



## FINAL MINUTES

### LAFCO REGULAR MEETING AGENDA

Wednesday, November 9, 2016  
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 8:04 a.m.

#### 2. PLEDGE OF ALLEGIANCE

Commissioner Withers led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners and Alternates were present:

- Chair Derek J. McGregor
- Commissioner Lisa Bartlett
- Commissioner Cheryl Brothers
- Commissioner Charley Wilson
- Commissioner John Withers
- Alternate Commissioner James Fisler
- Alternate Commissioner Kathryn Freshley

The following Commissioner and Legal Counsel were delayed:

- Commissioner Wendy Bucknum (arrived at 8:15 a.m.)
- Legal Counsel Scott Smith (arrived at 8:15 a.m.)

The following Commissioners were absent:

- Vice Chair Allan Bernstein

- **Commissioner Todd Spitzer**
- **Alternate Commissioner Andrew Do**

The following LAFCO staff members were present:

- Executive Officer Carolyn Emery
- Assistant Executive Officer Debra Kurita
- Policy Analyst Luis Tapia
- Policy Analyst Gavin Centeno
- Commission Clerk Cheryl Carter-Benjamin

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

Executive Officer Carolyn Emery noted the redline versions on the proposed amendments to LAFCO Guidelines and Policy (agenda item 9b.) were placed in the Commissioners' folders.

**5. APPROVAL OF MINUTES**

**October 12, 2016 - Regular Commission Meeting Minutes**

The minutes were approved with no revisions.

**MOTION:** Approve the October 12, 2016 Regular Commission Meeting Minutes. (John Withers)

**SECOND:** Charley Wilson

**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers, Charley Wilson, John Withers

**AGAINST:** None

**ABSTAIN:** None

**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**

Chair McGregor called for the approval of the consent calendar.

**7a. - Quarterly Legislation Report**

**MOTION:** Approve the Consent Calendar. (John Withers)  
**SECOND:** Charley Wilson  
**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,  
Charley Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED**

**8. PUBLIC HEARING**

None

**9. COMMISSION DISCUSSION AND ACTION**

**9a. - FY 2015-16 LAFCO Annual Audit**

Assistant Executive Officer Debra Kurita summarized staff's recommendation and introduced Jennifer Farr, of Davis Farr LLP, the new auditing firm for the agency. Ms. Farr presented an overview of the audit process and summarized the details of the Commission's audited financial statements. Ms. Farr concluded by informing the Commission that LAFCO received an "unqualified" opinion from the auditors, which is the highest level of opinion issued by an auditor.

**MOTION:** Receive and file LAFCOs FY 2015-16 audited financial statements prepared by Davis Farr LLP. (Charley Wilson)  
**SECOND:** Cheryl Brothers  
**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,  
Charley Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED**

**9b. - Amendment to the LAFCO Guidelines and Policy**

Executive Officer Carolyn Emery presented the staff report on the proposed amendments to the LAFCO Guidelines for Processing Applications and Evaluating Proposals, and the Policy for Processing Conflicting Proposals, which were developed with the Ad Hoc Committee, staff, and LAFCO Legal Counsel

**Chair McGregor** commended the committee for their hard work during this process.

**Commissioner Bucknum and Legal Counsel Scott Smith** arrived at 8:15 a.m.

**Commissioner Brothers** asked the Commission to consider a continuance of this item to allow the Commission and public additional time to review the proposed amendments to the policy and guidelines and the redlined versions of the policy distributed by staff at the meeting.

**Commissioner Bartlett** supported the continuance to allow the public an opportunity to review the proposed amendments and time to develop a better understanding of how the suggested changes relate to the provisions of the Cortese-Knox-Hertzberg Act.

**Chair McGregor** asked if there were any speakers from the public on this item.

Lisa Ohlund, General Manager of East Orange County Water District noted concern with the requirement of a petition signed by 25% of area residents for certain applications to the Commission and asked that "residents" be defined. She expressed appreciation of a continuance to allow more time to review proposed amendments.

Stacy Taylor of Mesa Water District thanked the Commission for considering a continuance to allow additional time for agencies to review the proposed amendments.

**Chair McGregor** closed the public comments on this item.

**MOTION: Continue the Amendments to the LAFCO Guidelines and Policy to the next regular meeting. (Cheryl Brothers)**

**SECOND: Lisa Bartlett**

**FOR: Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,  
Wendy Bucknum, Charley Wilson, John Withers**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSED**

#### **9c. - Comprehensive Quarterly Report**

Assistant Executive Officer Debra Kurita provided an overview of the Comprehensive Report for the first quarter of the 2016-17 fiscal year. She highlighted two items in the report: The Municipal Service Review (MSR) process and the budget information. Ms. Kurita noted that staff will initiate a competitive process to select a consultant to design the approach for conducting the fourth round of MSRs that will begin in 2018. On the budget, she informed the Commission that as of November 1, the agency had received 99 percent of the

apportionments and that the expenditures were at a 19 percent level which is below the projected level of 25% for this quarter.

**MOTION:** Receive and file the Comprehensive Quarterly Report.  
(Cheryl Brothers)  
**SECOND:** John Withers  
**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,  
Wendy Bucknum, Charley Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED**

**9d. – Adoption of the 2017 LAFCO Calendar**

Executive Officer Carolyn Emery gave a brief staff presentation on the proposed Commission meeting dates for 2017. Ms. Emery noted that after distribution of this agenda, the Board of Supervisors adopted their calendar and the County budget hearings conflict with the Commission meeting in June. Ms. Emery also added that calendar includes Strategic Planning Session in March and suggested the Commission may want to conduct the session, which is a longer meeting, at a different location.

**Commissioner Brothers** noted a typographical error on the 2017 calendar for September and offered the Fountain Valley Historical Society to host the 2017 Strategic Planning Session in March.

**MOTION:** Adopt the 2017 meeting calendar with error correction.  
(Cheryl Brothers)  
**SECOND:** John Withers  
**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,  
Wendy Bucknum, Charley Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED**

**9e. – Unincorporated Islands Update**

Policy Analyst Luis Tapia presented an update on the Commission's Unincorporated Islands Program and a progress report on the three cities that were identified by the Commission's Work Plan as high-priority areas for potential annexation. Mr. Tapia specified that stakeholder meetings were conducted by staff with the Cities of La Habra and Fountain Valley to identify key factors that need to be addressed to move forward with annexation. The Commission was advised that the discussions with the City of La Habra to annex the unincorporated islands are progressively moving forward towards submittal of an application. Mr. Tapia

further noted that a meeting was held with staff from the City of Anaheim to discuss the demographics and past annexation attempts regarding the Southwest Anaheim Island. Mr. Tapia proceeded by introducing the recently created unincorporated island fiscal profiles located on LAFCO's website. He added that staff is working on scheduling a meeting with the City of Santa Ana to discuss the 17th and Tustin island.

**MOTION:** Receive and file the report on the County Unincorporated Areas project. (Cheryl Brothers)

**SECOND:** John Withers

**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers, Wendy Bucknum, Charley Wilson, John Withers

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED**

## 10. COMMISSIONER COMMENTS

**Commissioner Fisler** congratulated the Commission Clerk for receiving recognition as the "Outstanding LAFCO Clerk" at the CALAFCO Annual Conference.

**Commissioner Freshley** stated how informative the CALAFCO conferences are and that they aid her in understanding her role as a public member.

**Chair McGregor** congratulated the Commissioners who ran in the November 2016 election.

## 11. EXECUTIVE OFFICER'S REPORT

Executive Officer Carolyn Emery informed the Commission of the following items:

- Staff met with the Santa Ana Watershed Project Authority staff to discuss potential collaboration on addressing service issues in the disadvantaged unincorporated communities (DUCs). OC LAFCO staff will share the information the agency has compiled on identified disadvantaged communities with the Watershed Authority. Ms. Emery noted that additional legislation involving DUCS is expected to be introduced and discussed during the next legislation period and that it is important the Commission staff stay engaged on this issue.
- Ms. Emery attended a presentation by provided by the State Water Resources Agency and State Water Board on the establishment of a working group by the Governor to develop a high-level efficiency framework for water service. Ms. Emery noted that there is a direct nexus with the upcoming MSRs and

that staff will continue to be engaged with these stakeholders regarding water service.

- Ms. Emery provided an update on the Orange County Leadership Symposium (OCLS). She explained that the symposium provides a platform for the elected and regional leaders to talk about issues that are facing Orange County. The Executive Officer and executives from several Orange County public agencies have been working with the Center for Leadership at Cal State Fullerton to develop an approach to revitalize the previous effort. The proposed structure of the redesigned program involves five half-day meetings and sessions for participants to take place in a location in Orange County. Ms. Emery noted that there is more work to be done in the preparation of the program and that there would be a cost involved. She informed the Commission that an agenda item with more information on the Symposium would be brought back to the Commission at a later date.
- Ms. Emery introduced the newest team member of the LAFCO staff, Policy Analyst Gavin Centeno, who brings a wealth of experience and previously worked with the City of Bellflower.
- **Chair McGregor** announced that Ms. Emery has taken the official role of Deputy Executive Officer of CALAFCO representing the Southern Region and extended his congratulations to her on behalf of the Commission.

**Commissioner Withers** left at 8:45 a.m.

## 12. INFORMATIONAL ITEMS & ANNOUNCEMENTS

### 12a. - CALAFCO Annual Conference

**Commissioner Brothers** provided an overview on the annual conference hosted by CALAFCO. She congratulated the Commission Clerk for receiving the 2016 Outstanding LAFCO Clerk award, and noted that the Southern Region, of which OC LAFCO is a member, received the 2016 Government Leadership award. She also noted that the CALAFCO Board's upcoming Strategic Planning Session in San Jose will take place on January 11, 2017 and conflicts with the Commission's January meeting.

## 13. ADJOURNMENT OF REGULAR COMMISSION MEETING

**Chair McGregor** noted lack of agenda items for the Commission to consider during the month of December and called for the motion to adjourn the Commission Meeting to January 11, 2017.

**MOTION:** Adjourn the Commission meeting to January 11, 2017. (Cheryl Brothers)

**SECOND:** Lisa Bartlett

**FOR:** Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,  
Wendy Bucknum, James Fisler, Charley Wilson

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED**

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

By: Cheryl Carter-Benjamin  
Cheryl Carter-Benjamin  
Commission Clerk