, Todd Spitzer
Charley Wilson, John Withers**

AGAINST: None

ABSTAIN: None

MOTION PASSED

6. PUBLIC COMMENT

Vice Chair Pat Bates requested public comments on any non-agenda items. There were none.

Vice Chair Pat Bates closed public comments.

7. CONSENT CALENDAR

7a. - Quarterly Legislative Report

Vice Chair Pat Bates called for approval of the consent calendar.

MOTION: Approve the Consent Calendar (John Withers)

SECOND: Derek McGregor

**FOR: Pat Bates, Dereck McGregor, Todd Spitzer
Charley Wilson, John Withers**

AGAINST: None
ABSTAIN: None

MOTION PASSED

8. PUBLIC HEARING

8a. - Orange County Water District Annexation (DA 13-13)

Commissioner Withers recused himself from Agenda Item 8a prior to discussion.

Project Manager Benjamin Legbandt presented the staff report to the Commission on the proposed annexation of approximately 14,810 acres to the Orange County Water District (OCWD).

Vice Chair Bates opened the public hearing.

Phil Anthony, Board of Directors for the Orange County Water District commented on the agenda item in support of the annexation.

Steve Conklin, Engineering Manager for the Yorba Linda Water District (YLWD) commented on the agenda item in support of the annexation.

Executive Officer Carolyn Emery acknowledged that the General Manager from Irvine Ranch Water District (IRWD) and representatives of the City of Anaheim were also present in the audience.

Vice Chair Bates closed the public hearing.

Commissioner Spitzer asked Mr. Legbandt to provide context for the written comments submitted to LAFCO by Golden State Water Company (GSWC) regarding the financial impacts of the OCWD annexation and GSWC's opposition to the annexation. Mr. Legbandt described the timing of GSWC's comment letter, GSWC's third party financial study, OCWD's EIR process, and OCWD's working group process to reach "cost neutral" annexation agreements with IRWD, YLWD, and the City of Anaheim.

MOTION: Adopt the form of resolution approving the proposed annexation to the Orange County Water District; certify that the Commission has reviewed and considered the information contained within the CEQA documents; approve the Notice of Determination; and set a 21-day protest period. (Charley Wilson)

SECOND: James Fisler

FOR: Pat Bates, Derek McGregor, James Fisler
Charley Wilson
AGAINST: Todd Spitzer (Commissioner Spitzer registered a vote change
from "abstain" to "against" before closing of the meeting.)
ABSTAIN: None

MOTION PASSED

Commissioner Withers returned to the regular meeting.

8b. - Orange County Sanitation District Detachment (DD 13-10)

Project Manager Benjamin Legbandt presented the staff report to the Commission on the proposed detachment of approximately 171.5 acres of uninhabited open space from the Orange County Sanitation District.

Vice Chair Bates opened the public hearing. There were no speaker cards. **Vice Chair Bates** closed the public hearing.

MOTION: Adopt the form of resolution approving the proposed Laguna Woods detachment from the Orange County Sanitation District; concurrent amendment to the District's sphere of influence; and waiver of protest proceedings. (Charley Wilson)
SECOND: Todd Spitzer
FOR: Pat Bates, Derek McGregor, Todd Spitzer
Charley Wilson, John Withers
AGAINST: None
ABSTAIN: None

MOTION PASSED

8c. - LAFCO Proposed Budget for Fiscal Year 2014-2015 Update

Executive Officer Carolyn Emery and LAFCO Accountant Lynne Netty presented the staff report to the Commission to consider the adoption of the proposed budget for Fiscal Year 2014-2015 with Three-Year Budget Projections.

Vice Chair Bates opened the public hearing. There were no speaker cards. **Vice Chair Bates** closed the public hearing.

Commissioner McGregor asked how the designation of the County's health plan works for LAFCO employees. The Executive Officer responded that LAFCO contracts with the County for health plan benefits and LAFCO employee benefits

mirror those negotiated between the County and the appropriate County employee bargaining unit.

MOTION: Adopt the Proposed FY 2014-2015 Budget; distribute the proposed budget for review and comment; and receive and file the proposed three-year budget projections for FYs 2015-2016, 2016-2017, and 2017-2018. (Derek McGregor)

SECOND: John Withers

FOR: Pat Bates, Derek McGregor, Todd Spitzer
Charley Wilson, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

9. COMMISSION DISCUSSION AND ACTION

9a. - Yorba Linda Unincorporated Areas

Executive Officer Carolyn Emery notified the Commission that staff had no new reportable action.

Commissioner Spitzer gave a brief update on the EIR period for Esperanza Hills, noted that Celia Vista responded to EIR comments, and provided a brief status on the litigation proceedings for the unincorporated areas in Yorba Linda.

9b. - Proposed 2014-2015 Work Plan

Executive Officer Carolyn Emery presented the staff report to the Commission to discuss mandated projects and prioritize Commission-initiated projects included in the proposed 2014-2015 LAFCO Work Plan. The Commission provided feedback and direction to the Executive Officer on the prioritization of Commission-initiated projects. **Commissioner Withers** requested staff to return at a future Commission meeting with an additional report on issues and timeline regarding the remaining unincorporated islands.

Commissioner Brothers arrived at 9:50 a.m.

MOTION: Adopt the proposed FY 2014-2015 OC LAFCO Work Plan and prioritize Commission-initiated strategic projects. (Charley Wilson)

SECOND: Derek McGregor

FOR: Pat Bates, Derek McGregor, Todd Spitzer
Charley Wilson, John Withers

AGAINST: None

ABSTAIN: Cheryl Brothers

MOTION PASSED

Executive Officer Carolyn Emery received a speaker card from Ken Vecchiarelli, Interim District Manager for Golden State Water Company, after Agenda Item 8a was heard. **Vice Chair Bates** gave Mr. Vecchiarelli an opportunity to address the Commission on Orange County Water District Annexation DA13-13, Agenda Item 8a. Mr. Vecchiarelli thanked the Commissioners for the opportunity to allow the record to reflect the position of Golden State Water Company (GSWC) and expressed GSWC's concerns and opposition to the annexation.

9c. - LAFCO Consultant Contracts Update and 2014-2017 MOU with CSUF/Center for Demographic Research

Assistant Executive Officer Ken Lee presented the staff report on current LAFCO consultant contracts and the consideration of a new three-year MOU with the Center for Demographic Research.

Commissioner Withers asked staff to provide an overview of the services received through the MOU and how they are used by LAFCO. Staff will make an informational presentation to the Commission at a future LAFCO regular meeting.

- MOTION:** Receive and file the annual update on consultant contracts; approve the attached MOU with CSUF Auxiliary Services Corporation for CDR demographic data products and services. (John Withers)
- SECOND:** Charley Wilson
- FOR:** Pat Bates, Cheryl Brothers, Derek McGregor
Todd Spitzer, Charley Wilson, John Withers
- AGAINST:** None
- ABSTAIN:** None

MOTION PASSED

9d. - Comprehensive Quarterly Report

Assistant Executive Officer Ken Lee provided an overview of LAFCO's projects and financial performance during the third quarter of FY 2013-2014.

- MOTION:** Receive and file the Third Quarter Comprehensive Quarterly Report. (John Withers)
- SECOND:** Derek McGregor
- FOR:** Pat Bates, Cheryl Brothers, Derek McGregor,
Todd Spitzer, Charley Wilson, John Withers
- AGAINST:** None

ABSTAIN: None

MOTION PASSED

9e. - LAFCO Office Space Evaluation

Assistant Executive Officer Ken Lee presented the staff report on the evaluation of office space options for LAFCO and the proposed amendment to LAFCO's current lease with the County of Orange.

MOTION: Receive and file the May 14, 2014 Office Space Evaluation updates; authorize and direct the Executive Officer to execute the amendment to the County lease. (Charley Wilson)

SECOND: John Withers

**FOR: Pat Bates, Cheryl Brothers, Derek McGregor,
Todd Spitzer, Charley Wilson, John Withers**

AGAINST: None

ABSTAIN: None

MOTION PASSED

10. COMMISSIONER COMMENTS

Commissioner Spitzer asked **Vice Chair Bates** to register a vote change on Agenda Item 8a based on the comments provided by Golden State Water (GSWC) from an "abstention" to "against." **Vice Chair Bates** responded that the change in vote was noted.

Commissioner Brothers informed the Commission of her reelection to the Regular City Member seat and noted that the Alternate City Member seat remains vacant.

Commissioner McGregor asked staff to keep the Commission updated on the progress of the work plan for South Orange County Governance.

11. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

11a. -LAFCO Elections/Appointment Update

Executive Officer Carolyn Emery provided an update regarding the expiring terms of office for LAFCO city, special district, and public member seats. Ms. Emery noted the reelection of **Commissioner Brothers** to the Regular City Member seat, and **Commissioner Withers** to the Regular Special District Seat.

In addition, LAFCO has received two nominations for the Alternate Special District Member seat, current incumbent Commissioner/Director James Fisler with Mesa

Water District and Director Rich Freschi with Serrano Water District. The Ballot and Declaration of Qualification to Vote period closes June 13, 2014 at 3:00 p.m. Ms. Emery added that LAFCO received nine applications for the regular public member seat and the interviews are scheduled for the June 18 Regular Commission Meeting.

11b. - Coalition of California LAFCOs (CCL) Update

Commissioner Brothers provided an update to the Commissioners regarding the annual LAFCO Omnibus Bill and that the next CCL quarterly meeting would be held in San Diego, August 11, 2014.

12. CLOSED SESSION

None

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 10:18 a.m.

Pat Bates, Vice Chair
Orange County Local Agency Formation Commission

By: _____
Cheryl Carter-Benjamin
Commission Clerk