



FINAL MINUTES

LAFCO REGULAR MEETING AGENDA

**Wednesday, April 8, 2015
8:00 a.m.**

**Orange County Transportation Authority
First Floor - Boardroom
600 South Main Street, Orange, CA 92868**

1. CALL TO ORDER

Chair McGregor called the regular meeting of the Orange County Local Agency Formation Commission (OC LAFCO) to order at 8:03 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Cheryl Brothers led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- **Chair Derek J. McGregor**
- **Vice Chair John Withers**
- **Commissioner Allan Bernstein**
- **Commissioner Cheryl Brothers**
- **Commissioner Todd Spitzer**
- **Commissioner Charley Wilson**
- **Alternate Commissioner Andrew Do**
- **Alternate Commissioner James Fisler**
- **Alternate Commissioner Kathryn Freshley**

The following Commissioner was delayed:

- **Commissioner Lisa Bartlett** (arrived at 8:10 a.m.)

The following LAFCO staff members were present:

- Executive Officer Carolyn Emery
- Project Manager Benjamin Legbandt
- Policy Analyst Carolyn Jones
- Commission Clerk Cheryl Carter-Benjamin
- Legal Counsel Alisha M. Winterswyk

4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS

None

5. APPROVAL OF MINUTES

March 20, 2015 – Regular Commission Meeting Minutes

The minutes were approved with no revisions.

MOTION: Approve the March 20, 2015 Regular Commission Meeting Minutes. (John Withers)
SECOND: Cheryl Brothers
FOR: Derek J. McGregor, John Withers, Allan Bernstein, Cheryl Brothers, Andrew Do, Charley Wilson
AGAINST: None
ABSTAIN: Todd Spitzer

MOTION PASSED

6. PUBLIC COMMENT

Chair McGregor requested public comments on any non-agenda items. There were none.

Chair McGregor closed public comments.

7. CONSENT CALENDAR

None

8. PUBLIC HEARING

8a. – Proposed LAFCO Budget for Fiscal Year 2015-2016

Executive Officer Carolyn Emery presented the proposed LAFCO budget for fiscal year 2015-2016 to the Commission and recommended that the Commission adopt the proposed budget, distribute the budget for review and comment, and receive and file the proposed LAFCO three-year budget projections for FYs 2016-2017, 2017-2018, and 2018-2019.

Chair McGregor opened the public hearing and requested comments from the public on the proposed LAFCO budget for fiscal year 2015-2016. There were none.

Chair McGregor closed the public hearing.

Commissioner Bartlett arrived at 8:10 a.m.

Commissioner Freshley asked Ms. Emery to clarify the drawdown of the unreserved equity. Ms. Emery explained that the unreserved equity had been used to keep the funding agency apportionments static since 2009, and the proposed three-year projections included increases to the apportionments over subsequent years since the reserves are expected to reach the Commission's approved level of 25% of budget in the next few years.

Commissioner Brothers asked if the consultants were included in the professional services line item. Ms. Emery replied that consultants are included within professional services.

MOTION: Adopt the proposed LAFCO budget for FY 2015-2016; distribute the proposed budget for review and comments; schedule an additional public hearing for consideration and adoption of the final LAFCO budget for FY 2015-2016 at the May 13, 2015 regular meeting; and receive and file the proposed three-year budget projections for FYs 2016-2017, 2017-2018, and 2018-2019. (Allan Bernstein)

SECOND: Charley Wilson

FOR: Derek J. McGregor, John Withers, Lisa Bartlett, Allan Bernstein, Cheryl Brothers, Todd Spitzer, Charley Wilson

AGAINST: None

ABSTAIN: None

MOTION PASSED

9. COMMISSION DISCUSSION AND ACTION

9a. - Proposed OC LAFCO Work Plan for Fiscal Year 2015-2016

Executive Officer Carolyn Emery presented the proposed work plan, which was based on the feedback and direction given by the Commission during the strategic planning session. The strategic planning session was used to discuss mandated projects and to prioritize Commission-initiated projects for fiscal year 2015-2016.

During the discussion Ms. Emery apprised the Commission that the City of Huntington Beach City Council had decided not to move forward with the Bolsa

Chica/Goodell annexation and that the work plan would be updated accordingly to remove that project.

Commissioner Fisler asked about the Costa Mesa Sanitary District's potential annexation of properties located in the City of Newport Beach. Project Manager Benjamin Legbandt replied that the District has been providing local sewer service to the properties for several years through a contract with the City of Newport Beach and that the proposed annexation would formalize the long-standing service arrangement. **Commissioner Fisler** asked about the difference with the requirement for activation of latent power as part of the East Orange County Water District application to assume sewer service responsibility in OCSD Service Area 7. Mr. Legbandt responded that the Costa Mesa Sanitary District already has the ability to provide sewer service and does not need to activate a latent power.

Commissioner Bartlett noted an error to the spelling of Supervisor Steel's name, which was referenced in the County Unincorporated Areas Inventory table. Ms. Emery acknowledged the error and stated that any misspellings would be corrected. **Commissioner Do** asked for additional information about the mandate for LAFCO to conduct municipal service reviews. Ms. Emery replied that OC LAFCO has completed three cycles of municipal service reviews. Ms. Emery noted that the first cycle was stakeholder driven and resulted in voluminous reports, adding that the law provides flexibility to each LAFCO in their approach to the review process and meeting the mandate. The Commission's approach to the last two cycles focused on using existing data and developing new web-based programs to streamline the municipal service review process while meeting the state mandate.

Commissioner Withers asked staff to provide the Commission with a report on the Commission's approach to the municipal service review mandate at a future meeting to provide context for new Commissioners as the Commission begins to prepare for the 2018-2022 municipal service review cycle.

Commissioner Spitzer asked if the proposed work plan efforts could be accomplished by current staff. Ms. Emery responded that the proposed work plan included ongoing and anticipated projects and allows for flexibility with mandated projects taking priority over Commission initiated projects. Ms. Emery added that staff will update the Commission when there is a shift in anticipated projects or project timelines.

Chair McGregor asked for appointments to the Ad Hoc Legislative Committee to assist staff on the revisions of the Commission Legislative Policy Guidelines and review of legislation of LAFCO interest which are key projects listed on the work plan. **Commissioners Brothers, Do and Wilson** accepted an appointment to the Ad Hoc Committee.

MOTION: Approve the Proposed FY 2015-2016 OC LAFCO Work Plan and appoint an Ad Hoc Legislative Committee to assist staff on the revision of the Commission Legislative Policy Guidelines and review of legislation of LAFCO interest (as needed). (Allan Bernstein)

SECOND: Lisa Bartlett

FOR: Derek J. McGregor, John Withers, Lisa Bartlett, Allan Bernstein, Cheryl Brothers, Todd Spitzer, Charley Wilson

AGAINST: None

ABSTAIN: None

MOTION PASSED

10. COMMISSIONER COMMENTS

Commissioner Bernstein thanked staff for their support and hard work.

Commissioner Bartlett expressed her confidence in staff to get the approved work plan completed.

Commissioner Wilson stated that this work plan offers staff opportunities for professional growth.

Vice Chair Withers informed the new Commissioners that OC LAFCO is truly a leader statewide with a great staff and through proactive and innovative efforts.

Commissioner Brothers thanked staff for the thought provoking Strategic Planning Session.

Commissioner Freshley offered her expertise, having a background in performance and measurement standards, to staff in future discussions of the Fiscal Trends program.

Chair McGregor thanked the Commission for their participation and feedback at the strategic planning session and the timeliness and the adjustment to the new LAFCO regular meeting schedule.

11. EXECUTIVE OFFICER'S REPORT

Executive Officer updated the Commission on the following:

- New correspondence received from EOCWD regarding the proposed reorganization application and associated focused MSR for local sewer

service. Ms. Emery noted that a second letter from EOCWD had been received regarding the District's pending application for the transfer of sewer service for OCSD Service Area 7. She also referenced that a second copy of the response to the District's first letter, signed by Chair McGregor, was placed in the Commissioners' folders. Ms. Emery added that staff, as a priority, will continue to prepare the draft focused MSR for technical review by the affected agencies, followed by a community workshop to receive public input. LAFCO received notification from EOCWD that the District is revising the Plans for Services which may impact the current timeline.

- **LAFCO Alternate City Member Appointment Process.** The Clerk of the Board will oversee the appointment process for the Alternate City member seat, which is scheduled to take place in May 2015. Ms. Emery added that no formal notice had been received to date and staff will keep the Commission apprised of the appointment process.
- **Shared Services Program.** The Executive Officer is partnering with Martin Gonzales, Director of the Institute of Local Government, to showcase the Shared Services Program to California State Association of Counties (CSAC) on April 23, 2015 in Sacramento.

12. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

12a. - LAFCO Application for Detachment of Territory from the City of Orange: Proposed "Meyer Reorganization to the City of Anaheim" (RO 15-01)

Project Manager Benjamin Legbandt provided the Commission with an overview on LAFCO's process according to government code section 56751, which requires a proposal to detach territory from any city to be placed on the agenda as an informational item.

13. CLOSED SESSION

None

14. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 8:58 a.m.

Derek J. McGregor, Chair
Orange County Local Agency Formation Commission

By: _____
Cheryl Carter-Benjamin
Commission Clerk