



FINAL MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, October 11, 2017
8:00 a.m.

Planning Commission Hearing Room
Hall of Administration
10 Civic Center Plaza, Santa Ana, CA 92701

1. CALL TO ORDER

Chair McGregor called the regular meeting of the Orange County Local Agency Formation Commission (OC LAFCO) to order at 8:06 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Bartlett led the Pledge of Allegiance.

3. OATH OF OFFICE

The Oath of Office was administered to Commissioner Luigi Rossetti (Lou Penrose) by the LAFCO Commission Clerk Cheryl Carter-Benjamin.

4. ROLL CALL

The following Commissioners and Alternates were present:

- Chair Derek J. McGregor
- Commissioner Lisa Bartlett
- Commissioner Cheryl Brothers
- Commissioner John Withers
- Alternate Commissioner James Fisler
- Alternate Commissioner Lou Penrose

The following Commissioners were absent:

- Vice Chair Allan Bernstein
- Commissioner Todd Spitzer

- **Commissioner Charley Wilson**
- **Alternate Commissioner Wendy Bucknum**
- **Alternate Commissioner Michelle Steel**

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
- Legal Counsel Scott Smith

**5. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Received After Agenda Distribution)**

No supplemental communication was received.

6. APPROVAL OF MINUTES

6a. – August 9, 2017 - Regular Commission Meeting Minutes

The regular minutes were approved with no revisions.

MOTION: Approve the August 9, 2017 Regular Commission Meeting Minutes. (John Withers)

SECOND: Lisa Bartlett

**FOR: Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,
James Fisler, John Withers**

AGAINST: None

ABSTAIN: None

MOTION PASSED

7. PUBLIC COMMENT

Chair McGregor requested public comments on any non-agenda items.

Kathryn Freshley, resident of Laguna Woods, asked the Commission to make entire agenda available for download on LAFCO's website.

Chair McGregor closed public comments.

8. CONSENT CALENDAR

Chair McGregor called for the approval of the consent calendar.

8a. - OCERS FY 2018-19 Retirement Contribution Rates and Prepayment Program

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

MOTION PASSED

9. PUBLIC HEARING

There were no public hearing items.

10. SPECIAL PRESENTATIONS

Chair McGregor moved Agenda Item 11 Commission Discussion and Action to be heard prior to Agenda Item 10 Special Presentations.

11. COMMISSION DISCUSSION AND ACTION

11a. - Appointment of Alternate Voting Delegate for 2017 CALAFCO Board of Directors Elections

Executive Officer Carolyn Emery provided an overview on CALAFCO's policy requiring each LAFCO to identify the Commission's primary and alternate voting delegates for its Board election process. Ms. Emery explained that, due to other commitments of the Vice Chair and immediate Past Chair, neither of them will be able to serve as the Alternate Voting Delegate for the elections that will be held at the CALAFCO Conference in San Diego. Therefore, the recommendation is that the Commission appoint another Commissioner to serve as the Alternate Voting Delegate.

Chair McGregor motioned for Commissioner Brothers to serve as the Alternate Voting Delegate for the CALAFCO 2017 Board of Directors' elections.

MOTION: Appoint Commissioner Brothers as the Alternate Voting Delegate for the CALAFCO 2017 Board of Directors' elections. (Derek J. McGregor)
SECOND: John Withers
FOR: Derek J. McGregor, Lisa Bartlett, Cheryl Brothers,

James Fisler, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

11b. - OC LAFCO Legal Services Request for Qualifications Process

Legal Counsel Scott Smith recused himself during this agenda item.

Assistant Executive Officer Debra Kurita provided an overview on the competitive process for selecting the agency's legal counsel. She informed the Commission that a Request for Qualifications was released on September 14 and directly disseminated to 12 law firms, posted on the OC LAFCO and CALAFCO websites, and distributed by the League of California Cities and ACC-OC to their member agencies. She noted that the responses were due back to OC LAFCO on October 13th and that a Committee comprised of the Chair, Commissioner Bartlett and Commissioner Brothers, together with staff, will be reviewing the responses and bringing a recommendation for a contract award in January.

Chair McGregor thanked **Commissioner Bartlett** for her participation in the first phase of the process.

10. SPECIAL PRESENTATIONS

Executive Officer Carolyn Emery noted that as the Commission enters its fourth cycle of Sphere of Influence updates and Municipal Service Reviews (MSRs), staff has invited executive staff members from cities and special districts to share updates on projects that were initiated after being the subject of an MSR. Ms. Emery introduced the presenters for this meeting, Lori Ann Farrell, Assistant City Manager of Huntington Beach, and Paul Cook, General Manager of IRWD.

10a. - City of Huntington Beach Annexation of Sunset Beach Update

Lori Ann Farrell, Assistant City Manager of the City of Huntington Beach, presented an overview of the project, highlighting the collaboration between the City, LAFCO, County of Orange and the community of Sunset Beach that resulted in the successful annexation of the community. Ms. Farrell concluded her presentation by stating that annexations are more likely to be successful if a strong nexus already exists between the jurisdiction and the community. She also spoke on the importance of a process that is responsive and engages the community.

Commissioner Fisler asked if the City of Huntington Beach initiated the annexation based on the feasibility study. Ms. Farrell responded that it was a collaborative process with the County of Orange as well as other stakeholders. She continued by stating that the feasibility study was completed to determine if there would be a

good nexus between the communities and whether there would be increased costs to the city.

Commissioner Fisler asked if the approval of the annexation of this 134 acre island required a vote of the people. The Executive Officer Emery responded by clarifying that since the island was under 150 acres, it met the criteria for a small island annexation which includes waiver of protest proceedings for island residents.

Commissioner Fisler asked why, in this annexation process, Sunset Beach Sanitary District and Surfside Colony Storm Water District were not consolidated into the City. Ms. Farrell responded that at that time, the City determined that dissolving or discontinuing the relationship with Sunset Beach Sanitary District was not the best solution; she further noted, however, that there have been subsequent discussions with the District.

Mike VanVoorhis, President of the Sunset Beach Community Association, shared his experience as a participant in the annexation process and highlighted the additional services Sunset Beach residents have received from the City of Huntington Beach as a result of the annexation. Mr. VanVoorhis complimented the collaborative outreach efforts by the City of Huntington Beach to involve the residents and to ensure that their questions were answered during the process.

10b. – Irvine Ranch Water District/Los Alisos Water District Consolidation Update

General Manager Paul Cook of IRWD presented an overview of the successful consolidation between two water districts, IRWD and Los Alisos. Mr. Cook identified three key areas that he felt made this process successful: 1) having a business-driven rationale for consolidation that ensured that customers in each area benefited; 2) LAFCO's provision of statutory oversight and efforts to ensure the appropriate level of community involvement; and 3) community outreach efforts to address concerns and incorporate community input.

Commissioner Fisler thanked Mr. Cook for his presentation and asked if there was a cost increase to the existing customers. Mr. Cook responded that IRWD isolated the cost from existing customers.

Chair McGregor thanked both presenters for their informative presentations and expressed the Commission's appreciation for their agencies' work in making the annexation and consolidation successful.

12. COMMISSIONER COMMENTS

The Commissioners each welcomed the newly appointed Alternate Public Member, **Commissioner Penrose**.

Commissioner Fisler stated that the consolidation study mentioned in the presentation was interesting to him and commented on the Mesa Water District's efforts to explore a potential consolidation with the Costa Mesa Sanitary District. He added that he would be speaking with the Executive Officer regarding the policy recently adopted by the Commission and doing an MSR on the potential consolidation.

Chair McGregor informed the Commission that Executive Officer Emery will be co-teaching seminars in the spring of 2018 and that this outside professional activity is in conformance with the provisions of her employment agreement and was approved by the Executive Committee. **Chair McGregor** further stated that the Executive Committee held their quarterly meeting with staff and the discussion included the Committee's strategic plan review process and a status report on the request for proposals for legal counsel services. He also announced that he would be one of the speakers at the 2017 CALAFCO annual conference.

13. EXECUTIVE OFFICER'S REPORT

Commissioner Withers left at 9:28 a.m. during this agenda item.

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

- **FY 2016-17 LAFCO Annual Audit:** The annual audit performed by Davis Farr LLP is underway. The Commission was provided a copy of the auditor's letter regarding professional auditing standards. The Commissioners were informed that they could contact the auditors directly if they have any questions.
- **Redevelopment Agency (RDA) Oversight Board Appointments County of Orange:** There is a statutory requirement that the LAFCO Executive Officer conduct the election process for the special district member appointment to the oversight board, and the process is currently underway.
- **The RFP for the City of San Juan Capistrano Focused MSR:** Since the agency received no responses to the first RFP, the process was restructured, and two RFPs were issued: one for a technical infrastructure assessment consultant and one for a fiscal consultant. The Commission received four proposals for the fiscal assessment and three proposals for the technical assessment. OC LAFCO staff and representatives from the City will be reviewing and ranking the proposals.
- **Stakeholder Process for the Fourth Cycle of MSR and Sphere Reviews:** This project is well underway and staff, together with the consultant, will be

hosting regional meetings with the county, cities and special districts over the next few months.

14. INFORMATIONAL ITEMS & ANNOUNCEMENTS

14a. - CALAFCO Annual Conference

Chair McGregor reminded the Commission of the 2017 CALAFCO Annual Conference, scheduled for October 25-27 in San Diego.

15. CLOSED SESSION

Chair McGregor and Legal Counsel announced no closed session required.

16. ADJOURNMENT OF REGULAR COMMISSION MEETING

The Regular Commission meeting was adjourned at 9:32 a.m.

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

By: 
Cheryl Carter-Benjamin
Commission Clerk